

## IMPORTANT NOTICE

**NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.**

**THIS OFFERING OF THE SECURITIES DESCRIBED IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER REGULATION 2(1)(SS) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (“SEBI ICDR REGULATIONS”).**

**IMPORTANT: This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately. You must read the following before continuing.** The following applies to the pre-numbered preliminary placement document of Techno Electric & Engineering Company Limited (the “**Company**”) dated July 16, 2024 in relation to the proposed qualified institutions placement of equity shares of ₹ 2 each (“**Equity Shares**”) by the Company filed with BSE Limited and National Stock Exchange of India Limited (the “**Stock Exchanges**”) (such document, the “**Preliminary Placement Document**”) attached to this e-mail, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Preliminary Placement Document. In accessing the Preliminary Placement Document, you acknowledge and agree to be bound by the following terms and conditions, including any modifications to them, from time to time, each time you receive any information from us as a result of such access. The information in the Preliminary Placement Document is confidential and subject to updation, completion, revision, verification, amendment and change without notice. ICICI Securities Limited (the “**Lead Manager**”) or any person who controls it or any of its respective affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Preliminary Placement Document or their respective contents or otherwise arising in connection therewith. **You acknowledge that the Preliminary Placement Document is intended for use by you only and you agree not to forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e- mail or otherwise to any other person.**

**INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES, UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE SECTION TITLED “RISK FACTORS” AS WELL AS INFORMATION CONTAINED ELSEWHERE IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION.**

**THE EQUITY SHARES OFFERED IN THE ISSUE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY STATE SECURITIES LAWS IN THE UNITED STATES, AND UNLESS SO REGISTERED, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ANY APPLICABLE U.S. STATE SECURITIES LAWS. YOU UNDERSTAND THAT THE EQUITY SHARES OFFERED IN THE ISSUE ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN “OFFSHORE TRANSACTIONS”, AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT (“REGULATION S”) AND YOU REPRESENT THAT YOU WERE OUTSIDE THE UNITED STATES WHEN THE OFFER TO PURCHASE THE EQUITY SHARES WAS MADE TO YOU AND YOU ARE CURRENTLY OUTSIDE THE UNITED STATES AND THAT YOU ARE NOT ACQUIRING OR SUBSCRIBING FOR THE EQUITY SHARES AS A RESULT OF ANY “DIRECTED SELLING EFFORTS” (AS DEFINED IN REGULATION S).**

**FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE EQUITY SHARES OF THE COMPANY AND DISTRIBUTION OF THE PRELIMINARY PLACEMENT DOCUMENT, SEE “SELLING RESTRICTIONS”, “NOTICE TO INVESTORS”, AND “TRANSFER RESTRICTIONS”. THE ATTACHED PRE-NUMBERED PRELIMINARY PLACEMENT DOCUMENT MAY NOT BE FORWARDED, DOWNLOADED, DELIVERED OR DISTRIBUTED, IN WHOLE OR IN PART, ELECTRONICALLY OR OTHERWISE TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A**

VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE EQUITY SHARES DESCRIBED IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT.

This Issue and the distribution of the Preliminary Placement Document is being done in reliance on Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013, each as amended and the rules framed thereunder. The Preliminary Placement Document is personal to each prospective investor and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors.

**Confirmation of your Representation:** You are accessing the attached Preliminary Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to the Lead Manager that: (1) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and to the extent that you purchase the securities described in the attached Preliminary Placement Document, you will be doing so pursuant to Regulation S; (2) the securities offered hereby have not been registered under the Securities Act; (3) you consent to delivery of the attached Preliminary Placement Document and any amendments or supplements thereto by electronic transmission; (4) you are a “Qualified Institutional Buyer” as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not restricted from participating in the offering under the SEBI ICDR Regulations and other applicable laws and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (5) you are aware that your name will be included in the Placement Document as proposed allottees along with the number of Equity Shares proposed to be Allotted to you and the percentage of your post issue shareholding in the Company and you consent to such disclosure; (6) you are aware that if you, together with any other Qualified Institutional Buyers belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose your name, along with the name of such other Allottees and the number of Equity Shares Allotted to you and to such other Allottees, on the website of the Stock Exchanges, and you consent to such disclosure; (7) you are aware that if you are circulated the Preliminary Placement Document or are Allotted any Equity Shares in the Issue, the Company is required to disclose details such as your name, address, PAN, email-id and the number of Equity Shares Allotted along with other relevant information as may be required, to the Registrar of Companies, Uttar Pradesh at Kanpur and you consent to such disclosures; and (8) that you consent to delivery of the attached Preliminary Placement Document and any amendments or supplements thereto and the final placement document for the Issue by electronic transmission.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Lead Manager to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute a “general solicitation” or “general advertising” (each as defined in Regulation D under the U.S. Securities Act) or “directed selling efforts” (as defined in Regulation S) in the United States or elsewhere. You are reminded that the attached Preliminary Placement Document has been delivered to you on the basis that you are a person into whose possession the attached Preliminary Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Preliminary Placement Document to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or invitation or solicitation in any place where offers, invitations or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and Lead Manager or any affiliate of the Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Lead Manager or such affiliate on behalf of the Company in such jurisdiction. Further, nothing in this electronic transmission constitutes an offer or an invitation or solicitation of an offer or an offer or invitation to the public under the Companies Act, 2013, or any other applicable law, by or on behalf of either the Company or the Lead Manager to subscribe for or purchase any of the equity shares described in the attached Preliminary Placement Document. The attached Preliminary Placement Document has not been and will not be filed as a prospectus with any registrar of companies in India and is not and should not be construed as an offer document under the SEBI ICDR Regulations or any other applicable law. The attached Preliminary Placement Document has not been and will not be reviewed or approved by any regulatory authority in India, including the Securities and Exchange Board of India, the Reserve Bank of India, any registrar of companies in India or any stock exchange in India. The attached Preliminary Placement Document is not and should not be construed as an invitation, offer or sale of any securities to the public in India.

The Preliminary Placement Document been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, Lead Manager or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any of them accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Placement Document distributed to you in electronic format and the hard copy version available to you on request from the Lead Manager. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. The attached Preliminary Placement Document is intended only for use by the addressee named herein and may contain legally privileged and / or confidential information. If you are not the intended recipient of the attached Preliminary Placement Document, you are hereby notified that any dissemination, distribution or copying of the attached Preliminary Placement Document is strictly prohibited. If you have received the attached Preliminary Placement Document in error, please immediately notify the sender or the Lead Manager by reply email and destroy the email received and any printouts of it.

You are reminded that no representation or warranty, expressed or implied, is made or given by or on behalf of any Lead Manager named herein, nor any person who controls them or any director, officer, employee or agent of them, or affiliate or associate of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this document and such persons do not accept responsibility or liability for any such information or opinions.

**Actions That You May Not Take:** You should not reply by e-mail to this announcement, and you may not purchase any of the equity shares described in the attached pre-numbered Preliminary Placement Document by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person.

**YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) FORWARD, DISTRIBUTE OR DELIVER THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT, ELECTRONICALLY OR OTHERWISE, OR DISCLOSE THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON OR (2) REPRODUCE IN WHOLE OR PART THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISSEMINATION, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**Capital terms used but not defined herein shall have the meaning ascribed to such terms in the Preliminary Placement Document attached hereto.**



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Techno Electric & Engineering Company Limited (our “Company”) was originally incorporated as ‘Simran Wind Project Private Limited’ as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 26, 2005 issued by the Registrar of Companies, Maharashtra at Pune. Subsequently, the registered office of our Company was changed from Maharashtra to West Bengal, pursuant to a certificate of registration of company law board order for change in state dated August 8, 2011 by Registrar of Companies, West Bengal (“RoC Bengal”). Pursuant to shareholders resolution dated May 30, 2013 our Company converted from private to public and a fresh certificate of incorporation dated June 14, 2013 consequent upon change of name from ‘Simran Wind Project Private Limited’ to ‘Simran Wind Project Limited’ was issued by RoC Bengal. Thereafter pursuant to the shareholders resolution dated December 29, 2016 our Company changed its registered office from West Bengal to Uttar Pradesh, pursuant to which a certificate of incorporation dated June 23, 2017 was issued by the Registrar of Companies, Uttar Pradesh at Kanpur (“RoC”). The name of our Company was changed to ‘Techno Electric & Engineering Company Limited’ pursuant to an order by the National Company Law Tribunal, Allahabad dated July 20, 2018 and a letter from the dated September 6, 2018, issued by the RoC. Pursuant to resolutions passed by our Board and shareholders on August 14, 2023 and September 26, 2023 respectively, we are in the process of shifting our registered office from the State of Uttar Pradesh to the State of Haryana. For further details, see “General Information” on page 456.

**Registered Office:** C-218 Ground Floor (GR-2) Sector-63, Gautam Buddha Nagar, Noida 201 307, Uttar Pradesh, India

**Corporate Office:** 1B, Park Plaza, South Block, 71, Park Street, Kolkata 700 016, West Bengal, India

**Tel No.:** +91 120 240 6030 | **Website:** www.techno.co.in | **Email:** desk.investors@techno.co.in | **Contact Person:** Niranjan Brahma, Company Secretary and Compliance Officer

**Corporate Identity Number:** L40108UP2005PLC094368

Issue of up to [●] equity shares of face value of ₹ 2 each (“Equity Shares”) at a price of ₹ [●] per Equity Share (“Issue Price”), including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakh (“Issue”). For further details, see “Summary of the Issue” on page 40.

**THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (“SEBI ICDR REGULATIONS”), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (“COMPANIES ACT, 2013”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (“PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED.**

The Equity Shares of our Company are listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) and together with NSE, the “Stock Exchanges”. The closing prices of the Equity Shares on NSE and BSE as on July 15, 2024 were ₹ 1,494.75 and ₹ 1,491.55 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) for listing of the Equity Shares to be issued pursuant to this Issue, from each of BSE and NSE on [●], 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED BELOW) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBs. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ “RISK FACTORS” ON PAGE 47 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as required under the Companies Act, 2013 and PAS Rules (as defined hereinafter). This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India (“SEBI”), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see “Issue Procedure” on page 83. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the websites of our Company, or our Subsidiaries, as applicable, or any other website directly or indirectly linked to such websites, or the website of the Lead Manager (as defined hereinafter) or its affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such website for investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions”, as defined in and in reliance on Regulation S under the U.S. Securities Act (“Regulation S”) and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. See “Selling Restrictions” on page 210 and “Transfer Restrictions” on page 218 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Preliminary Placement Document is dated July 16, 2024.

LEAD MANAGER





## TABLE OF CONTENTS

NOTICE TO INVESTORS.....	6
REPRESENTATIONS BY INVESTORS.....	9
OFFSHORE DERIVATIVE INSTRUMENTS.....	15
DISCLAIMER CLAUSE OF THE STOCK EXCHANGES.....	16
PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS.....	17
INDUSTRY AND MARKET DATA.....	19
FORWARD-LOOKING STATEMENTS.....	21
ENFORCEMENT OF CIVIL LIABILITIES.....	23
EXCHANGE RATES.....	24
DEFINITIONS AND ABBREVIATIONS.....	25
SUMMARY OF BUSINESS.....	31
SUMMARY OF THE ISSUE.....	40
SELECTED FINANCIAL INFORMATION.....	42
RELATED PARTY TRANSACTIONS.....	46
RISK FACTORS.....	47
MARKET PRICE INFORMATION.....	76
USE OF PROCEEDS.....	78
CAPITALIZATION STATEMENT.....	83
CAPITAL STRUCTURE.....	84
DIVIDENDS.....	86
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	87
INDUSTRY OVERVIEW.....	120
BUSINESS.....	163
BOARD OF DIRECTORS AND SENIOR MANAGEMENT.....	177
ORGANIZATIONAL STRUCTURE.....	187
SHAREHOLDING PATTERN OF OUR COMPANY.....	190
ISSUE PROCEDURE.....	194
PLACEMENT AND LOCK-UP.....	208
SELLING RESTRICTIONS.....	210
TRANSFER RESTRICTIONS.....	218
THE SECURITIES MARKET OF INDIA.....	220
DESCRIPTION OF THE EQUITY SHARES.....	224
TAXATION.....	228
LEGAL PROCEEDINGS.....	232
OUR STATUTORY AUDITORS.....	237
FINANCIAL INFORMATION.....	238
GENERAL INFORMATION.....	456
DETAILS OF PROPOSED ALLOTTEES IN THE ISSUE.....	458
DECLARATION.....	459
SAMPLE APPLICATION FORM.....	462

## NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to us and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to us and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Preliminary Placement Document with regard to us and the Equity Shares to be issued pursuant to the Issue are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Preliminary Placement Document has been provided by our Company and other sources identified herein.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorized, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

The Lead Manager have not separately verified all the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Lead Manager nor any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Lead Manager or by any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with us or this Issue or distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on either the Lead Manager or on any of its respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and its Subsidiaries and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or the Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as on any time subsequent to its date.

**The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.**

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in 'offshore transactions', as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 210 and 218, respectively.

Subscribers and purchasers of the Equity Shares offered in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements set forth in the sections “**Representations by Investors**” and “**Selling Restrictions**” and “**Transfer Restrictions**” on pages 9, 210 and 218, respectively, of this Preliminary Placement Document.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted by applicable laws in certain countries or jurisdictions. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Lead Manager which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For further details, see “**Selling Restrictions**” on page 210.

In making an investment decision, prospective investors must rely on their own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document or the Placement Document as legal, tax, accounting or investment advice and should consult their own counsels and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Lead Manager are making any representation to any investor, subscriber, offeree or purchaser of the Equity Shares regarding the legality or suitability of an investment in the Equity Shares by such investor, subscriber, offeree or purchaser under applicable laws or regulations. Prospective investors should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial advisor and/or legal advisor.

Each investor, subscriber or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Preliminary Placement Document has been prepared for information purposes to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

Neither the Company nor the Lead Manager undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

Our Company and the Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of the Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not ultimately result in triggering a tender offer under the SEBI Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The information available on or through our Company’s website ([www.techno.co.in](http://www.techno.co.in)), or any website directly or indirectly linked to the website of our Company, Subsidiaries, or the respective websites of the Lead Manager, or its respective affiliates, does not constitute or forms part of this Preliminary Placement Document and

prospective investors should not rely on the information contained in or available through any such websites. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

#### **NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS**

For information relating to investors in certain other jurisdictions, see the sections “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 210 and 218, respectively.

## REPRESENTATIONS BY INVESTORS

All references to “you” and “your” in this section are to the prospective Bidders in the Issue. By Bidding and/or subscribing to any Equity Shares under this Issue, you are deemed to have made the representations, warranties, acknowledgements and agreements set forth in the sections “*Notice to Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 6, 210, and 218, respectively, and to have represented, warranted and acknowledged to and agreed with our Company and the Lead Manager as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or Subsidiaries which is not set forth in this Preliminary Placement Document;
2. You are a ‘Qualified Institutional Buyer’ as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations/making necessary filings, if any, in connection with the Issue;
3. That you are eligible to invest in India under applicable laws, including the FEMA Rules (as defined hereinafter), and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;
4. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable laws, including the FEMA Rules, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws, in connection with the Issue;
5. You acknowledge that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis;
6. You will provide the information as required under the Companies Act, 2013 and the PAS Rules and other applicable regulations for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;
7. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the Stock Exchanges (additional restrictions apply if you are in certain other jurisdictions), and in accordance with any other resale restrictions applicable to you. You hereby make the representations, warranties, acknowledgements, undertakings and agreements in the section titled “*Transfer Restrictions*” on page 218;
8. You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. For more information, see “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 210 and 218, respectively;
9. You are outside the United States and are purchasing the Equity Shares in an ‘offshore transaction’ as defined in and in reliance with Regulation S, and are not our Company’s or the LM affiliate or a person acting on behalf of such an affiliate;

10. You are not acquiring or subscribing for the Equity Shares as a result of any ‘general solicitation’ or ‘general advertising’ (as those terms are defined in Regulation D under the Securities Act) or “directed selling efforts” (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 210 and 218, respectively;
11. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified or affirmed by SEBI, RBI, Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been filed, and the Placement Document shall be filed with the Stock Exchanges for record purposes only and will be displayed on the websites of our Company and the Stock Exchanges;
12. You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents, approvals and authorizations, governmental and otherwise, as may be required and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honor such obligations;
13. You are aware that the Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and shall rank *pari passu* in all respects with the existing Equity Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Equity Shares after the date of issue of the Equity Shares, as applicable;
14. You are aware that our Company, the Lead Manager or any of its respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Lead Manager. Neither the Lead Manager nor any of its respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity in relation to you;
15. All statements other than statements of historical fact included in this Preliminary Placement Document, including, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward- looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward- looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. Neither our Company, nor the Lead Manager or any of its respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;
16. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than the Eligible QIBs, and the Allotment shall be on a discretionary basis i.e. at the discretion of our Company in consultation with the Lead Manager;

17. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out in this section and under sections “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 210 and 218, respectively and you warrant that you will comply with such representations, warranties, acknowledgements and undertakings;
18. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the “*Risk Factors*” on page 47;
19. In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company and its Subsidiaries and the terms of the Issue, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and its Subsidiaries and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;
20. Neither our Company nor the Lead Manager or any of its respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Company, the Lead Manager or any of its respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against us, either of the Lead Manager or any of its respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;
21. You are a sophisticated and informed investor and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Lead Manager or any of its respective shareholders, directors, officers, employees, counsels, representatives, associates agents or affiliates, for all or part of any such loss or losses that may be suffered, in connection with the Issue, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;
22. If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to ‘you’ to include such accounts;
23. You are not a ‘promoter’ of our Company (as defined under Section 2(69) of the Companies Act, 2013 and under Regulation 2(oo) of the SEBI ICDR Regulations), and are not a person related to any of the Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoter or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;
24. You have no rights under a shareholders’ agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director



on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

25. You will have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);
26. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;
27. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;
28. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable laws;
29. The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;
30. Your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:
  - i. Eligible QIBs 'belonging to the same group' shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, among an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and
  - ii. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) under the SEBI Takeover Regulations.
31. You are aware that after Allotment, final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Lead Manager or any of its respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;
32. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;
33. You are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, the Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Lead Manager;
34. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;
35. You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

36. You are aware that if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures being made by our Company;
37. You are aware and understand that the Lead Manager has entered into a placement agreement with our Company, whereby the Lead Manager has, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;
38. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Lead Manager nor any of its respective shareholders, directors, officers, employee, counsels, advisors, representatives, agents and affiliates has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Lead Manager or our Company or any other person and neither the Lead Manager nor our Company or any of their respective shareholders, directors, officers, employee, counsels, advisors, representatives, agents and affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Lead Manager and their respective shareholders, directors, officers, employee, counsels, advisors, representatives, agents and affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion that you may have obtained or received;
39. Neither the Lead Manager nor any of their respective shareholders, directors, officers, employee, counsels, advisors, representatives, agents and affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non- performance by our Company of any of its obligations or any breach or alleged breach of any representations and warranties by our Company, whether to you or otherwise;
40. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;
41. Any dispute arising in connection with the Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in Delhi, India only, shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document;
42. You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company (i.e. up to 100% under the automatic route. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis; and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of

the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

43. You confirm you are eligible to invest and hold Equity shares of our Company and that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (where in each case, investment can only be through the Government approval route), and that your investment is in accordance with Consolidated FDI Policy, read along with the Press Note no. 3 (2020 series), dated April 17, 2020 issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and Rule 6 of the FEMA Rules;
44. You are aware that no offer or invitation of any securities can be made to a body corporate incorporated in, or a national of, a country which shares a land border with India, unless such body corporate or the national, as the case may be, has obtained Government approval under the FEMA Rules and attached the same with the Application Form;
45. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Lead Manager;
46. You confirm that, either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (“**Company Presentations**”) with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company Presentations; (a) you understand and acknowledge that the Lead Manager may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such meetings or Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Lead Manager has advised you not to rely in any way on any such information that was provided to you at such meetings or Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;
47. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and commencement of trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Lead Manager and its respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach or alleged breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts; and
48. Our Company, the Lead Manager, its respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Lead Manager on its own behalf and on behalf of our Company and are irrevocable. You agree that the terms and provisions of the foregoing representations, warranties, acknowledgements and undertakings, shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Lead Manager and our Company, its respective permitted assigns, and the terms and provisions hereof shall be binding on our permitted assigns and permitted transferees.

## OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, Eligible FPIs (including affiliates of the Lead Manager) who are registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as “**P-Notes**”) and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, such P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with ‘know your client’ requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (“**FPI Operational Guidelines**”), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying Indian company.

Further, in accordance with the Consolidated FDI Policy, read along with the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, and the related amendments to the FEMA Rules, investments made by an entity of a country, which shares land border with India, or investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the Lead Manager which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Lead Manager and does not constitute any obligations of or claims on the Lead Manager.

**Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures from the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.**

## **DISCLAIMER CLAUSE OF THE STOCK EXCHANGES**

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;
2. warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or
3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

## PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

### Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you,' 'your,' 'offeree,' 'purchaser,' 'subscriber,' 'recipient,' 'investors,' 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Issue, references to the 'Company,' 'our Company,' the 'Issuer' are to Techno Electric & Engineering Company Limited, on a standalone basis, and references to 'we,' 'our' or 'us' are to Techno Electric & Engineering Company Limited, together with its Subsidiaries on a consolidated basis.

In this Preliminary Placement Document, all references to:

- "Rupee(s)", "Rs." or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India;
- "USD" or "U.S. Dollars" or "\$" are to United States Dollars, the official currency of the United States of America, and;
- "EUR" or "€" are to Euro, the official currency of the European Union.

Further, all references herein to the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Preliminary Placement Document in "lakh" units. In this Preliminary Placement Document, references to "Lakhs" represents "100,000", "million" represents "10 lakh" or "1,000,000", "Crore" represents "10,000,000" or "10 million" or "100 lakhs", and "billion" represents "1,000,000,000" or "1,000 million" or "100 Crore".

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal. Our Company reports its financial statements in Indian Rupees.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

### Page Numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

### Financial Data and Other Information

In this Preliminary Placement Document we have included the following financial statements of our Company prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended read with Section 133 of the Companies Act, 2013 ("**Ind AS**"): (i) the audited consolidated financial statements as of and for the financial year ended March 31, 2022 read along with the notes thereto ("**Fiscal 2022 Audited Consolidated Financial Statements**"); (ii) the audited consolidated financial statements for as of and for the financial year ended March 31, 2023 read along with the notes thereto ("**Fiscal 2023 Audited Consolidated Financial Statements**"); and (iii) the audited consolidated financial statements as of and for the financial year ended March 31, 2024 read along with the notes thereto ("**Fiscal 2024 Audited Consolidated Financial Statements**", and collectively with Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2023 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**").

The Audited Consolidated Financial Statements should be read along with the respective audit reports thereon.

Our consolidated financial statements for the Fiscal 2024 and Fiscal 2023 were audited by Walker Chandiook & Co LLP, Chartered Accountants, our Statutory Auditors and our consolidated financial statements for the Fiscal 2022 were audited by Singhi & Co, Chartered Accountants, our erstwhile statutory auditors.

In addition, Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. (“**U.S. GAAP**”) or International Financial Reporting Standards (“**IFRS**”). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its Audited Consolidated Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements, as included in this Preliminary Placement Document, prepared in accordance with Ind AS, will provide meaningful information is entirely dependent on the reader’s familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 87.

All numerical and financial information as set out and presented in this Preliminary Placement Document, except for the information in the section “*Industry Overview*”, for the sake of consistency and convenience have been rounded off or expressed in two decimal place in ₹ lakhs. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them and the sum or percentage change of such numbers may not conform exactly to the total figure given.

The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular ‘Financial Year’, ‘Fiscal Year’ or ‘Fiscal’ or ‘FY’ are to the twelve months period ended on March 31 of that year.

#### **Non-GAAP financial measures**

Certain non-GAAP Measures and certain other statistical information relating to our operations and financial performance including EBITDA, EBITDA Margin, Net Worth, Return on Equity and Net Asset Value, have been included in this Preliminary Placement Document. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in “*Financial Information*” starting on page 238.



## INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, and industry publications, data from other external sources and knowledge of the markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled “*Strategic assessment of Indian power sector*” dated July 2024 prepared by CRISIL Market Intelligence & Analytics – a division of CRISIL Limited (“**CRISIL MI&A**”) which is a report exclusively commissioned and paid for by our Company and prepared and issued by CRISIL MI&A pursuant to an engagement letter dated June 7, 2024, in connection with the Issue. CRISIL MI&A is not related in any manner to our Company, our Promoter, our Directors, Key Managerial Personnel or Senior Management, our Subsidiaries or the Lead Manager.

Further, information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, neither the accuracy nor completeness of information contained in the CRISIL Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument. This data is subject to change and cannot be verified with complete certainty due to limitations on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends solely on the reader’s familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors – This Preliminary Placement Document contains information from an industry report prepared by CRISIL which we have commissioned and paid for.*” on page 66. Further, neither our Company nor the Lead Manager has independently verified this data and make any representation regarding the correctness, accuracy and completeness of such data. Accordingly, must rely on their independent examination of, and should not place undue reliance on, or base their investment decisions solely on such information.

### Disclaimer of the CRISIL Report

The CRISIL Report is subject to the following disclaimer:

*“CRISIL Market Intelligence & Analytics (“CRISIL MI&A”), a division of CRISIL Limited (“CRISIL”) has taken due care and caution in preparing this report (“Report”) based on the information obtained by CRISIL from sources which it considers reliable (“Data”). Forecasts, estimates and other forward-looking statements contained in this Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. This Report is not a recommendation to invest/disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Techno Electric & Engineering Company Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in its regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced/extracted in any form without CRISIL’s prior written approval.”*



## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'could', 'can', 'estimate', 'expect', 'intend', 'likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'seek', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements in this Preliminary Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Important factors that could cause actual results to differ materially from any of the forward-looking statements include, among others:

- Our inability to qualify for, compete and win projects through TBCB process or identify and acquire new EPC projects;
- Any adverse changes in the tendering criteria or power or energy sector policies by the government policies which may lead to our contracts being foreclosed, terminated, restructured or renegotiated, and our inability to not be able to receive any future contracts;
- An inability to complete our ongoing projects and forthcoming projects by their respective expected completion dates or at all;
- Our actual income being significantly less than the estimates reflected in our order book;
- Inability to receive payments due to us if any of our projects are terminated prematurely;
- Insufficient cash flows or our inability to access suitable financing to meet our working capital requirements;
- Inability to collect receivables due from our customers, in a timely manner, or at all;
- Substantial variation in actual cost incurred in completing a project and the assumptions underlying our bid and our inability to recover additional expenses incurred;
- Any disruption to the supply of power, fuel or water and resultant increase our production costs, and;

- Any disruption to the development of our power transmission projects and expansion plans including the construction of the required infrastructure.

Additional factors that could cause actual results, performance or achievements to differ materially include but are not limited to, those discussed under “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Industry Overview*” and “*Business*” on pages 47, 87, 120 and 163 , respectively.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document. Our Company and the Lead Manager expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise in our Company’s expectations with regard thereto.

## ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Other than James Raymond Trout, who is a non-resident, all of our other Directors, Key Managerial Personnel and Senior Management named herein are residents of India. A significant portion of our assets are located in India. As a result, it may be difficult for the investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments and execution of a foreign judgment is provided for under Sections 13 and 44A respectively, of the Code of Civil Procedure, 1908, as amended (“**Civil Procedure Code**”).

Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud, or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, Hong Kong and United Arab Emirates, amongst others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, pursuant to the execution of such foreign judgment, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally any such amount may be subject to income tax in accordance with applicable laws. Our Company and the Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

## EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. Dollar (in ₹ per US\$), and the Euro (in ₹ per EUR) based on the reference rates released by FBIL, which are available on the website of FBIL. No representation is made that the Indian Rupee amounts actually represent such amounts in U.S. dollar or EUR or could have been or could be converted into USD at the rates indicated, any other rates, or at all.

### 1. U.S.\$

(₹ per US\$)				
Period	Period End <sup>(1)</sup>	Average <sup>(2)</sup>	High <sup>(3)</sup>	Low <sup>(4)</sup>
<b><i>Fiscal</i></b>				
2024	83.37	82.79	83.40	81.65
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
<b><i>Month Ended</i></b>				
June 2024	83.53	83.46	83.56	83.07
May 2024	83.30	83.39	83.52	83.08
April 2024	83.52	83.41	83.52	83.23
March 2024	83.37	83.00	83.37	82.68
February 2024	82.92	82.96	83.09	82.84
January 2024	83.08	83.12	83.33	82.85

Source: [www.rbi.org.in](http://www.rbi.org.in), [www.fbil.org.in](http://www.fbil.org.in)

Notes:

- (1) The price for the period end refers to the price as on the last trading day of the respective Fiscal or monthly period
- (2) Average of the official rate for each working day of the relevant period
- (3) Maximum of the official rate for each working day of the relevant period
- (4) Minimum of the official rate for each working day of the relevant period

### 2. EUR

(₹ per EUR)				
Period	Period End <sup>(1)</sup>	Average <sup>(2)</sup>	High <sup>(3)</sup>	Low <sup>(4)</sup>
<b><i>Fiscal</i></b>				
2024	90.22	89.80	92.45	87.07
2023	89.61	83.72	90.26	78.34
2022	84.66	86.56	90.51	83.48
<b><i>Month Ended</i></b>				
June 2024	89.64	90.12	91.02	89.54
May 2024	90.12	90.10	90.83	89.48
April 2024	89.34	89.44	90.49	88.56
March 2024	90.22	90.27	90.91	89.58
February 2024	89.86	89.55	90.13	89.06
January 2024	89.88	90.77	91.92	89.88

Source: [www.rbi.org.in](http://www.rbi.org.in), [www.fbil.org.in](http://www.fbil.org.in)

Notes:

- (1) The price for the period end refers to the price as on the last trading day of the respective Fiscal or monthly period
- (2) Average of the official rate for each working day of the relevant period
- (3) Maximum of the official rate for each working day of the relevant period
- (4) Minimum of the official rate for each working day of the relevant period

## DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Preliminary Placement Document using certain definitions and abbreviations set forth below which you should consider while reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless the context otherwise indicates, all references to “**the Company**”, and “**our Company**”, are references to Techno Electric & Engineering Company Limited. Furthermore, unless the context otherwise indicates, all references to the terms “**we**”, “**us**” and “**our**” are to our Company and our Subsidiaries (*as defined below*) on a consolidated basis.

The terms defined in this Preliminary Placement Document shall have the meaning set out herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments, rules, guidelines, circulars, clarifications, and notifications issued thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections “**Industry Overview**”, “**Taxation**”, “**Legal Proceedings**” and “**Financial Information**” on pages 120, 228, 232 and 238, respectively, shall have the meaning given to such terms in such sections.

### Company Related Terms

Term	Description
Articles / Articles of Association	Articles of Association of our Company, as amended
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Audited Consolidated Financial Statements	Collectively, Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements
Auditors/Statutory Auditors	Walker Chandiok & Co LLP, Chartered Accountants
Board/Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Corporate Office	1B, Park Plaza, South Block, 71, Park Street Kolkata 700 016, West Bengal, India
Corporate Social Responsibility Committee/CSR Committee	The corporate social responsibility committee of our Board of Directors. For details, see “ <b>Board of Directors and Senior Management</b> ” on page 177
Director(s)	The director(s) on the Board of our Company, as may be appointed from time to time
Equity Shares	Equity shares of our Company of face value of ₹ 2 each
Fiscal 2022 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2022, comprising the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2022, read along with the notes thereto and the report dated May 30, 2022 issued thereon by our erstwhile statutory auditor, Singhi & Co, Chartered Accountants
Fiscal 2023 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2023, comprising the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2023, read along with the notes thereto and the report dated May 29, 2023 issued thereon by our Statutory Auditors
Fiscal 2024 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2024, comprising the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2024, read along with the notes thereto and the report dated May 28, 2024 issued thereon by our Statutory Auditors
Fund Raising Committee	The Fund Raising Committee of our Board of Directors, constituted pursuant to Board resolution dated February 13, 2024 with the following members: (i) Anjan Dasgupta,



<b>Term</b>	<b>Description</b>
	Independent Director; (ii) Dipali Khanna, Independent Director; and (iii) Ankit Saraiya, Whole-time Director
Independent Director(s)	Independent director(s) on our Board. For details, see “ <b>Board of Directors and Senior Management</b> ” on page 177
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations. For details, see “ <b>Board of Directors and Senior Management</b> ” on page 177
Memorandum/Memorandum of Association/MoA	Memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board of Directors. For details, see “ <b>Board of Directors and Senior Management</b> ” on page 177
Non-Executive Director	A Director not being a Whole-time Director of our Company
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	The promoters of our Company in terms of SEBI ICDR Regulations and the Companies Act, 2013, namely, Padam Prakash Gupta, Raj Prabha Gupta, Ankit Saraiya and Avantika Gupta
Registered Office	C-218 Ground Floor (GR-2) Sector-63, Gautam Buddha Nagar, Noida 201 30, Uttar Pradesh, India
Registrar of Companies/RoC	Registrar of Companies, Uttar Pradesh at Kanpur
Risk Management Committee	The risk management committee of our Board of Directors. For details, see “ <b>Board of Directors and Senior Management</b> ” on page 177
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see “ <b>Board of Directors and Senior Management</b> ” on page 177
SPVs	Special purpose vehicles
Shareholders	The holders of the Equity Shares, from time to time
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board. For details, see “ <b>Board of Directors and Senior Management</b> ” on page 177
Subsidiaries	The subsidiaries of our Company, which are also our SPVs which undertake our projects, namely, <ul style="list-style-type: none"> <li>(i) Techno Infra Developers Private Limited;</li> <li>(ii) Techno Green Energy Private Limited;</li> <li>(iii) Techno Digital Infra Private Limited;</li> <li>(iv) Techno Wind Power Private Limited;</li> <li>(v) Techno Data Center Limited;</li> <li>(vi) Rajgarh Agro Products Limited;</li> <li>(vii) Techno AMI Solutions Private Limited;</li> <li>(viii) Techno AMI Solutions 1 Private Limited;</li> <li>(ix) Techno AMI Solutions 2 Private Limited;</li> <li>(x) Techno AMI Solutions 3 Private Limited;</li> <li>(xi) Techno AMI Solutions 4 Private Limited;</li> <li>(xii) NERES XVI Power Transmission Limited; and</li> <li>(xiii) Techno Electric Overseas Pte. Ltd.</li> </ul>
Whole-time Director	A whole-time director of our Company

### Issue Related Terms

<b>Term</b>	<b>Description</b>
Allocated/ Allocation	Allocation of Equity Shares in connection with the Issue, in consultation with the Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Application Amount submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid(s)	Indication of an Eligible QIB’s interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term “Bidding” shall be construed accordingly
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price

<b>Term</b>	<b>Description</b>
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●], 2024
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations which are eligible to participate in this Issue and which are (i) not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the applicable laws. However, FVCIs are not permitted to participate in the Issue  In addition, QIBs, outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act are eligible to participate in this Issue
Escrow Account	Non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened in the name and style "TECHNO ELECTRIC AND ENGINEERING COMPANY LIMITED QIP ESCROW ACCOUNT" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited and from which refunds, if any, shall be remitted, as set out in the Application Form
Escrow Agreement	Agreement dated July 16, 2024, entered into by and amongst our Company, the Escrow Bank and the Lead Manager for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	ICICI Bank Limited
Floor Price	Floor price of ₹ [●] for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through a special resolution passed through a postal ballot dated April 22, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Issue	The offer, issue and Allotment of up to [●] Equity Shares each at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], 2024, the date after which our Company (or the Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	July 16, 2024, the date on which our Company (or the Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ [●], including a premium of ₹ [●] per Equity Share
Issue Size	The issue of up to [●] Equity Shares aggregating up to ₹ [●] lakhs
Lead Manager or LM	ICICI Securities Limited
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	The agreement dated July 15, 2024 entered into between our Company and the Monitoring Agency
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated July 16, 2024 by and among our Company and the Lead Manager
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document cum application form, dated July 16, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 and the rules made thereunder
QIB/Qualified Institutional Buyer	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts
Relevant Date	July 16, 2024, which is the date of the meeting in which the Board or any authorised committee of our Board decided to open the Issue
Stock Exchanges	Together, NSE and BSE

Term	Description
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

### Conventional and General Terms/ Abbreviations

Term	Description
AGM/ Annual Meeting	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I FPI	FPIs who are registered with SEBI as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II FPI	FPIs who are registered with SEBI as “Category II foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Companies Act, 2013	Companies Act, 2013 read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The consolidated FDI policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depository Participant	A depository participant as defined under the Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly <i>Department of Industrial Policy and Promotion</i> ), GoI
EBITDA	EBITDA is calculated as profit before tax from continuing operations and discontinued operations minus other income plus depreciation and amortization expenses plus finance cost
EGM	Extraordinary general meeting
ESG	Environment, Social and Governance
FBIL	Financial Benchmark India Private Limited
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPIs	A foreign portfolio investor who has been registered under Chapter II of the SEBI FPI Regulations and shall be deemed to be an intermediary in terms of the provisions of the Securities and Exchange Board of India Act, 1992
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations
Fugitive Offender	Economic An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross Domestic Product
GoI	The Government of India
GST	Goods and Services Tax
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income-tax Act, 1961

<b>Term</b>	<b>Description</b>
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Ind As Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016
Indian GAAP	Generally Accepted Accounting Principles in India
INR or ₹ or Rs. or Indian Rupees	Indian Rupee, the official currency of the Republic of India
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn	Million
MoU	Memorandum of understanding
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
NEAT	National Exchange for Automated Trading
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
ROE	Return on Equity
ROCE	Return on Capital Employed
Rs/Rupees/Indian Rupees/₹	The legal currency of India
SCR (SECC) Regulations	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SDD	System Driven Disclosures
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities Transaction Tax
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
UPSI	Unpublished price sensitive information
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations

### Industry related definitions

<b>Term</b>	<b>Description</b>
ACoS	Automatic changeover switch

<b>Term</b>	<b>Description</b>
AMI	Advanced metering infrastructure
AT&C	Aggregate Technical & Commercial
BoP	Balance of plant
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Ckm	Circuit kilometre
CRISIL MI&A	CRISIL Market Intelligence & Analytics – a division of CRISIL Limited
CRISIL Report	The report titled “ <i>Strategic assessment of Indian power sector</i> ” dated July 2024 prepared by CRISIL MI&A
DBFOOT	Design, build, finance, own, operate and transfer
Discom	Definitely Maker will be there
DPR	Detailed project report
DT	Distribution transformers
EHV	Extra high voltage
EPC	Engineering, procurement and construction
EV	Electronic vehicles
FGD	Flue gas de-sulphuration
GIS	Gas insulated substation
GVA	Gross value added
GW	Gigawatt
InvITs	Infrastructure investment trusts
ISTS	Inter-state transmission system
KVA	Kilovolt amperes
Kv	Kilovolt
kWH	Kilowatt hour
LT	Low tension
Mtpa	million tonne per annum
MVA	Mega volt amperes
MVar	Megavolt-amperes reactive
MW	Megawatt
NHAI	National Highway Authority of India
NPA	Non-performing asset
NSM	National Solar Mission
O&M	Operations and Maintenance
PFC/ REC	Power Finance Corporation/ Rural Electrification Corporation
PLI	Production linked incentives
RE	Renewable energy
REIT	Real estate investment trusts
SERC	State Electricity Regulatory Commissions
TBCB	Tariff based competitive bidding
T&D infrastructure	Transmission & distribution infrastructure
TSA	Transmission service agreement
TSP	Transmission service provider

## SUMMARY OF BUSINESS

### OVERVIEW

We are one of the leading engineering, procurement and construction (“EPC”) service providers, having workforce capabilities and technical know-how of providing EPC services across all aspects of conventional energy and renewable energy, including power generation, transmission and distribution (*Source: CRISIL Report*). Our services encompass the entire project lifecycle, from conceptualization and design to procurement, construction and commissioning. As of March 31, 2024, we have 30 active projects, aggregating to an order book of ₹9,21,897.40 lakh.

Our business operations include three principal business lines: (i) EPC services; (ii) transmission and distribution infrastructure assets; and (iii) data centres.

**EPC services:** Our EPC business includes engineering, procurement and construction across the entire lifecycle of power generation, transmission and distribution for conventional energy.

- **Power generation:** We undertake engineering, procurement and construction of balance of plant (“BOP”) works for thermal power and air quality control projects for thermal power plants for our public sector and private sector clients. We can deploy advanced technologies such as flue gas desulphurisation (“FGD”) systems for reducing sulphur dioxide emissions, optimize power plant operations with comprehensive BOP services, and enhance power transmission with efficient step-up power evacuation solutions. We also deliver turnkey captive power plants using waste heat recovery and up to 200 MW of conventional power plant on turnkey basis to maximize energy efficiency and reduce operational costs for industrial clients. For instance, we are currently undertaking projects in relation to FGD systems for a 500MW thermal power station at Bokaro, Jharkhand and two 600 MW thermal power station in Jhalawar, Rajasthan and one 210 MW plus two 195 MW thermal power station in Kota, Rajasthan.
- **Transmission:** We undertake engineering, procurement and construction for sub-stations for transmission projects for capacities ranging from 220 KV KVA up to 765 KV KVA for our public sector and private sector clients. We specialise in designing and implementing extra high voltage sub-stations (up to 765 kV sub-stations), utilizing both air insulated switchgear and gas insulated switchgear technologies and in installing static synchronous compensators up to 300 MVar and enhancing grid stability and efficiency.
- **Distribution:** We undertake rural electrification projects and provide digitisation solutions for distribution companies and advanced metering infrastructure solutions. our expertise extends to managing distribution systems through digitization, enabling real-time monitoring and optimization and are capable of advanced metering infrastructure (“AMI”) deployment, integrating smart metering solutions for enhanced energy management and billing accuracy. As of March 31, 2024, set forth below are the projects awarded to us for the deployment of smart meters:

Sr. No.	Particulars	Total number of smart meters awarded (in lakhs)
1.	Smart meters for a discom in Ranchi	5.33
2.	Smart meters for a discom in Tripura	4.27
3.	Smart meters for a discom in Indore	5.53
4.	Smart meters for a discom in Jammu & Kashmir	9.79

**Transmission and distribution infrastructure assets:** We routinely evaluate opportunities for partnering with government entities and strategic partners to develop assets in the transmission and distribution infrastructure sector on a design, build, finance, own, operate and transfer (“DBFOOT”) basis.

In the past we have leveraged our execution experience in the transmission sector to bid for transmission projects under tariff based competitive bidding (“TBCB”) process. As on date of this preliminary placement document, we have developed three transmission projects on a DBFOOT basis in Haryana, Punjab and Nagaland and have secured successful bids for two transmission projects located in Assam, with a capacity of 400 KVA each. In April 2024, we successfully bid for a transmission project under the North-Eastern Region Generation Expansion Scheme-I through TBCB and in June 2024, we successfully bid for the establishment of a new 400kV switching station and a 400kV D/c line at Bokajan, Assam.

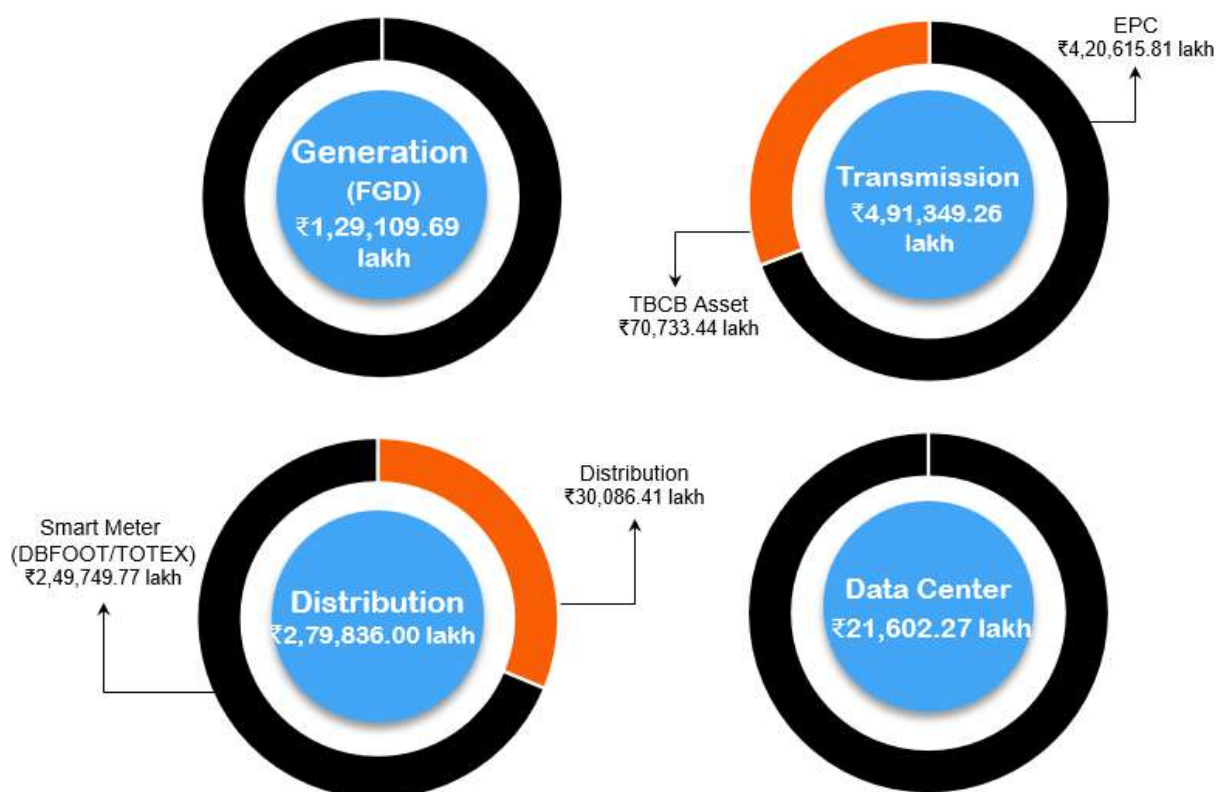
We forayed into advanced metering in 2019 to participate in the initiative undertaken by the government of India to transform the energy distribution infrastructure in India. As of May 2024, 112 lakh electricity smart meters have been installed representing only 4.5% of the targeted deployment of 25 crore electricity smart meters nationwide, according to data published by the National Smart Grid Mission portal. Despite the current installation figures, the potential for growth in the electricity smart meter market remains substantial. The total electricity smart metering infrastructure market is estimated at Rs 2.2 – 2.5 lakh crore by Fiscal 2026 as per the government estimates (*Source: CRISIL Report*). We believe that we can leverage our expertise and experience to participate in the government’s vision by developing and deploying advanced metering solutions and technologies. We have secured orders for 9.79 lakh smart meters in Jammu & Kashmir. As of March 31, 2024, our order book of smart meters was ₹ 2,49,749.77 lakh.

**Data centres:** In order to diversify our business, we ventured into data centre solutions in 2021 with our first hyperscale data centre in Chennai, Tamil Nadu, with a load capacity of 40 MW. We have acquired 4 acres of land for our upcoming data centre in Kolkata. Further, we have recently been awarded a contract by RailTel Corporation of India Limited to develop, operate and maintain the largest deployment of edge data centres over the next five years in 102 cities across India (*Source: CRISIL Report*). Our approach includes innovative cooling technologies such as water-cooled chiller plants paired with adiabatic cooling towers, reducing water usage by up to 75%. This significantly lowers the energy needed to maintain optimal temperatures, reducing operational costs and promoting sustainability. Automated systems in our data centres enable real-time monitoring and management, ensuring optimal performance and maximizing uptime. These systems allocate resources effectively, predict maintenance needs, and support seamless scalability while enhancing security measures. This automation represents a substantial advancement in data centre management, driving efficiencies and enhancing service reliability.

With almost two decades of industry experience, we believe that we possess the expertise and technical know-how to implement large-scale projects effectively, driving revenue growth and profitability. Our extensive experience has allowed us to develop technical and engineering know-how and gain in-depth knowledge of the regulatory framework governing the power and energy sector in India, which has resulted in developing a strong reputation among our public and private sector clients which include reputed players in the power and energy sector.

Over the years, we have established a strong track record of successful project execution, delivering quality engineering solutions within (and in certain cases earlier than) the scheduled project timelines. We have a track record for early completion of projects, which has helped us in building a strong reputation among our clients and allowed us to build a robust order book. Our aggregate order book as of March 31, 2024 was ₹9,21,897.40 lakh. The breakup of our order book is set forth below:





Our experience and focus in the power and energy sector has allowed us to develop a comprehensive understanding of the regulatory landscape governing the power and energy sector in India. This allows us to ensure that projects executed by us are compliant with the extant regulatory framework and standards. Through continuous engagement with regulatory bodies and industry stakeholders, we stay abreast with evolving changes and transformation in the power and energy sector in India, primarily driven by regulatory changes aimed at reducing emissions and promoting cleaner energy sources. We aim to capitalise on these opportunities and position ourselves to meet the growing demand for environmental compliance in the power and energy sector.

As the EPC industry is primarily dependent on skilled workforce, our growth and execution capabilities are primarily attributable to the strength and experience of our skilled engineers and other employees. As of March 31, 2024, we had 450 full time employees, of which 296 were qualified engineers. Our technically qualified and experienced employees enable us to effectively manage execution of projects. We aim to upskill our employees through regular training and recognise their excellence at work through various incentive-based programmes.

We are committed to following stringent health, safety and environmental policies and practices in the execution of our projects. We conduct comprehensive mandatory workshops and training to impart safety training to make plants, work sites and our offices safe. We have also received several awards and certifications for our operations and projects from our clients, including completion of 400kV bay extension works at Madakathara from Kerala State Electricity Board in 2021. We have also been awarded a certificate of appreciation for 100% electrification in Ramgarh district from Jharkhand Bijli Vitran Nigam Limited. Additionally, we were conferred with best performance award in the safety (substation) category by Power Grid Corporation in 2017. In addition, we have implemented the SAP ERP system at our corporate office and all our project sites enabling strong system control and real time monitoring of projects.

Our revenue from operations for the Fiscals 2024, 2023 and 2022 was ₹1,50,237.93 lakhs, ₹90,796.08 lakhs and ₹1,07,386.65 lakhs, respectively (this includes revenue from discontinued operations for Fiscals 2024, 2023 and 2022: ₹(0.16) lakhs, ₹7,846.23 lakhs and ₹7,649.85 lakhs), growing at a CAGR of 18.28% between Fiscal 2022 to Fiscal 2024. Our profit for the year for Fiscals 2024, 2023 and 2022 was ₹26,845.51 lakhs, ₹18,685.78 lakhs and ₹26,389.20 lakhs, respectively, while our EBITDA was ₹20,515.86 lakh, ₹14,903.39 lakh and ₹21,904.96 lakh, respectively and EBITDA Margin was 13.66%, 16.41% and 20.40%, respectively, for the same period.

**Brief history of the schemes of amalgamation**

We were incorporated in 2005 pursuant to the certificate of incorporation issued by the Registrar of Companies, Maharashtra on October 26, 2005, as a wholly owned subsidiary of “Techno Electric & Engineering Company Limited” (“**TECHNO-I**”). TECHNO-I merged with us in the year 2018, pursuant to a scheme of arrangement approved by the National Company Law Tribunal, Allahabad, vide its order dated July 20, 2018 (“**Scheme**”). Pursuant to the Scheme, all the undertakings including assets, liabilities, duties and obligations of TECHNO-I were transferred and vested in our Company as a going concern.

Prior to the Scheme, a scheme of arrangement was entered into between Super Wind Project Limited (“**Super Wind**”) and Techno Electric & Engineering Company Limited dated May 21, 2010, issued by High Court at Calcutta, whereby Techno Electric & Engineering Company Limited merged with its subsidiary Super Wind.

## **STRENGTHS**

### ***One of the leading integrated turnkey solution providers in the power and energy sector***

We provide EPC services for power plants, for various sizes and scales. We have about two decades of experience and expertise in engineering, procurement and construction in the power sector across various states in India. We have a strong track record of providing comprehensive solutions on a turnkey basis and executing various complex and challenging EPC projects both within India and internationally. Our primary focus is on undertaking EPC projects, and it has helped us in gaining technical expertise in undertaking projects of different sizes and involving varying degree of complexity.

As of March 31, 2024, our order book stood at ₹9,21,897.40 lakh, reflecting the trust and confidence our clients place in our capabilities. We have cultivated a strong reputation among public and private sector clients, including renowned entities in the power and energy sector. We believe that over the years, we have made good relationship with our clients, we ensure their needs are met and expectations exceeded. Our proactive approach, transparency, and consistent communication foster trust and deliver exceptional value, solidifying our position as a preferred partner in the industry. We believe that our long-term relationships with various public sector and private sector clients in India and internationally enable us to better understand our clients’ requirements and better evaluate the scope of work and risks involved in a project we bid for, as well as address changing demands in our target markets.

We provide integrated industrial EPC services including offsite works and power distribution systems power intensive industries such as aluminum, refineries and petrochemicals, plant piping systems, plant electrical and illumination systems, fire protection systems, gas-based power projects, waste heat recovery system, and BOP packages, including fuel oil systems, flue gas desulfurization. Our Company has a successful track record of executing over 450 projects across the power and energy sector.

Our credentials and pre-qualifications in terms of executing a range of construction projects that involve varying degrees of complexity, including undertaking specialized structures, have allowed us to increase our target market size and order book. We have developed a long-standing relationship with one of the major power suppliers in India with seven ongoing projects. We have completed certain key projects such as design and construction of 765/400KV substations in Chittorgarh and Bikaner, Rajasthan.

### ***Strong track record of timely execution of large-scale and complex power projects***

We focus on large and complex projects and have a strong track record in efficient project management, execution and on-time delivery of projects across verticals and geographies, with some of our projects being executed ahead of or on schedule. We were awarded with ‘IEI Industry Excellence Award’ for demonstrating the highest order of business excellence the Institution of Engineers in 2016.

Our track record showcases our technical and engineering capabilities, management expertise, and robust internal systems. Our skilled workforce, complemented by an execution-driven culture, contributes to our success. Our ability to achieve successful and timely delivery of projects is a result of several factors. We have implemented a system of operational excellence that governs our project management practices. This ensures standardized processes, efficient resource allocation, and a pursuit of continuous improvement in project design and execution. This enables us to meet project requirements efficiently and effectively, optimizing resource utilization and improving productivity. For instance, in September, 2019, we were awarded an order for construction of 765/400kV Bhadla-II PS (Jodhpur) under the Transmission Scheme for Solar Energy Zones in Rajasthan with a completion schedule of 24 months.

By consistently demonstrating our ability to handle large-scale projects and leveraging our project management and execution capabilities, we are well-positioned to pursue new opportunities across geographies and maintain our position in the industry.

### ***Technical know-how and innovation driven approach***

Our technical and engineering teams, which comprise of highly skilled engineers, project managers, and technical specialists, are critical to our success. We invest in continuous training and professional development to ensure that our employees remain updated with new industry developments and meet the evolving needs of the power sector.

We leverage our innovation-driven approach to develop and implement advanced engineering solutions that address key challenges such as energy efficiency, emission reduction, and renewable energy integration. For instance, we forayed into FGD systems to mitigate sulphur dioxide emissions, highlighting our commitment to sustainability and regulatory compliance. In 2018, we collaborated with global major South Korean company for introducing emission control and FGD technology.

Similarly, our Advanced Metering Infrastructure solutions facilitate real-time data collection, two-way communication, and enhanced energy management. By deploying smart meters and robust communication networks, we enable state utilities to optimize load management, reduce operational costs, and enhance customer engagement through detailed consumption insights. These innovations improve grid reliability and empower consumers with tools to monitor and manage their energy usage effectively.

We have implemented advanced energy-efficient design and cooling technologies in our data centres, recognizing that cooling is a major energy consumer. Our approach includes innovative cooling technologies such as water-cooled chiller plants paired with adiabatic cooling towers, reducing water usage by up to 75%. This significantly lowers the energy needed to maintain optimal temperatures, reducing operational costs and promoting sustainability. Automated systems in our data centres enable real-time monitoring and management, ensuring optimal performance and maximizing uptime. These systems allocate resources effectively, predict maintenance needs, and support seamless scalability while enhancing security measures. This automation represents a substantial advancement in data centre management, driving efficiencies and enhancing service reliability.

### ***Healthy orderbook giving long term revenue visibility***

Our order book represents the estimated contract value of the unexecuted portion of a company's existing assigned EPC contracts and provides visibility on future revenues. Over the last three years, we have expanded and diversified our order book, to high growth segments like Advanced Metering Infrastructure and data centres. Our order book has grown from ₹1,44,135.00 lakh as of March 31, 2022 to ₹3,77,187.42 lakh as of March 31, 2023 and ₹9,21,897.40 lakh as of March 31, 2024. Our order book is diversified across business verticals. The tables below set out details of our order book by business verticals, and types of clients, as of the dates mentioned:

*(₹ in lakh, except percentages)*

Sr. No.	Business	Order book					
		Amount as of March 31, 2024	Percentage as of March 31, 2024	Amount as of March 31, 2023	Percentage as of March 31, 2023	Amount as of March 31, 2022	Percentage as of March 31, 2022
1.	Generation	1,29,109.69	14.00%	1,45,922.40	38.69%	9,983.94	6.93%
2.	Transmission	4,91,349.26	53.30%	1,43,342.80	38.00%	98,954.60	68.65%
3.	Distribution	2,79,836.18	30.36%	45,677.14	12.11%	35,196.46	24.42%
4.	Data centre	21,602.27	2.34%	42,245.08	11.20%	0.00	0.00%
	<b>Total</b>	<b>9,21,897.40</b>	<b>100.00%</b>	<b>3,77,187.42</b>	<b>100.00%</b>	<b>1,44,135.00</b>	<b>100.00%</b>

*(₹ in lakh, except percentages)*

Sr. No.	Type of clients	Order book					
		Amount as of March 31, 2024	Percentage as of March 31, 2024	Amount as of March 31, 2023	Percentage as of March 31, 2023	Amount as of March 31, 2022	Percentage as of March 31, 2022
1.	Government <sup>(1)</sup>	5,94,822.66	64.52%	2,77,645.40	73.61%	79,241.58	54.98%
2.	Government outside India	80,866.63	8.77%	6,165.35	1.63%	10,546.92	7.32%
3.	Private sector	2,46,208.11	26.71%	93,376.67	24.76%	54,346.50	37.70%
	<b>Total</b>	<b>9,21,897.40</b>	<b>100.00%</b>	<b>3,77,187.42</b>	<b>100.00%</b>	<b>144,135.00</b>	<b>100.00%</b>

<sup>(1)</sup> Comprises state and central governments, government agencies and government-owned enterprises in India.

We believe that the consistent growth in our order book is a result of our experience, our focus on maintaining quality standards in our construction and project execution skills. Diversifying our skill set and order book across different business and geographical regions, enables us to pursue a broader range of project tenders and therefore maximize our business volume and profit margins.

### ***Efficient customer approach and strong financial performance***

We believe that our growth is attributable to our customer centric approach which involves careful identification of our projects and cost optimisation, which is a result of executing our projects with optimum planning and strategy. This model has facilitated us in maximising our efficiency and increasing our profit margins. Our Company follows a strategic approach during the pre-bidding stage, which involves undertaking technical surveys and feasibility studies and analysing the technical and design parameters and the cost involved in undertaking the project. We believe that our strategic approach during the pre-bidding stage enables us to bid at competitive prices and helps us to successfully win projects. Once we win a bid, our focus is to ensure high quality of construction during the execution stage of the project. On account of efficient utilisation of resources and low working capital cycle, effective control over operational expenses, low emphasis on fixed assets, and high external credit rating leading to low finance cost, our Company has been able to generate RoCE of 9.16%, 9.96% and 9.68% and RoE of 13.12%, 9.92% and 15.28%, for the Fiscals 2024, 2023 and 2022, respectively.

In addition, we continue to seek cost effective funding at commercially acceptable terms. We avail non-fund-based facilities in the ordinary course of our business for purposes such as meeting our working capital requirements or business requirements. We are also required to provide bank guarantees pursuant to bids awarded by government authorities. We can access borrowings at a competitive cost due to our stable credit history.

Our financial strength is underscored by a strong balance sheet and efficient capital management, characterized by substantial total equity of ₹2,16,323.12 lakh as of March 31, 2024, and disciplined financial practices. Our credit ratings and relationships with our lenders enable us to raise financing in a timely manner, which helps us to maintain the requisite leverage for our operations. Our balance sheet coupled with low levels of debt enable us to pursue opportunities for growth and better manage unanticipated cash flow variations. Driven by our execution track record, we have exhibited strong financial performance and credit profile over the last few years. Our financial performance and substantial assets, helps us present a strong credit profile to our lenders and keeps alternatives sources of financing available to us.

The growth in our order book has also contributed to our strong financial performance. For Fiscals 2024, 2023 and 2022, our revenue from operations (from continuing and discontinued operations) amounted to ₹1,50,237.93 lakh, ₹90,796.08 lakh and ₹1,07,386.65 lakh, respectively, and our EBITDA amounted to ₹20,515.86 lakh, ₹14,903.39 lakh and ₹21,904.96 lakh respectively. Among large comparable EPC companies in India analysed in the CRISIL Report, we had the highest RoCE and RoE margins for the Financial Year 2024 and have earned higher EBITDA and PAT margins in the last three fiscals (*Source: CRISIL Report*).

We have diversified our revenue mix with four high-growth segments including transmission, Flue Gas Desulphurisation, Advanced Metering Infrastructure and the expanding Data Centres market, position us for accelerated growth in the future. List of operating and financial metrics for Fiscals 2024, 2023 and 2022, are set out below:

<b>Particulars</b>	<b>Fiscal 2024</b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>
Order book (₹ in lakh) <sup>(1)</sup>	9,21,897.40	3,77,187.42	1,44,135.00
Revenue from operations (₹ in lakh)	1,50,237.93	90,796.08	1,07,386.65
Profit for the year (₹ in lakh)	26,845.51	18,685.78	26,389.20
EBITDA (₹ in lakh) <sup>(2)</sup>	20,515.86	14,903.39	21,904.96
EBITDA Margin (%) <sup>(3)</sup>	13.66%	16.41%	20.40%
RoE (%) <sup>(4)</sup>	13.12%	9.92%	15.28%
RoCE (%) <sup>(5)</sup>	9.16%	9.96%	9.68%

<sup>(1)</sup> Order Book represents the estimated contract value of the unexecuted portion of our existing assigned EPC contracts and is an indicator of our future revenue.

<sup>(2)</sup> EBITDA is calculated as profit before tax from continuing operations and discontinued operations minus other income plus depreciation and amortization expenses plus finance cost.

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by revenue from operations from continuing operations and discontinued operations.

<sup>(4)</sup> RoE is calculated as profit for the year divided by average total equity (net worth).

<sup>(5)</sup> *RoCE is calculated as EBIT (Earnings before interest and tax) divided by average capital employed where capital employed refers to total equity (net worth) plus net debt.*

### ***Strong management team***

We benefit from a strong management team with extensive experience in the EPC market, an in-depth understanding of EPC projects and a proven track record of performance. Our senior management consisting of the Padam Prakash Gupta, Pradeep Kumar Lohia and Ramesh Chandra Agarwal who bring with them extensive experience in the EPC industry, finance and compliance. Our senior management oversees project execution, finance, business development at a domestic and international level and quality assurance.

Padam Prakash Gupta, our Chairperson and Managing Director, has an in depth understanding of the industry we operate in. He has been instrumental in the establishment and growth of our business, and we are guided by his vision. Our management team is complemented by our highly experienced board of directors, which includes senior industry veterans. Our leadership team has a combination of skills, attributes, behaviours and determination. We believe that the strength and experience of our senior leadership team has contributed to us being one of leaders in the EPC industry. Our experienced management team with our strong governance mechanism enables us to manage the risks associated with our industry in an effective manner. Our Company has been certified with 'Great Place to Work' for the time period from February, 2024 to February, 2025. As at March 31, 2024, we had a team of 450 employees. We believe that we will continue to benefit from the experience, leadership and vision of our management team.

## **STRATEGIES**

### ***Expand leadership position as an EPC service provider in the power and energy sector in India***

We intend to draw on our experience in the power sector, effectively use our assets, market position and our ability to execute and manage multiple projects across geographies to grow our portfolio in other sectors like data centres. Our primary focus is on development and execution of EPC projects involving specialized techniques, and strategically target higher margin opportunities. The scale and complexity of our projects have increased in recent years and we intend to continue to focus on projects with higher contract values. Our previous experience in completing projects will enable us to bid and win more projects in the future.

We also continue to focus on our health, safety and environmental management and quality management standards as these elements of performance measurement have become important competition differentiators and key criteria for pre-qualification of contractors. To mitigate the risk of over-diversification, we seek to expand in businesses that require execution skills that are like our EPC business and allow us to leverage our experience and maximize the use of our labour, equipment and new materials in our expansion. This strategy will enable us to be capable of undertaking projects in varied sectors while adhering to financial discipline and mitigating associated risks.

### ***Strategically expand and diversify into allied power sectors***

The rapid expansion of India's digital population and the burgeoning digital economy have led to strong growth in data centers to meet increasing demands. Over the past decade, the Indian data center market has experienced significant growth driven by the surge in data generated through smartphones, social networking sites, e-commerce, digital entertainment, education, payments, and various other digital services. This data proliferation is further accelerated by the adoption of emerging technologies such as quantum computing, artificial intelligence ("AI"), and the Internet of Things. The market size is estimated to be USD 1.9-2.2 billion, with a market volume of 2 GW in 2024. It is expected to reach USD 4.5-5.5 billion by 2029, with a market volume of 4.8-5.2 GW, growing at a CAGR of 18-20%. Also, the need for expansion of the current data capacity is apparent considering that India has 14-15% of the global internet users but has only 6% of the global data center capacity. The number of internet users will increase with rapid digitization propelled by the expansion of e-commerce, online streaming, and cloud storage. The Indian e-commerce market the public cloud services market is expected to witness massive growth in the next 4-5 years. This growth will lead to a strong demand for data centers to support the burgeoning digital ecosystem. Further, the size of the digital economy is expected to grow to USD 1 trillion dollars by 2025-26, which will further boost the investment in the data center industry (*Source: CRISIL Report*)

We have strategically ventured into the data centre infrastructure development business, leveraging our in-house expertise to capitalise on the rapidly increasing data centre market in India. Our vision is centred around creating

multiple ultra-scalable, hyper-density data centres, leveraging our robust EPC capabilities, and extensive infrastructure asset development and ownership experience.

To leverage this growing opportunity, we have taken proactive steps to capitalise on the expanding data centre market.

Continuing our growth trajectory, we are actively exploring opportunities to expand our data centre portfolio across the country. We have identified Kolkata as a potential location for similar-sized projects. Leveraging our in-house capabilities and market positioning, we are dedicated to driving our data centre business forward, contributing to India's dynamic data centre industry.

#### ***Transition to IT layered power solutions***

As of May 2024, 112 lakh electricity smart meters have been installed representing only 4.5% of the targeted deployment of 25 crore electricity smart meters nationwide, according to data published by the National Smart Grid Mission portal. Despite the current installation figures, the potential for growth in the electricity smart meter market remains substantial. The total electricity smart metering infrastructure market is estimated at Rs 2.2 – 2.5 lakh crore by Fiscal 2026 as per the government estimates (*Source: CRISIL Report*). We have secured orders for 9.79 lakh smart meters in Jammu & Kashmir, further solidifying our position as a key player in the smart meter deployment market.

We plan to allocate significant resources for developing next-generation AMI technologies, including advanced communication protocols, real-time data analytics, and enhanced cybersecurity measures. By innovating in smart meter technology to offer features like remote connect/disconnect, real-time usage monitoring, and predictive maintenance capabilities, we believe we can enhance our AMI solutions' efficiency and reliability. Strategic partnerships with leading technology providers and collaborations with utilities will further bolster our technological capabilities and market reach.

#### ***Focus on sustainable technologies***

The power sector in India plays a pivotal role in meeting the increasing electricity demand, which is expected to rise further in the coming years. Schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (“**DDUGJY**”), Ujwal DISCOM Assurance Yojana (“**UDAY**”), and Scheme on Integrated Power Development (“**IPDS**”) have contributed to the electrification drive across the nation. In order to reduce sulphur dioxide (“**SO<sub>2</sub>**”) emissions, central government has focused on the implementation of FGD systems in India's thermal power sector. As of December 2023, 194 GW coal-based capacity was considered for FGD installation by the CEA, out of which 10.6 GW was commissioned. Out of the considered capacity, 51% is under construction with varying degrees of on-ground progress and balance 49% is at different stages of planning. FGD installations of 150-160 GW is expected over fiscal 2025-2030 out of 194 GW of capacity considered for FGD installation. To control SO<sub>2</sub> emissions and meet emission norms set by the Ministry of Environment, Forest & Climate Change, FGD installation will have a key role to play in reducing the environmental impact of thermal power plants (*Source: CRISIL Report*).

We intend to leverage our extensive experience in undertaking EPC projects within the power and energy sector to expand our focus on sustainable technologies like FGD. Since 2021, we have forayed into FGD systems into our power generation projects to mitigate sulphur dioxide emissions and ensure compliance with stringent environmental regulations. By utilizing wet limestone, our FGD systems achieve high removal efficiency, converting sulphur dioxide into marketable by-products like gypsum, thereby offsetting operational costs. This commitment to FGD underscores our dedication to environmental sustainability, enhancing air quality and public health while supporting the transition to cleaner energy solutions in India. We have been completed 500 MW FGD project for ₹31,228.80 lakh and a total of 1,800 MW FGD project worth ₹145,500 lakh has been awarded to us from one of the major power suppliers in Rajasthan which is currently under execution.

Health, safety, environmental management, and quality management standards are vital performance metrics and competitive differentiators. These elements have become key criteria for pre-qualification in undertaking EPC projects. By integrating sustainable technologies and adhering to stringent management standards, we aim to not only enhance our project portfolio but also contribute positively to environmental conservation and industry innovation and reinforce our commitment to excellence and sustainability.

#### ***Growing a highly skilled and motivated workforce***

We aim to steadily grow our talent pool to enhance our project execution capabilities. Our total number of permanent employees increased from 379 as of March 31, 2022, to 387 as of March 31, 2023 and 450 as of March 31, 2024. We are also focussed on ensuring that our employees are trained in the latest construction methods and technologies. We do this by providing a range of training opportunities, such as civil, mechanical and electrical training, along with extensive safety training at sites.

Further, executing technologically complex projects exposes us to several novel challenges, compelling our employees to devise innovative solutions, which are driven by collaborative efforts between our project-level and senior management teams. We actively endorse and facilitate these innovations, offering essential support to our teams. We aim to build a culture that appreciates technical innovations, which will improve our ability to successfully deliver complex projects in the future.

As part of our commitment to fostering a unique organizational culture, we are actively developing a framework that reinforces our core values and strengthens our organizational culture. This includes codifying employee expectations to create a cohesive and aligned workforce. We are committed to the development of our employees and have taken several initiatives towards employee training and development including partnering with third parties to provide technical training along with negotiation skills, business communication, claims settlement and dispute resolution mechanisms.

To support the expansion of our operations, we place great importance on investing in and owning the latest equipment. By procuring equipment from both domestic and foreign manufacturers, we aim to enhance our capabilities and ensure continuous and timely availability of equipment.

## SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including “*Risk Factors*”, “*Use of Proceeds*”, “*Issue Procedure*”, “*Placement and Lock-up*” and “*Description of the Equity Shares*” on pages 47, 78, 194, 208 and 224, respectively.

<b>Issuer</b>	Techno Electric & Engineering Company Limited
<b>Face Value</b>	₹ 2 per Equity Share
<b>Issue Size</b>	<p>Aggregating up to ₹ [●] lakhs, comprising [●] Equity Shares of our Company*</p> <p>A minimum of 10% of the Issue Size, i.e. at least [●] Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds.</p> <p>In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.</p> <p><i>*Subject to allotment of Equity Shares pursuant to the Issue</i></p>
<b>Floor Price</b>	<p>₹ [●] per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations</p> <p>In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of up to 5% on the Floor Price in accordance with the approval of the Shareholders accorded by way of a special resolution passed through a postal ballot dated April 22, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations</p>
<b>Issue Price</b>	₹ [●] per Equity Share of the Company (including a premium of ₹ [●] per Equity Share)
<b>Eligible Investors</b>	<p>Eligible QIBs that are eligible to participate in the Issue and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or restricted from participating in the Issue under the applicable laws including the SEBI ICDR Regulations. See “<i>Issue Procedure - Qualified Institutional Buyers</i>”, “<i>Selling Restrictions</i>” and “<i>Transfer Restrictions</i>” on pages 199, 210 and 218, respectively</p> <p>The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the Lead Manager, at their sole discretion</p>
<b>Date of Board Resolution approving the Issue</b>	February 13, 2024
<b>Date of Shareholders’ Resolution (through postal ballot) approving the Issue</b>	April 22, 2024
<b>Issue Procedure</b>	The Issue is being made only to Eligible QIBs in reliance of Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and other provisions of the Companies Act, 2013 and Chapter VI of the SEBI ICDR Regulations. For details, see “ <i>Issue Procedure</i> ” on page 194
<b>Dividend</b>	Please see section “ <i>Dividends</i> ”, “ <i>Description of the Equity Shares</i> ” and “ <i>Taxation</i> ” on pages 86, 224 and 228, respectively
<b>Taxation</b>	Please see “ <i>Taxation</i> ” on page 228
<b>Equity Shares issued, subscribed, fully paid up and outstanding prior to the Issue</b>	10,76,19,019 Equity Shares
<b>Equity Shares issued, subscribed, fully paid up and outstanding immediately after the Issue</b>	[●] Equity Shares
<b>Listing</b>	Our Company has received in-principle approvals from BSE and NSE, each dated [●], 2024, under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue
<b>Trading</b>	<p>The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges</p> <p>Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares, to be issued pursuant to this Issue, after</p>



	Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant, respectively
<b>Lock-up</b>	For details of the lock-up, see “ <b>Placement and Lock-up</b> ” on page 208 for a description of restrictions on our Company and Promoters in relation to Equity Shares
<b>Transferability Restrictions</b>	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Allotments made to VCFs, and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. Also see, “ <b>Issue Procedure</b> ”, “ <b>Selling Restrictions</b> ” and “ <b>Transfer Restrictions</b> ” on pages 194, 210 and 218, respectively
<b>Use of Proceeds</b>	The gross proceeds of the Issue will aggregate to approximately ₹ [●] lakhs. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹ [●] lakhs. See “ <b>Use of Proceeds</b> ” on page 194 for information regarding the use of Net Proceeds from the Issue
<b>Risk Factors</b>	See “ <b>Risk Factors</b> ” on page 47 for a discussion of risks you should consider before deciding whether to subscribe to Equity Shares pursuant to this Issue
<b>Closing Date</b>	Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about [●], 2024
<b>Status, Ranking and Dividend</b>	<p>Equity Shares being issued pursuant to the Issue shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> in all respects with the existing Equity Shares, including rights in respect of voting rights and dividends</p> <p>Our Shareholders (who hold Equity Shares as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in Shareholders’ meetings on the basis of one vote for every Equity Share held. See “<b>Dividends</b>” and “<b>Description of the Equity Shares</b>” on page 86 and page 224, respectively</p>
<b>Security Codes for the Equity Shares</b>	<b>ISIN:</b> INE285K01026 <b>BSE Code:</b> 542141 <b>NSE Code:</b> TECHNOE

## SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the more detailed information contained in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and the Audited Consolidated Financial Statements included in “*Financial Information*” on pages 87 and 238, respectively.

### Summary of the Audited Consolidated Financial Statements

#### Summary of the audited consolidated balance sheet

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<i>(₹ in lakh)</i>			
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipments	4,294.54	4,780.79	42,421.24
Capital Work in Progress	27,573.77	9,459.72	-
Right-of-Use -Asset	3,295.35	3,341.90	3,389.95
Goodwill on Consolidation	-	-	95.02
Financial Assets			-
Investments	46.25	47.00	47.00
Other Financial Assets	1,082.55	1,409.20	1,357.00
Non-Current Tax Assets (Net)	669.42	536.93	634.45
Deferred Tax Assets	1,271.10	-	
Other Non-Current Assets	2,013.83	50.69	0.46
<b>Total non-current assets</b>	<b>40,246.81</b>	<b>19,626.23</b>	<b>47,945.12</b>
<b>Current Assets</b>			
Inventories	2,585.13	10,105.11	2,707.26
Financial Assets			
Investments	1,14,147.72	1,30,430.32	1,04,852.55
Trade Receivables	74,106.41	64,131.22	58,401.61
Cash and Cash Equivalents	3,440.96	4,840.39	4,548.29
Bank Balances other than Cash and Cash Equivalents	10,277.66	9,775.29	119.89
Loans	3,000.00	14,225.96	9,492.18
Other Financial Assets	6,129.80	4,028.97	3,043.51
Current Tax Assets (Net)	-	3.27	-
Other Current Assets	29,433.05	18,547.86	20,488.82
	<b>2,43,120.73</b>	<b>2,56,088.39</b>	<b>2,03,654.11</b>
<b>Assets held for sale</b>	-	1,173.61	-
<b>Total current assets</b>	<b>2,43,120.73</b>	<b>2,57,262.00</b>	<b>2,03,654.11</b>
<b>TOTAL ASSETS</b>	<b>2,83,367.54</b>	<b>2,76,888.23</b>	<b>2,51,599.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	2,152.38	2,152.38	2,200.00
Other Equity	2,14,168.32	1,90,865.20	1,81,473.02
<b>Total Equity attributable to owners of the Parent</b>	<b>2,16,320.70</b>	<b>1,93,017.58</b>	<b>1,83,673.02</b>
Non controlling Interest	2.42	2.64	2.82
<b>Total Equity</b>	<b>2,16,323.12</b>	<b>1,93,020.22</b>	<b>1,83,675.84</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
Provisions	312.17	268.96	<b>0.00</b>
Deferred Tax Liabilities (net)	6,927.15	7,174.13	12,206.32
Other Non - Current Liabilities	3,260.03	18,427.80	12,980.37
<b>Total non-current liabilities</b>	<b>10,499.35</b>	<b>25,870.89</b>	<b>25,186.69</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	78.69	243.65	119.86
Total outstanding dues of creditors other than micro enterprises and small enterprises	54,905.48	51,778.98	41,753.73
Other Financial Liabilities	726.85	3,956.73	592.06

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Other Current Liabilities	626.48	1,168.78	132.99
Provisions	20.69	194.27	138.06
Current Tax Liabilities (Net)	186.88	654.71	0.00
<b>Total current liabilities</b>	<b>56,545.07</b>	<b>57,997.12</b>	<b>42,736.70</b>
<b>Total liabilities</b>	<b>67,044.42</b>	<b>83,868.01</b>	<b>67,923.39</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,83,367.54</b>	<b>2,76,888.23</b>	<b>2,51,599.23</b>

*Summary of the audited consolidated statement of profit and loss*

Particulars	(₹ in lakh)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Income</b>			
Revenue from continuing Operations	1,50,238.09	82,949.85	99,916.80
Other Income	13,610.96	7,464.40	15,437.84
<b>Total Income (I)</b>	<b>1,63,849.05</b>	<b>90,414.25</b>	<b>1,15,354.64</b>
<b>Expenses</b>			
Cost of materials consumed	1,12,473.98	66,020.16	76,709.72
Changes in Inventories of Stock - in - Trade	3,562.66	(3,440.53)	(2,083.08)
Employee Benefits Expense	4,615.42	4,218.99	3,392.80
Finance Costs	1,642.98	1,065.76	638.32
Depreciation and Amortization Expenses	784.30	759.95	744.28
Other Expenses	8,644.67	7,484.34	6,093.70
<b>Total Expenses (II)</b>	<b>1,31,724.01</b>	<b>76,108.67</b>	<b>85,495.74</b>
<b>Profit before tax from continuing operations (I - II)</b>	<b>32,125.04</b>	<b>14,305.58</b>	<b>29,858.90</b>
<b>Tax Expense</b>			
Current tax	6,064.63	4,401.09	5,911.87
Deferred tax	(1,108.82)	145.90	5.33
Tax related to earlier years	66.74	97.76	-
<b>Total tax expenses (IV)</b>	<b>5,022.55</b>	<b>4,644.75</b>	<b>5,917.20</b>
<b>Profit for the year from continuing operations before profit of Joint Venture (III - IV)</b>	<b>27,102.49</b>	<b>9,660.83</b>	<b>23,941.70</b>
<b>Share of profit from Joint Venture</b>	<b>-</b>	<b>-</b>	<b>364.00</b>
<b>Profit for the year from continuing operations (V + VI)</b>	<b>27,102.49</b>	<b>9,660.83</b>	<b>24,305.70</b>
<b>Discontinued operations</b>			
Profit/ (Loss) for the year from discontinued operations	(425.50)	4,541.05	2,719.67
Exceptional items - gain on sale of discontinued operations	79.65	6,785.61	-
Less: Tax expense on discontinued operations	(88.87)	2,301.71	636.17
<b>Profit for the year from discontinued operations (VIII)</b>	<b>(256.98)</b>	<b>9,024.95</b>	<b>2,083.50</b>
<b>Profit / (loss) for the year (VII + VIII)</b>	<b>26,845.51</b>	<b>18,685.78</b>	<b>26,389.20</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to statement of profit &amp; loss.</b>			
(a) Net fair value gain/ (loss) on investment in equity instruments through OCI	3,198.89	(68.27)	765.28
(b) Income tax related to above items	(324.25)	15.62	(175.10)
(c) Remeasurement of defined benefit obligation	(2.23)	(71.95)	20.08
(d) Income tax related to above items	(17.55)	18.11	(5.05)
	<b>2,854.86</b>	<b>(106.49)</b>	<b>605.21</b>
<b>Items that will be reclassified to statement of profit &amp; loss.</b>			
(a) Exchange differences on translation foreign operations	59.91	-	-
<b>Other comprehensive income for the year, net of tax</b>	<b>2,914.77</b>	<b>(106.49)</b>	<b>605.21</b>
<b>Total comprehensive income for the year (IX + X)</b>	<b>29,760.28</b>	<b>18,579.29</b>	<b>26,994.41</b>

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Profit/(Loss) for the period attributable to:</b>			
(a) Owners of the Company	26,845.73	18,685.96	26,389.36
(b) Non-Controlling Interest	(0.22)	(0.18)	(0.16)
<b>Other comprehensive income for the year attributable to:</b>			
(a) Owners of the Company	2,914.77	(106.49)	605.21
(b) Non-Controlling Interest	-	-	-
<b>Total comprehensive income for the year attributable to:</b>			
(a) Owners of the Company	29,760.50	18,579.47	26,994.57
(b) Non-Controlling Interest	(0.22)	(0.18)	(0.16)
<b>Total comprehensive income for the year attributable to owners arising from:</b>			
(a) Continuing operations	30,017.48	9,554.52	24,911.07
(b) Discontinued operations	(256.98)	9,024.95	2,083.50
<b>Earnings per equity share (Nominal value per share ₹ 2 each)</b>			
Earning per equity share for continuing operations			
Basic & Diluted (₹)	25.18	8.84	22.10
Earning per equity share for discontinued operations			
Basic & Diluted (₹)	(0.24)	8.26	1.89
Earning per equity share for continuing and discontinued operations			
Basic & Diluted (₹)	24.94	17.10	23.99

**Summary of the audited consolidated statement of cash flows**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<i>(₹ in lakh)</i>			
<b>Cash Flow from Operating Activities:</b>			
<b>Profit before tax from continuing operations</b>	<b>32,125.04</b>	<b>14,305.58</b>	<b>29,858.90</b>
<b>Profit / (Loss) before tax from discontinued operations</b>	<b>(345.85)</b>	<b>11,326.66</b>	<b>2,719.67</b>
<b>Add:</b>			
Depreciation expense	784.30	2,455.40	4,125.91
Interest Expenses	1,642.98	1,065.76	638.32
Interest Income	(3,115.07)	(3,058.28)	(1,917.95)
Exceptional item - profit on sale of discontinued operations	(79.65)	(6,785.61)	-
(Profit)/ Loss on Property, Plant and Equipment sale/ written off	(0.21)	(34.36)	(0.79)
Impairment of Goodwill on Consolidation		95.02	
Dividend Income	(6,143.07)	(2,084.55)	(4,478.52)
Net gain on foreign currency transactions and translation (net)	(124.16)	(321.30)	(396.81)
Net gain on sale or remeasurement of investments measured at FVTPL	(4,282.96)	(1,965.20)	(8,539.79)
<b>Cash flow before changes in operating asset and liabilities</b>	<b>20,461.34</b>	<b>14,999.12</b>	<b>22,008.94</b>
<b>Adjustments for changes in operating assets and liabilities:</b>			
<b>(Increase) / decrease in assets:</b>			
Inventories	6,062.66	(7,397.85)	(2,083.08)
Trade receivables	(9,975.19)	(5,408.31)	(5,378.72)
Other financial assets	(2,107.47)	(150.64)	1,484.40
Other assets	(10,885.19)	1,898.45	3,451.10
<b>Increase / (decrease) in liabilities:</b>			
Trade payables	2,961.54	10,149.06	5,643.51
Other financial liabilities	(3,229.88)	419.85	539.37

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Provisions	(130.37)	348.17	(89.67)
Other liabilities	(15,711.91)	5,673.95	6,912.86
<b>Cash generated from / (used in) operating activities</b>	<b>(12,554.47)</b>	<b>20,531.80</b>	<b>32,488.71</b>
Less: Income tax paid (net of funds)	(7,269.50)	(11,195.97)	(6,561.29)
<b>Cash Flow before Extraordinary items</b>	<b>(19,823.97)</b>	<b>9,335.83</b>	<b>25,927.42</b>
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>(19,823.97)</b>	<b>9,335.83</b>	<b>25,927.42</b>
<b>Cash Flow from Investing Activities:</b>			
Acquisition of property, plant and equipment and movement of capital creditors, capital work-in-progress	(18,042.95)	(6,554.24)	(3,370.12)
Proceeds from sale of property plant and equipment	0.64	40.74	-
Investment in bank deposit having original maturity of more than three months (net)	166.05	(10,292.76)	178.91
Investments in subsidiaries	-	-	-
Investments others	23,767.02	(23,680.84)	(24,352.85)
Loans granted to bodies corporate	11,225.98	(4,733.78)	(1,271.90)
Advance received against asset held for sale	-	680.00	-
Proceeds from sale of discontinued operations	573.26	40,908.49	-
Dividend Income	6,143.07	2,084.55	4,478.52
Interest Income	3,042.11	2,804.77	1,939.05
<b>Net cash generated from/ (used in) investing activities (B)</b>	<b>26,875.18</b>	<b>1,256.93</b>	<b>(22,398.39)</b>
<b>Cash Flow from Financing Activities:</b>			
Proceeds/(Repayment) of Borrowings (Net)	-	-	(771.34)
Dividend Paid	(6,457.14)	(2,199.20)	(4,945.60)
Interest Paid	(1,642.98)	(525.17)	(89.16)
Other finance charges paid	(350.52)	(540.59)	(549.16)
Share Buyback (including transaction cost and tax)	-	(7,035.70)	-
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>(8,450.64)</b>	<b>(10,300.66)</b>	<b>(6,355.26)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(1,399.43)</b>	<b>292.10</b>	<b>(2,826.23)</b>
Cash and cash equivalents at beginning of the year	4,840.39	4,548.29	7,374.52
<b>Cash and cash equivalents at end of the year</b>	<b>3,440.96</b>	<b>4,840.39</b>	<b>4,548.29</b>
<b>Break-up of cash and cash equivalent (Refer note 13)</b>			
<b>Balances with banks</b>			
Current Accounts	3,432.77	4,826.01	4,533.88
Cash on hand	8.19	14.38	14.41
	<b>3,440.96</b>	<b>4,840.39</b>	<b>4,548.29</b>
<b>Short term borrowings</b>			
Opening balance	-	-	<b>771.34</b>
Repayment of short term borrowings (net)	-	-	<b>(771.34)</b>
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest accrued</b>			
<b>Opening balance</b>			
Interest cost	(1,642.98)	(525.17)	(89.16)
Interest paid	1,642.98	525.17	89.16
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## RELATED PARTY TRANSACTIONS

For details of the related party transactions during: (i) Fiscal 2024; (ii) Fiscal 2023; and (iii) Fiscal 2022, as per the requirements in accordance with Indian Accounting Standard (“**Ind AS**”) notified under the Ind AS Rules read with Section 133 of the Companies Act, 2013, see “*Financial Information – Fiscal 2024 Audited Consolidated Financial Statements - Note 36 – Related Party Disclosures*”, “*Financial Information – Fiscal 2023 Audited Consolidated Financial Statements - Note 37 – Related Party Disclosures*” and “*Financial Information – Fiscal 2022 Audited Consolidated Financial Statements - Note 41 – Related Party Disclosures*” on pages 299, 375 and 449.

## RISK FACTORS

*This Issue and an investment in Equity Shares involve a high degree of risk. You should carefully consider the risks described below as well as other information in this Preliminary Placement Document before making an investment decision in the Equity Shares. If any one or a combination of the risks described below actually occurs, our business, prospects, financial condition, results of operations and cash flows could be seriously affected, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that our management believes are material but the risks set out in this Preliminary Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material, as the case may be, in the future. This section should be read together with the sections, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview”, “Business”, and “Financial Information” beginning on pages 87, 163 and 238 of this Preliminary Placement Document, respectively, and other financial information included elsewhere in this Preliminary Placement Document. This Preliminary Placement Document contains forward-looking statements that involve risks and uncertainties. Prospective investors should carefully consider the following risk factors as well as other information included in this Preliminary Placement Document prior to making any decision as to whether or not to invest in our Issue. Any potential investor in, and purchaser of our Equity Shares should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries.*

*The amounts in relation to the Fiscal Year 2022 as reproduced in the Preliminary Placement Document are the restated corresponding amounts as reported in the Fiscal 2023 Audited Consolidated Financial Statements, and accordingly the same is not in agreement with the Fiscal 2022 Audited Consolidated Financial Statements. The corresponding amounts of Fiscal 2022 have been restated in the Fiscal 2023 Audited Consolidated Financial Statements, being impact of non-current assets classified as ‘held for sale’ and classification of wind business in Tamil Nadu as ‘discontinued operations’.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals 2024, 2023 and 2022 included herein is based on the Audited Consolidated Financial Statements, included in this Preliminary Placement Document. For further information, see “Selected Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 43, 87 and 238, respectively.*

*Unless otherwise indicated, all industry and market data used in this section has been derived from the report “Strategic assessment of Indian power sector” dated July 2024 (“CRISIL Report”) prepared and released by CRISIL MI&A and commissioned by us, exclusively for the purpose of the Issue. Our Company commissioned and paid for the CRISIL Report pursuant to the engagement letter dated June 6, 2024. For risks in relation to commissioned reports, see “Risk Factors– This Preliminary Placement Document contains information from an industry report prepared by CRISIL which we have commissioned and paid for.” on page 66. This Preliminary Placement Document also contains forward- looking statements that involve risk and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below in “Forward-Looking Statements” on page 66, and elsewhere in this Preliminary Placement Document.*

### INTERNAL RISKS

- 1. EPC projects that we operate have been awarded primarily through competitive bidding process. Our bids may not always be accepted. We may not be able to qualify for, compete and win projects or identify and acquire new projects, which could adversely affect our business and results of operations.***

We enter into contracts primarily through a competitive bidding process, and our business depends on our ability to bid for and be awarded contracts for projects by project owners. Projects are awarded following competitive bidding processes and satisfaction of prescribed qualification criteria. Typically, a project owner advertises potential projects in newspapers or on their websites by publishing pre-qualification notices. We evaluate our credentials considering the eligibility criteria for projects that are of interest. Once we pre-qualify for a bid, tender documents are sent to pre-qualified bidders by the project owner. We then submit a financial bid, along with any technical bid details required, to the

project owner. For further details on the bidding process, see “*Our Business – Project cycle*” on page 171.

Further, service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience and sufficiency of financial resources are important considerations in authority decisions. We spend considerable time and resources in the preparation and submission of bids. We cannot assure you that we would bid where we have been prequalified to submit a bid or that our bids, when submitted or if already submitted, would be accepted. If we are not able to qualify in our own right to bid for larger projects, we may be required to partner and collaborate with other companies in bids for such projects. If we are unable to partner with other companies or lack the credentials to be the partner-of-choice for other companies, we may lose the opportunity to bid for large EPC projects, which could affect our growth plans. There can be no assurance that we would be able to meet such qualification criteria, particularly for larger or complex projects, whether independently or together with other qualified contractors as a consortium/ joint venture.

Further, certain project owners from the private sector may only invite a select group of contractors to participate in the bidding process. In such instances, we cannot assure you that we will be invited to bid for such projects or that our bid in a non-competitive bidding process will be successful.

In addition, the government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. There can be no assurance that the projects for which we bid will be tendered within a reasonable time, or at all. In the event that new projects which have been announced and which we plan to bid for are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected.

Projects awarded to us may be subject to litigation by unsuccessful bidders. Legal proceedings may result in delay in award of the projects and/or notification of appointed dates, for the bids where we have been successful, which may result in us having to retain unallocated resources and as a result, it would adversely affect our results of operations and financial condition. Further, we may be required to incur substantial expenditure, time and resources in defending such litigation. Any unsuccessful outcome in any such proceedings may lead to termination of a contract awarded to us, which could have a material adverse effect on our future revenues and profits.

We spend considerable time and resources in the preparation and submission of bids, and if we are unsuccessful, we will not be able to recover the costs incurred by us.

Further, projects awarded to us may be subject to litigation by unsuccessful bidders. Such legal proceedings may result in a delay in the award of the project, even if we have successfully bid for it, which may result in us having to retain unallocated resources and as a result, adversely affect our profitability. Further, we may be required to incur substantial expenditure, time, and resources in defending such litigation. Any unsuccessful outcome in any such proceedings may lead to the termination of a contract awarded to us, which could adversely affect our future revenues and profits.

- 2. Our business is primarily dependent on contracts awarded by governmental authorities and other entities owned and controlled by the GoI or state governments and we derive majority of our revenues from contracts with a limited number of government entities. Any adverse changes in the tendering criteria or power or energy sector policies by the government policies may lead to our contracts being foreclosed, terminated, restructured or renegotiated, and we may not be able to receive any future contracts which may have a material affect on our business and results of operations.***

Our business is primarily dependent on contracts awarded by governmental authorities and other entities funded by the GoI or state governments. We currently derive majority of our revenue from contracts entered into with major power companies in India. Larger contracts from few customers may represent a larger part of our order book, resulting in dependence on such clients and increasing the potential volatility of our results and exposure to individual contract risks.

The following table sets forth our order book as of Fiscals 2024, 2023 and 2022:

(₹ in lakh, except percentages)



Sr. No.	Type of clients	Order book					
		Amount as of March 31, 2024	Percentage as of March 31, 2024	Amount as of March 31, 2023	Percentage as of March 31, 2023	Amount as of March 31, 2022	Percentage as of March 31, 2022
1.	Government <sup>(1)</sup>	5,94,822.66	64.52%	2,77,645.40	73.61%	79,241.58	54.98%
2.	Government outside India	80,866.63	8.77%	6,165.35	1.63%	10,546.92	7.32%
3.	Private sector	2,46,208.11	26.71%	93,376.67	24.76%	54,346.50	37.70%
	<b>Total</b>	<b>9,21,897.40</b>	<b>100.00%</b>	<b>3,77,187.42</b>	<b>100.00%</b>	<b>1,44,135.00</b>	<b>100.00%</b>

<sup>(1)</sup> Comprises state and central governments, government agencies and government-owned enterprises in India

For further details please see “*Our Business*” on page 163. We expect such contracts with government authorities to continue to account for a high percentage of our order book in the future. The growth of our business mainly depends on our ability to obtain new EPC projects. We are not in a position to predict whether and when we will be awarded a new contract. Our future results of operations and cash flows can fluctuate materially depending on the timing of contract awards. Further, all our ongoing projects have been awarded to us for a definite term and the relevant authorities may float tenders for such projects after expiry of the current term. There is no assurance that we will be awarded such projects at the end of the tender process.

There can be no assurance that the Government of India or the state governments will continue to place emphasis on the power and energy sector. The Government of India is increasingly emphasizing the transition to renewable and clean energy sources, driven by environmental concerns, international commitments to reduce carbon emissions, and the need for sustainable energy solutions. Policies are being enacted to promote the development and adoption of renewable energy technologies such as solar, wind, and hydroelectric power. These policies include incentives for renewable energy projects, stringent regulations on emissions from conventional energy sources, and long-term targets for increasing the share of renewables in the energy mix. This shift in policy focus is expected to have significant implications for conventional energy projects. As the government prioritizes renewable energy, conventional energy projects, which currently form the majority of our EPC order book, may face reduced support and funding. New regulations and policies aimed at curbing emissions and promoting clean energy could lead to increased operational costs for conventional energy projects and potentially make them less competitive compared to renewable alternatives.

In the event of any adverse change in budgetary allocations for power development or a downturn in available work in the power sector resulting from any change in government policies or priorities, our business prospects and our financial performance, may be adversely affected. Further, we may not be able to receive any future contracts if there are paradigm shift in the policies of government with respect to the power sector.

The contracts with government entities may be subject to extensive internal processes, policy changes, government or external budgetary allocation, insufficiency of funds and political pressure, which may lead to lower number of contracts available for bidding or increase in the time gap between invitation for bids and award of the contract or lead to renegotiation of the terms of these contracts which may lead to a delay in our business operations. Any adverse change in the policies or tendering criteria adopted by the government regarding award of its projects could adversely affect our ability to bid for and/ or win such projects. Additionally, any changes in the existing policies pertaining to incentives granted in respect of developments in the power sector, could adversely affect our existing projects and opportunities to secure new projects.

Contracts with governments and government owned customers are typically based on the contract form finalized by the government or government-owned customer. As a result, our ability to negotiate the terms of these contracts is limited, and such terms tend to favour the government and government-owned customers. Such contractual terms may present risks to our business. Such terms include:

- sole discretion of the customer to extend the operation and maintenance period of the project;
- Payment of liquidated damages on account of delays by the customer;
- disclaimer clause which allows the customer the right to share with any consultant of its choosing, any resultant proposals in order to secure expert opinion;

- our liability as a contractor for consequential or economic loss to our customers; and
- the right of the government or government-owned customer to terminate our contracts for convenience at any time after providing us with the required written notice.

With reference to projects where our bids have been successful, there may be delays in award of the projects and/or notification of appointed dates, which may result in us having to retain resources which remain unallocated, thereby adversely affecting our financial condition and results of operations. Any adverse changes in the GoI or state government policies may lead to our contracts being foreclosed or terminated. In addition, we may be restricted in our ability to, among other things, sell our interests to third parties, contract with certain customers or assign our rights or obligations under our contracts to any person. These restrictions may limit our flexibility in operating our business, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition. Any withdrawal of support or adverse changes in their policies may lead to our agreements being restructured or renegotiated and could, though not monetarily quantifiable at this time, materially and adversely affect our financing, capital expenditure, revenues, development or operations relating to our existing projects as well as our ability to participate in competitive bidding or negotiations for our future projects. This in turn could materially and adversely affect our results of operations and financial condition.

**3. *An inability to complete our ongoing projects and forthcoming projects by their respective expected completion dates or at all could have a material adverse effect on our business, results of operations and financial condition.***

Our ability to complete our projects within the expected completion dates or at all is subject to a number of risks and unforeseen events, including, without limitation collaboration with third parties, changes in applicable regulations, availability of adequate financing arrangements on commercially viable terms, as well as an inability or delay in securing necessary statutory or regulatory approvals for such projects.

Our EPC projects are required to achieve commercial operation no later than the scheduled commercial operation dates specified under the relevant EPC contracts, or by the end of the extension period, if any is granted by our clients. We provide our clients with performance guarantees for completion of the construction of our projects within a specified time frame. Subject to certain customary exceptions such as (i) occurrence and continuance of force majeure events that are not within our control, or (ii) delays that are caused due to reasons solely attributable to our client, failure to adhere to contractually agreed timelines or extended timelines could require us to pay liquidated damages as stipulated in the EPC contract or lead to encashment and appropriation of the bank guarantee or performance security. Such liquidated damages are often specified as a fixed percentage of the contract price and our clients are entitled to deduct the amount of damages from the payments due to us. The client may also be entitled to terminate the EPC contract in the event of delay in completion of the work if the delay is not on account of any of the agreed exceptions. Further, we may not be able to obtain extensions for projects on which we face delays or time overruns.

In addition to the risk of termination by the client, delays in completion of development may result in cost overruns, lower or no returns on capital and reduced revenue for the client thus impacting the project's performance, as well as failure to meet scheduled debt service payment dates and increased interest costs from our financing agreements for the projects. Delay in completion of projects have major repercussions on our business including but not limited to hefty fines and penalties payable to the vendor as per the agreed terms and conditions, partial forfeiture of our earnest money, we may be subject to disputes brought by the vendors / suppliers, etc. The scheduled completion targets for our projects are estimates and are subject to delays as a result of, among other things, force majeure events, issues arising out of right of way, unavailability of financing or unanticipated cost increases. Whilst there have not been any delays in any of our completed projects for any of our ongoing projects in the last three fiscals, we cannot assure you that we will not experience any delays in any of our projects going forward.

**4. *Our order book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our order book, which could adversely affect our results of operations.***

Our order book as of a particular date comprises the estimated revenues from the unexecuted portions of all the existing contracts. Further, our order book as of a particular date is calculated on the basis of the aggregate contract value of our ongoing projects as of such date reduced by the value of work executed by us until such date, as certified by the relevant client. For the purposes of calculating the order book value, we do not take into account any escalation or change in work scope of our ongoing projects as of the relevant date, or the work conducted by us in relation to any such escalation or change in work scope of such projects until such date. The manner in which we calculate and present our order book is therefore not comparable to the manner in which our revenue from operations is accounted, which takes into account revenue from work relating to escalation or changes in scope of work of our projects and information may vary from the manner in which such information is calculated and presented by other companies, including our competitors. The order book information included in this Preliminary Placement Document is not audited and does not necessarily indicate our future earnings. Our order book should not be considered in isolation or as a substitute for performance measures. As of March 31, 2024, our Company had an order book of ₹9,21,897.40 lakh. Set forth below are the details of our order book by business verticals, and types of clients, as of the dates mentioned:

(₹ in lakh, except percentages)

Sr. No.	Business	Order book					
		Amount as of March 31, 2024	Percentage as of March 31, 2024	Amount as of March 31, 2023	Percentage as of March 31, 2023	Amount as of March 31, 2022	Percentage as of March 31, 2022
1.	Generation	1,29,109.69	14.00%	1,45,922.40	38.69%	9,983.94	6.93%
2.	Transmission	4,91,349.26	53.30%	1,43,342.80	38.00%	98,954.60	68.65%
3.	Distribution	2,79,836.18	30.36%	45,677.14	12.11%	35,196.46	24.42%
4.	Data centre	21,602.27	2.34%	42,245.08	11.20%	0.00	0.00%
	<b>Total</b>	<b>9,21,897.40</b>	<b>100.00%</b>	<b>3,77,187.42</b>	<b>100.00%</b>	<b>1,44,135.00</b>	<b>100.00%</b>

(₹ in lakh, except percentages)

Sr. No.	Type of clients	Order book					
		Amount as of March 31, 2024	Percentage as of March 31, 2024	Amount as of March 31, 2023	Percentage as of March 31, 2023	Amount as of March 31, 2022	Percentage as of March 31, 2022
1.	Government <sup>(1)</sup>	5,94,822.66	64.52%	2,77,645.40	73.61%	79,241.58	54.98%
2.	Government outside India	80,866.63	8.77%	6,165.35	1.63%	10,546.92	7.32%
3.	Private sector	2,46,208.11	26.71%	93,376.67	24.76%	54,346.50	37.70%
	<b>Total</b>	<b>9,21,897.40</b>	<b>100.00%</b>	<b>3,77,187.42</b>	<b>100.00%</b>	<b>144,135.00</b>	<b>100.00%</b>

<sup>(1)</sup> Comprises state and central governments, government agencies and government-owned enterprises in India.

We may not be able to achieve our expected margins or may even suffer losses on one or more of these contracts or we may not be able to realise the revenues which we anticipated in such projects. In addition, there can be no assurance that we will be awarded the projects that we currently expect or that we will be able to execute agreements for these anticipated projects on terms that are favourable to us or at all. Our completed projects also include those projects for which we have been issued provisional completion certificates by the relevant authority but are operational.

We may encounter problems executing the projects as ordered or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone a project or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions, right-of-way, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of projects, resulting from our clients' discretion or problems we encounter in project execution or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent, a project forming part of our order book will be performed and this could reduce the income and profits we ultimately earn from the contracts. Delays in the completion of a project can lead to clients delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such project. Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, all payments otherwise due to us on a project. These payments often represent an important portion of the margin we expect to earn on a project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to our order book projects or

any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

Accordingly, the realization of our order book and the effect on our results of operations may vary significantly from reporting period to reporting period depending on the nature of such contracts, actual performance of such contracts, as well as the stage of completion of such contracts as of the relevant reporting date as it is impacted by applicable accounting principles affecting revenue and cost recognition. Furthermore, there are various risks associated with the execution of large-scale projects as larger contracts may represent a larger part of our portfolio, increasing the potential volatility of our results and exposure to individual contract risks. Managing large-scale projects may also increase the potential relative size of cost overruns and negatively affect our operating margins. We believe that our contract portfolio will continue to be relatively concentrated and if we do not achieve our expected margins or suffer losses on one or more of these large contracts, this could have a material adverse effect on our results of operations and financial condition.

**5. *If any of our projects are terminated prematurely, we may not receive payments due to us, which could adversely affect our business, financial condition and results of operation.***

Our agreements with project owners can be terminated prematurely by project owners for several reasons, including:

- a) failure to comply with operational or maintenance standards prescribed under agreements;
- b) failure to provide, extend or replenish performance security required under agreements;
- c) failure to achieve project milestones to complete a project within the prescribed timelines;
- d) any assignment of rights, obligations, or assets by our Company or the relevant subsidiary;
- e) occurrence of a force majeure event, such as an act of God, act of war, compulsory acquisition by the government of any material assets, industrial strikes;
- f) bankruptcy, insolvency, initiation of liquidation, dissolution, winding up or amalgamation of our Company or the relevant subsidiary;
- g) failure to comply with any other material term of the relevant agreement; or
- h) for convenience, with prior written notice.

If any of the foregoing occur, project owners may terminate our agreements with them, which will adversely affect our business, financial condition, cash flows and results of operations.

If our agreements are terminated for reasons attributable to the project owner, we are typically entitled to receive a termination payment in accordance with the terms of the agreement. However, we cannot assure you that project owners will actually make such payments or that such payments will be adequate to recover our costs.

**6. *Our business is capital intensive. If we experience insufficient cash flows or are unable to access suitable financing to meet working capital requirements, our business, financial condition and results of operations could be adversely affected.***

Our business requires a significant amount of working capital which is based on certain assumptions, and accordingly, any change in such assumptions will result in changes to our working capital requirements. Working capital is required for mobilization of resources, including construction materials and labour, and for other work on projects before payment is received from our customers. Further, since the contracts we bid for typically involve a lengthy and complex bidding and selection process, it is difficult to predict whether or when a particular contract will be awarded to us. As a result, we may need to incur expenses in anticipation of contract awards, which may not eventually materialize, and finance such expenses by incurring additional indebtedness. Our working capital requirements may increase in the future if we undertake larger or additional projects or projects with a long gestation period, if payment terms do not include advance payments or if contracts have payment schedules that shift payments towards the end of a project or otherwise increase our working capital

burden. In addition, our working capital requirements have increased in recent years because we have undertaken a growing number of projects within a similar timeframe and due to the general growth of our business.

All of these factors may result, or have resulted, in increases in our working capital needs. It is customary in the industry in which we operate to provide bank guarantees or performance bonds in favour of customers to secure obligations under contracts. In addition, letters of credit are often required to satisfy payment obligations to suppliers and sub-contractors. If we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to enter into new contracts or obtain adequate supplies could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs. We may not be able to continue obtaining new letters of credit, bank guarantees, and performance bonds in sufficient quantities to match our business requirements.

Further, we may not be able to fund ongoing and future projects from internal accruals and may require to raise additional equity or debt, which may not be easily accessible. Our ability to arrange for financing and our cost of borrowing depend on a number of factors, including general economic and market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, and the continued success of current projects. In addition, our ability to raise funds is limited by certain restrictions imposed under applicable laws, including foreign exchange regulations.

**7. *We may not be able to collect receivables due from our customers, in a timely manner, or at all, which may adversely affect our business, financial condition, result of operations and cash flows.***

For the Fiscals 2024, 2023 and 2022, we had total trade receivables of ₹74,106.41 lakhs, ₹64,131.22 lakhs and ₹58,401.61 lakhs, on a consolidated basis. Please see also “**Financial Information**” on page 238. Our trade receivables relate to amounts which are pending resolution under legal proceedings and retention money receivables. For amounts which are pending legal proceedings, we may not ultimately receive such amounts and may be required to write-off such receivables if such proceedings are not decided in our favour. An adverse outcome from any such legal proceedings could adversely affect our business, financial condition and results of operation. Arbitration, litigation or other dispute resolution proceedings could also arise from additional payments claimed from customers for additional work and costs incurred in excess of the contract price or amounts not included in the contract price.

We cannot assure you that we will be able to collect our receivables on time or at all, which could adversely affect our cash flows, results of operations and financial condition. We may also incur costs in collecting payments from our customers and we may not be able to recover such costs. We require significant working capital requirements in our business operations and such delays in the collection of receivables or inadequate recovery on our claims could adversely affect our business, cash flows, financial condition and results of operations.

**8. *Our actual cost incurred in completing a project may vary substantially from the assumptions underlying our bid. We may be unable to recover all or some of the additional expenses incurred, which could adversely affect our financial condition, results of operation and cash flows.***

Under our contracts with our customers, we are typically entitled to receive an agreed amount, subject to variations in our scope of work. However, our actual expenses in executing a project may vary based on a change in any such assumptions. The cost of construction materials, fuel, labour and equipment maintenance constitutes a significant part of our operating expenses. We are vulnerable to the risk of rising and fluctuating fuel, labour, steel and cement prices, which are determined by demand and supply conditions in the global and Indian markets as well as government policies. Any unexpected price fluctuations after placement of orders, shortage, delay in delivery, quality defects, or any factors beyond our control may result in an interruption in the supply of such materials and adversely affect our business, financial performance, results of operations, and cash flows.

If our cost overruns are greater than the increase in market rates, we may not be able to recover all of our cost overruns. Further, some of our fixed-price contracts do not include any price variation or escalation clauses, in which case we bear the entire risk of price increases.

We cannot assure you that we will not experience any cost overruns in the future. Further, the assumptions underlying our bid are typically based on a pre-bid inspection / study that we conduct, comprising:

- undertaking a site visit along with engineers to study the project site;
- preparing a construction program and equipment list;
- preparation of an estimated bills of quantities, covering all the items required in the work (including subcontracting costs).

Our pre-bidding studies are usually conducted in a short span of time, as part of our preparation and research for a potential bid by us. Therefore, such studies are typically not exhaustive, because of which, in various instances, there have been deviations from our estimates. Further, we may also need to seek additional financing to meet any consequent cost overruns, which may not be available on attractive terms. Any significant deviations from the estimates could adversely affect our business, financial condition and results of operations.

**9. *We have significant power, fuel and water requirements and any disruption to the supply of power, fuel or water could disrupt our operations and increase our production costs, which could adversely affect our results of operations.***

We require substantial power, water and fuel to operate our business operations. If energy costs were to continue to rise, or if electricity, fuel or water supplies or supply arrangements were disrupted, our manufacturing operations could be disrupted, and our profitability could decline. We source most of our electricity requirements for our operations from state electricity boards. If the per unit cost of electricity is increased by the state electricity boards our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. An interruption in or limited supply of electricity may result in suspension of our manufacturing operations. While such interruptions have not had any material impact on our operations in the past three Fiscals, however, there can be no assurance that we will not face any major interruptions in future which could result in a disruption in our operations. If supply is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements. The cost of such purchased power would be significantly higher, thereby adversely affecting our cost of production and profitability. A prolonged suspension in production could materially and adversely affect our business, financial condition or results of operations.

Our data centre requires two level of power back-up as any loss of connection can lead to major losses. The primary source of power and the first level of power backup is provided by the relevant discom and the secondary power back-up is typically from a diesel generator set.

Our operations and facilities are dependent on a steady and stable supply of water, and irregular or interrupted supply of water, or government intervention are factors that could adversely affect our daily operations. There can be no assurance that we will be able to obtain a sufficient supply of water from sources in these areas. We are subject to price risk due to scarcity of water and if supply or access is not available, our manufacturing operations may be disrupted. We may also be forced to shut down our data centre vertical if the drought worsens and we are unable to access sufficient volumes of water.

**10. *Development of our power transmission projects and expansion plans including the construction of the required infrastructure are subject to a number of contingencies. If these new transmission projects and expansion plans are affected by such contingencies, our financial condition and results of operations may be adversely affected.***

The development of power transmission projects is subject to substantial risks, including various planning, engineering and construction risks. Power transmission projects typically require substantial capital outlays and may require a long gestation period of between two to four years before the commencement of commercial operation. The owner generally begins generating a return on investment in a power transmission project after the commencement of commercial operation, which may be delayed due to various reasons.

During the construction and development phases of a power transmission project, we may also suffer from the unavailability of equipment/ materials, shortage of technically skilled personnel and labour, work stoppages, labour or social unrest, adverse weather conditions, accidents, natural calamities, delays in construction, delays in clearances, unforeseen construction-related and/ or operational delays and defects, delivery failures by, and disputes with contractors, increased cost of raw materials, unavailability of adequate funding, inability to secure rights of way for certain portions of the transmission lines, failure to complete power transmission projects within budget and in accordance with the required specifications, additional interest costs incurred due to project delays, legal actions brought by third parties, changes in government, regulatory policies and tax policies, foreign exchange movements, adverse trends in the power transmission industry or general economic conditions in India. These factors, as well as other unforeseeable problems and circumstances may lead to substantial increase in the time and costs required to complete the power transmission projects that we may develop and hamper our expansion plans.

Construction disruptions or delays could impede our ability to undertake future expansion plans of construction and development of power transmission projects, and in turn materially and adversely affect our financial and operational estimates and projections, our business, prospects, financial condition, results of operations and cash flows.

**11. *Projects sub-contracted may be delayed on account of non-performance of the principal or sub-contractor, resulting in delayed payments or non-enforcement of performance guarantee issued by us, could lead to material adverse effect on our business, prospects, financial condition and results of operations.***

From time to time, we sub-contract specific construction and development works of our projects, and when we subcontract to third party, payments may depend on the sub-contractor's performance. Our contracts typically require us to enter into certain commercial and performance obligations with our customers, the performance of which in turn may be dependent on third parties. We may not be able to pass such commercial and performance obligations to executing agencies, which may increase our expenditure in relation to such contracts, or which may result in us being unable to complete our contracts in time or to the satisfaction of our customers.

For instance, many of our projects depend on the availability of competent external contractors for construction, delivery and commissioning, as well as the supply and testing of equipment. Any inadequacy or delay in services by our contractors may result in incremental costs and time overruns which in turn may adversely affect our projects and expansion plans. Further, while our contractors furnish us with performance guarantees, we cannot assure you that we would always be able to enforce such performance guarantees against these contractors. In addition, there is a high demand for infrastructure construction companies in India at present and our ability to hire competent contractors may therefore be limited as we may not be able to identify or retain competent contractors or ensure execution on a timely or cost-effective basis. A completion delays on the part of a principal or sub-contractor, for any reason, could result in delayed payments to us. In addition, when we sub-contract, we may be liable to the customer due to failure on the part of a subcontractor to maintain the required performance standards or insufficiency of a sub-contractor's performance guarantees. Further, we have received an in-principle approval from one of our lenders, SBI Bank Limited, for undertaking the Issue, which is subject to (i) the fund raising through the proposed Issue being up to ₹1,25,000 lakhs; (ii) promoter's shareholding to not get diluted beyond 51% and the absolute number of shares held by the promoters shall not decrease; and (iii) the in-principle approval being subject to approval of the competent authority of the lender. While we have received an in-principle approval from the lender, we cannot assure you if we will receive the final approval for the Issue.

If our contractors are unable to perform in accordance with their commitments on time or meet the quality standards required, our ability to complete projects on time or at all could be impaired. Further, if a sub-contractor becomes insolvent, we may be unable to recover damages or compensation for defective work and we may incur additional expenditure as a result of correcting any defective work. This may have an adverse effect on our reputation, cash flows, business, results of operations and financial condition.

**12. *We may be unable to operate and maintain our power transmission projects to achieve the prescribed availability which may adversely affect our cash flows and results of operations.***

We operate our power transmission projects under an availability-based tariff regime. Inter-state power transmission projects receive transmission charges on the basis of availability, irrespective of the quantum of power transmitted through the system. Under the Transmission Service Agreements (“TSA”), the availability is calculated in accordance with the terms incorporated in the TSAs, which are based on the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, as the case may be under the relevant TSA. The provisions of the TSAs, including the schedules to the agreements, provide specific guidance on the calculation of availability and take into account the elements in the transmission system (including transmission lines and substations) as well as the reason for any outages, with force majeure outages being excluded from such calculation. If our availability falls below 95% for a particular project, we are subject to a penalty computed in accordance with the formula specified in the TSAs, which shall be apportioned in the ratio of the transmission charges paid or actually payable by our customers existing at the end of the relevant contract year.

We may be unable to operate and maintain our power transmission projects to achieve prescribed availability due to a number of factors, which include:

- failure to obtain, maintain or renew permits and licenses or meet any conditions specified therein;
- breakdown or failure of power transmission systems;
- faults in substation;
- labour disturbances or disputes;
- performance of equipment below expected levels of output or efficiency;
- environmental issues affecting the operations of transmission systems;
- claims on completed projects and litigations, proceedings, judgments or awards arising therefrom; and
- force majeure events and catastrophic events, including fires, explosions, landslides, storms, floods, social unrest, earthquakes and terrorist or military acts, epidemic/ pandemic, etc. to the extent such events are not excluded from the calculation of availability under the TSAs.

Accidents or malfunctions involving transmission lines or sub-stations, including failure of transmission towers, power conductors or insulators, may disrupt transmission of electricity and result in availability being below expected levels.

Power transmission projects rely on equipment built by third parties, which is subject to malfunction. Although manufacturers sometimes provide warranties and performance guarantees and may be required to compensate us for certain equipment failures, engineering, and design defects, these arrangements are subject to time limits and fixed liability caps. They may not fully compensate us for the damage incurred or for penalty payments that may be imposed due to reduced availability below required levels. When warranties under various supplier contracts (which largely have standard contractual conditions but may differ with respect to technical specifications from project to project) expire, we may not be compensated for equipment failures or engineering and design defects from such suppliers.

**13. *As the terms and conditions, including the transmission charges under the TSAs are generally fixed, we may not be able to offset increase in costs, including operation and maintenance costs, solely from transmission charges payable to us under the TSAs. This may adversely impact our business, prospects, financial condition, results of operations and cash flows.***

The transmission charges under the TSAs are generally fixed for the specified term, with adjustments for incentives. However, operation and maintenance costs of the assets may rise due to factors beyond our control, including the following:



- Increase in the cost of labour, materials and insurance;
- Restoration costs in case of events such as floods, natural disasters, pandemics and accidents or other events causing structural damage or compromising safety;
- Adverse weather and climatic conditions;
- Unforeseen regulatory changes, application of taxes including income tax, and accounting liabilities; and
- Other unforeseen operational and maintenance costs.

Any increased volatility or rate of inflation of global commodity prices, in particular oil and steel prices, could adversely affect our customers, contractual counterparties and end users. Although the RBI periodically imposes certain policy measures designed to curb inflation, these policies may not be successful. Any slowdown in India's growth, inflation, volatility or fluctuation or sustained periods of hyperinflation could cause our actual results of operations to deviate from our financial projections and estimates and adversely impact our business, prospects, financial condition, results of operations and cash flows.

**14. *Any changes to current tariff policies or regulations governing the Central Transmission Utility ("CTU") or load despatch centres by regulatory authorities could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.***

With respect to potential impacts on statutory payment pooling bodies, in accordance with the Central Electricity Regulatory Commission ("CERC") Sharing Regulations, 2020 transmission licensees are entitled to recover their approved transmission charges from ISTS charges collected by the CTU. The CTU collects transmission charges from DICs on a regular basis and pays such charges to transmission licensees, including us. If there is any change in the operating statutory parameters of the CTU, or if the CTU fails or delays in making the corresponding payments, the counterparty risk may increase significantly, and our business, prospects, financial condition, results of operations, and cash flows may be materially and adversely affected. For instance, on May 4, 2020, CERC notified the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, which came into force on November 1, 2020, specifying a detailed procedure for billing, collection, and disbursement. Under these regulations, a rebate of 1.50% is allowed if payment is made within five days of bill presentation, and 1% if payment is made between five and thirty days. Additionally, a late payment surcharge of 1.50% per month is payable by the concerned DIC if any bill payment under these regulations is delayed beyond the due date.

With respect to potential impacts on statutory despatch bodies, the operators of the national or state transmission grids, including the National Load Despatch Centre ("NLDC"), the regional load despatch centres ("RLDCs"), and the state load despatch centres ("SLDCs"), operate independently in accordance with the Electricity Act, 2003 and related regulations. Any negative changes in the statutory operating parameters of the NLDC, RLDCs, or SLDCs may negatively affect grid availability, which could materially and adversely impact our business, prospects, financial condition, results of operations, and cash flows. Unfavourable changes, especially to tariff, payment pooling, and despatch regulations, could have a significant adverse effect on our business, prospects, financial condition, results of operations, and cash flows.

**15. *Our diversification beyond EPC projects into data centres may not be successful, which in turn could adversely impact our reputation, business and results of operations.***

We have recently ventured into data centre solutions business with our first hyper-density data centre in Chennai, Tamil Nadu, which is scheduled to be commissioned in September 2024. From our data centre, we aim to provide our services to a large number of clients and consequently, interruptions, failure or downtime in our data centre facilities could affect a large number of customers. Our value proposition in the data centre solutions business will be highly dependent on our ability to allow our customers to have access to our services on a continuous and seamless basis or within an acceptable amount of time. Any disruption to our services, whether due to internet downtime, data centre damage or interruptions, software failure, breakdown of hardware, security breaches or for any other reason, would affect our customers' ability to access our services, which could adversely affect their business.

While we intend to offer round the clock technical support to our customers and ensure that grievances are resolved on real-time basis, in order to reduce the impact of such disruptions, we are unable to assure you that such disruptions shall not occur in future and in the event we are unable to prevent such events in future, our reputation, business and results of operations may be adversely affected. Further, in the event that there are any disruptions at the project site or at our data centre due to natural or man-made disasters, workforce disruptions, fire, failure of machinery, or any significant social, political or economic disturbances, our ability to service our customers may be adversely affected. We cannot assure you that any interruption, failure or disruption of data centre services may not occur in future. Such failure or interruptions or downtime in our data centre could cause our customers to seek damages for losses occurred, delay payment to us by customers, divert our resources, require us to replace existing equipment or add redundant facilities, affect our reputation as a reliable provider of hosting services, cause existing customers to cancel or elect to not renew their contracts or make it more difficult to attract new customers. Any of these negative outcomes could adversely impact our reputation, business, operations and financial conditions.

**16. If we fail to qualify for, or win new contracts from project owners, our business, financial condition, results of operations, prospects and cash flows could be adversely affected.**

We enter into contracts primarily through a competitive bidding process, and our business depends on our ability to bid for and be awarded contracts for projects by project owners. Typically, project owners advertise potential projects in newspapers or on their websites by publishing pre-qualification notices. If a project is of interest to us, we evaluate our credentials considering the eligibility criteria specified for the project. We endeavor to qualify on our own for projects that are of interest. In the event that we do not qualify due to eligibility requirements, we may seek to form project-specific joint ventures or consortiums with other relevant experienced and qualified contractors. Once we pre-qualify for a bid, tender documents are sent to pre-qualified bidders (including our Company) by the project owner. We then submit a financial bid, along with any technical bid details required, to the project owner.

We cannot assure you that we will be able to meet the pre-qualification criteria prescribed by project owners. Further, in the event that we do not meet the eligibility criteria by ourselves, we cannot assure you that we will be able to find a suitable joint venture counter party on acceptable terms or at all. Finally, even if we pre-qualify for a project, we cannot assure you that our bid, when submitted, will be successful.

**17. We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.**

We are exposed to counterparty credit risk in the usual course of our business due to the nature of, and the inherent risks involved in, dealings, agreements and arrangements with our counterparties who may delay or fail to make payments or perform their other contractual obligations. There is no assurance that we will accurately assess the creditworthiness of our customers.

Our operations involve extending credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Additionally, as part of our day-to-day business operations, we also provide advances to our suppliers. Set out below are our outstanding trade receivables and outstanding advances provided to suppliers for Fiscals 2024, 2023 and 2022:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ lakh)	% of revenue from operations	Amount (in ₹ lakh)	% of revenue from operations	Amount (in ₹ lakh)	% of revenue from operations
Outstanding trade receivables	74,106.41	49.33%	64,131.22	70.63%	58,401.61	54.38%
Outstanding advances provided to suppliers	1,684.38	1.12%	4,323.19	4.76%	4,210.71	3.92%

Further, macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers and suppliers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers and suppliers to delay payment, request modifications of their payment terms, or default on their payment obligations to us,

all of which could increase our receivables and advances. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows.

The credit period offered by our business partners and suppliers is generally lesser than what we generally grant our customers. The longer credit period granted to our customers compared to that offered by our suppliers may potentially result in certain cash flow mismatches. We cannot assure you that we will not experience any significant cash flow mismatches in the future or that our cash flow management measures will function properly, or at all. If we fail to properly manage the possible cash flow mismatches, our cash flows, financial condition and results of operations could be materially and adversely affected.

**18. *We face certain challenges while diversifying into new business verticals such as data centre on which the Company has no prior experience.***

Our company is expanding into new business verticals, including data centre, where we have no prior experience. By entering an industry in which we lack established expertise, we face significant challenges related to understanding and adapting to industry-specific best practices, operational demands, and customer expectations. Furthermore, our inexperience may lead to inefficiencies in setting up and managing data centre infrastructure, which could result in higher operational costs and delays in achieving desired operational stability and efficiency.

Additionally, we must navigate the complexities of integrating this new vertical with our existing business processes and systems. This integration can be resource-intensive and may divert management attention from our core business activities, potentially affecting the performance and growth of our established operations. The initial phases of this expansion will require substantial capital investment, which could strain our financial resources and impact our liquidity position. Moreover, the success of our data centre operations depends on our ability to attract and retain skilled personnel with the necessary expertise, which can be both challenging and costly in a competitive job market.

The data centre industry is highly competitive, with established players possessing significant market share, advanced technology, and strong customer relationships. Our entry into this market may be met with competitive pressures that could limit our ability to attract clients, achieve pricing advantages, and gain a meaningful market presence. This competitive landscape, combined with our lack of experience, increases the risk of not meeting our financial projections and strategic objectives for this new business vertical.

The data centre industry is governed by stringent regulatory requirements related to data security, privacy, and environmental standards. Our inexperience in navigating these regulations may result in compliance challenges, potential legal penalties, and increased costs associated with ensuring regulatory adherence. Technological risks are also a major concern. Data centres requires use of latest technology and robust cybersecurity measures to protect sensitive data and ensure uninterrupted service. Our lack of expertise in these areas may expose us to technological risks, including cybersecurity breaches, data loss, and service disruptions, which could severely damage our reputation and lead to financial losses. Any failure to comply with these regulations could lead to reputational damage and legal repercussions. These risks could have a material adverse effect on our business operations, financial condition, and results of operations.

**19. *Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval***

We propose to utilize the Net Proceeds towards capital expenditure by our Company for (i) investment in NERES XVI Power Transmission Limited, our Subsidiary, and in NERGS-I Power Transmission Limited for funding EPC works for the TBCB projects; (ii) investment in our Subsidiaries, Techno AMI Solutions 1 Private Limited and Techno AMI Solutions 2 Private Limited, for funding EPC works for our AMI projects; (iii) investment in our Subsidiary, Techno Infra Developers Private Limited, for funding EPC works for our data center situated in Chennai; and (iv) general corporate purposes. For further information of the proposed objects of the Issue, see "*Use of Proceeds*" on page 78. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other

expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability to obtain such shareholders' approval may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

- 20. *We have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Issue. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency, and our management and Board will have broad discretion over the use of the Net Proceeds.***

We intend to utilize the Net Proceeds of the Issue as set forth in "Use of Proceeds" on page 78. The funding requirements mentioned as a part of the objects of the Issue are based on internal management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies. Our funding requirements may be subject to change based on various factors such as the timing of completion of the Issue, market conditions outside the control of our Company, and any other business and commercial considerations. The remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company and by the Shareholders by way of a special resolution, in accordance with applicable laws. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure as may be determined by our Company and by the Shareholders by way of a special resolution, subject to compliance with applicable law. The deployment of the Net Proceeds will be at the discretion of our Board. For further information, see "Use of Proceeds" on page 78.

Further, various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve growth in our business. We may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. Further, we may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, enhanced financial condition or an increase in the value of our business and your investment.

- 21. *We intend to utilize a portion of the Net Proceeds for funding EPC works for TBCB projects, AMI projects and data center situated in Chennai. We cannot assure you that we will be able to complete the Projects within the expected estimated cost and on time which may result into cost escalations and time overruns.***

We plan to use a portion of the Net Proceeds for funding EPC works for TBCB projects, AMI projects and data center situated in Chennai. However, there are inherent risks associated with the completion of these projects, which may adversely affect our financial condition and operational results. These risks include, but are not limited to, unanticipated expenses that may exceed our initial budget estimates, such as fluctuations in material costs, labour charges, and unexpected regulatory changes. Additionally, project completion may be delayed due to logistical challenges, supply chain disruptions, and workforce availability, acquisition of land, potentially extending the timeline for project completion beyond our anticipated schedule. The complexity of executing EPC works for TBCB and AMI projects, as well as the construction of a data centre, presents significant operational challenges, and any mismanagement or technical issues could further delay project timelines and increase costs. Effective coordination and management across our multiple subsidiaries are crucial, and any shortcomings in this regard could lead to inefficiencies, delays, and increased costs. While we have forayed into the business of development of data centre, we do not possess adequate experience which could lead to higher costs and delays.

Furthermore, compliance with local regulations and the timely procurement of necessary approvals can be unpredictable and subject to delays, with any changes in regulatory requirements potentially impacting the cost and timing of project completion. Further, our Company is yet to acquire NERGS-I Power Transmission Limited for undertaking the project under NERGS-I. We cannot assure you that we will be able to complete the acquisition of NERGS-I or complete the projects within the expected cost estimates and timelines. Any cost escalations or time overruns could materially and adversely affect our financial condition and operational results. Accordingly, the use of the Net Proceeds to fund our growth and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

- 22. *We face certain competitive pressures from the existing competitors and new entrants in both public and private sector. Increased competition and aggressive bidding by such competitors are expected to make our ability to procure business in future more uncertain which may adversely affect our business, financial condition and results of operations.***

Our business is highly competitive as we face competition from the competitors in the domestic market as well as in international markets. Our Company primarily procures projects on the basis of competitive bidding which entails managerial time to prepare bids and proposals for contracts and at times requires us to resort to aggressive pricing to be able to be awarded the contracts. We may not be in a position to aggressively price our services in the future which may result in loss of business and adversely affect our future prospects. With increased competition, our ability to estimate costs to provide services required under the contracts and ability to deliver the project in a timely manner will determine our profitability and competitive position in the market. The possibility exists that our competitors might develop new technologies that might cause our existing technology and offerings to become less competitive. Our ability to anticipate such developments and deploy improved and appropriate technologies through development/acquisitions will determine our competitive position in the market place. Any failure on our part to compete effectively in terms of pricing of our services or providing quality services could have a material adverse effect on our operations and financial condition.

There can be no assurance that we will be able to compete successfully against our competitors as well as new entrants in our industry in the future, or that the companies that are not directly in competition with us now will not compete with us in the future. Accordingly, our business, financial condition, results of operations and future prospects would be adversely and materially affected if we are unable to maintain our competitive advantage and compete successfully against our competitors and any new entrants to our industry in the future.

- 23. *We depend significantly on skilled engineers and contract labour and an inability to hire skilled engineers and access to contract labour at reasonable costs at our project sites may adversely affect our business.***

We depend significantly on our engineering team and contract labours for the successful execution and completion of our projects. Our projects require highly skilled and experienced engineers to ensure proper planning, design, and oversight. We also depend on contract labours for our construction work and the execution of our projects. Our reliance on highly skilled engineers and contract labour is fundamental to our operational success. An inability to attract, hire, and retain qualified engineers could lead to project delays, increased costs, reduced quality of work, and inefficiencies in our operations.

We cannot assure you that we will have adequate access to skilled workmen, engineers, and contract labour at reasonable rates and in the areas where we execute our projects. As a result, we may be required to incur additional costs to ensure timely execution of our projects or may not be able to complete our projects on schedule or at all. In addition, there may be local regulatory requirements relating to use of contract labour in specified areas and such regulations may restrict our ability to engage contract labour for a project. This uncertainty could materially and adversely affect our business operations, financial condition, and results of operations.

- 24. *Compliance with, and changes in, environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures may adversely affect our cash flows, business results of operations and financial condition.***

Our business operations are subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. We cannot assure you that compliance with such laws and regulations will not result in delays in completion, an increase in our costs or otherwise have an adverse effect on our financial condition, cash flows and results of operations. Further, construction activities in India are also subject to various health and safety laws and regulations. Accidents, in particular fatalities, may adversely affect our reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependents.

Non-compliance with these laws and regulations, could expose us to civil penalties, criminal sanctions and revocation of key business licences. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, and we could face other sanctions, if we were to violate or become liable under environmental laws. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs.

**25. *We may be required to pay additional stamp duty if any concession agreement is subject to payment of stamp duty if inadequately stamped.***

Our Company enters into concession agreement with government and non-government players in the power sector which are subject to payment of stamp duty. For concession agreements, stamp duty is typically payable based on the value of the concession or consideration involved, as specified by local laws and regulations. The rate and method of calculation can vary significantly depending on the jurisdiction where the agreement is executed.

If any of the concession agreements were determined to be inadequately stamped, then such agreements would be inadmissible as evidence in any legal action, until the deficient amount of stamp duty together with penalties, if any, was paid. Any deficiently stamped documents can also be impounded by any person having authority, by law or consent, to receive evidence or every person who is in-charge of a public office, and such impounded documents could be made subject to stamp duty and penalty. In addition, a person who signs an instrument chargeable with stamp duty will be subject to a fine if such instrument is not duly stamped.

While we believe that the stamp duty payment is adequate on each of the concession agreements, if any demand for payment of a higher stamp duty or penalty is imposed which would increase the costs of the Project Assets, then to the extent such additional costs are not recoverable from the concession authorities, such demand could adversely affect our business, cash flows, results of operations and prospects.

**26. *We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially adversely affect our operations.***

We are required to obtain and maintain a number of statutory and regulatory licenses, permits and approvals in India and abroad. In India, we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules, generally for carrying out our business. Similarly, our operations abroad are also subject to regulatory framework which required us to take permits, clearances and approvals from appropriate authorities. A majority of these approvals, including the consent to establish and operate under environmental laws, are granted for a limited duration and require renewal from time to time. While we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be materially adversely affected.

Further, the licenses, permits and approvals required by us are subject to several conditions and we cannot assure you that we will be able to continuously meet such conditions, which may lead to cancellation, revocation or suspension of the relevant licenses, permits and approvals. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased compliance costs, be subject to penalties, have our licenses,

approvals and permits revoked or suffer a disruption in our operations, any of which may materially adversely affect our business and results of operations.

**27. *Our business may be subject to labour conflicts, strikes, or other types of conflicts with our workforce which may adversely impact on our business, results of operations and financial condition.***

As at March 31, 2024, we had a team of 450 employees. Our operations are significantly dependent on the cooperation and continued support of our workforce. Strikes or work stoppages by our workforce at our project premises could halt our production activities which could impact our ability to deliver customer orders in a timely manner or at all, which could adversely affect the results of our operations and reputation. While there have been no disruptions to our operations at the project premises in the last three Fiscals on account of labour-related disputes including strikes, lockouts, or collective bargaining arrangements, there can be no assurance that we will not experience work disruptions in the future due to disputes or other problems with our workforce.

Any such event, at our current project premises or at any new premises that we may work on in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with certain key customers and suppliers, which may adversely impact our business and financial condition.

**28. *Our insurance may be insufficient to cover all losses associated with our business operations.***

Our operations are subject to various risks and hazards inherent in the EPC services, transmission and distribution infrastructure assets and data centres, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud and infrastructure failure, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. Our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business. While none of our insurance policies are due for renewal as of date, we cannot assure you that such renewals in the future (on expiry) will be granted in a timely manner, at acceptable cost or at all.

There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. While our insurance claims have not exceeded our insurance coverage and we have not recognized any losses in the last three Fiscals due to partial or total rejection of our claims by our insurers, there can be no assurance that claims in the future will continue to be covered or accepted in full by our insurance policies.

Additionally, our policies are subject to standard limitations. We cannot assure you that the operation of our business will not be affected by any of the risks and hazards listed above. In addition, our insurance may not provide adequate coverage in circumstances including losses arising on account of third-party claims that are either not covered by insurance or the values of which exceed insurance limits, economic or consequential damages that are outside the scope of insurance coverage, and claims that are excluded from coverage. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our results of operations and financial condition may therefore be adversely affected.

**29. *The audit report of our Statutory Auditor Walker Chandiook & Co LLP, Chartered Accountants, contains emphasis of matter paragraph in their audit report. Further, the audit reports for Fiscals 2024, 2023 and 2022 contain certain observations in relation to the Audited Consolidated Financial Statements as required under the Companies (Auditor's Report) Order, 2020.***

The audit report issued by Walker Chandiook & Co LLP, the Statutory Auditor of our Company contain emphasis of matter in their audit report, details of which are set out below:

**Extract from the audit report issued by Walker Chandiook & Co LLP, Chartered Accountants, on the audited consolidated financial statements of our Company for Fiscal 2024**

***“Emphasis of Matters - Loans, Other receivables and Trade Receivable (Including retention receivables)***

*We draw attention to notes 8 (ii), 9B(i), 12 (vi)(vii) and (viii) to the accompanying consolidated financial Statements for the year ended 31 March 2024 in connection with the Loans, other receivables (under other current financial assets) and trade receivables (including retention receivables) amounting to ₹3,000 lakhs, ₹1,772.00 lakhs, and ₹14,810.87 lakhs respectively, which are pending settlement/ realization and are substantially overdue as on 31 March 2024. The management of the Holding company based on its internal assessment, external legal opinions and certain interim favourable regulatory orders, is of the view that the aforesaid balances are fully recoverable and accordingly, no provision for impairment is required to be recognized in respect of such balances as on 31 March 2024. Our conclusion is not modified in respect of this matter.”*

Further, our current Statutory Auditor, Walker Chandiook & Co LLP, Chartered Accountants have included certain observations for Fiscals 2024 and 2023 and our erstwhile statutory auditors, Singhi & Co, Chartered Accountants, have also included certain observations for Fiscal 2022 in their reporting under the Company (Auditor’s Report) Order, 2020. For further information, see “**Fiscal 2024 Audited Consolidated Financial Statements – Independent Auditor’s Report - Paragraph 18 – Report on Other Legal and Regulatory Requirements**”, “**Fiscal 2023 Audited Consolidated Financial Statements – Independent Auditor’s Report - Paragraph 18 – Report on Other Legal and Regulatory Requirements**” and “**Fiscal 2022 Audited Consolidated Financial Statements - Paragraph 16 – Report on Other Legal and Regulatory Requirements**” on pages 245, 319 and 396 respectively

- 30. *We are subject to the risk of failure of, or weakness in, our internal control systems, which may have an adverse impact on our business, financial condition, cash flows, results of operations and prospects.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Any internal controls that we have or may implement, or our level of compliance with such controls, may deteriorate over time due to evolving business conditions. While there has not been any material instances of non-adherence with internal controls in the past three Fiscals, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

- 31. *We rely on our Promoters, Directors, Key Managerial Personnel and Senior Management, including other employees with technical expertise. Any loss of inability to attract and retain skilled and qualified personnel or potential conflict of interest could have a material adverse effect on our business operations.***

Our success depends to a large extent upon the continued efforts and services of our Promoters, Directors, Key Managerial Personnel and Senior Management, including other employees with technical, and we rely significantly on their experience. We could be adversely affected by the loss of any of our senior management or such other key personnel. In an event of their retirement or departure, we cannot assure you that we will be able to find suitable replacements with similar experience and skills. The market for such qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. Our success also depends, in part, on key customer relationships forged by members of our senior management. If we were to lose these members of our senior management, we cannot assure you that we will be able to continue to maintain key customer relationships or renew them. Loss of such personnel may also impair our level of technical expertise. If we are unable to retain these members of our senior management, our business, financial condition, results of operations and prospects may be adversely affected.

Higher attrition rates lead to an increase in our training and recruitment costs. Competition for skilled personnel is intense and the cost of retaining or replacing such personnel may affect our profitability. If we lose the services of any member of our skilled personnel, we cannot assure you that we will be able to locate suitable or qualified replacements, which may adversely affect our growth objectives and, in turn, our business, financial condition, results of operations and prospects.

- 32. *Our Company is involved in certain outstanding legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.***



Our Company is currently involved in certain outstanding legal proceedings. These outstanding legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to our Company as on the date of this Preliminary Placement Document have been provided below in accordance with the materiality policy adopted by our Board:

Category of individuals/entities	Criminal proceedings	Statutory or regulatory actions	Material civil litigation	Aggregate amount involved* (in ₹ lakh)
<b>Company</b>				
By our Company	NIL	N.A.	2	10,024.31
Against our Company	NIL	1	3	9,805.69
<b>Subsidiaries</b>				
By our Subsidiaries	NIL	N.A.	NIL	NIL
Against our Subsidiaries	NIL	NIL	NIL	NIL

\* To the extent quantifiable.

Details of tax cases involving our Company have been set forth below:

Nature of case	Number of cases	Amount involved (in lakhs)*
<b>Tax litigation involving our Company</b>		
Direct tax	12	5,845.76
Indirect tax	2	87.80
<b>Total</b>	<b>14</b>	<b>5,933.56</b>

\* To the extent quantifiable, including interest and penalty thereon and are approximate

For further details, please see “**Legal Proceedings**” on page 232.

There can be no assurance that these legal proceedings will be decided in favour of our Company, its Promoters, Directors, and Subsidiaries. In addition, we cannot assure you that no additional liability will arise out of these proceedings. The decisions in such proceedings adverse to our interests may have an adverse effect on our reputation, business, financial condition, results of operations and cash flows.

**33. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.**

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. While we believe that all such transactions have been conducted on an arm’s length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. While we conduct all related party transactions subject to the Board’s or Shareholders’ approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. Our related party transactions involved the following (i) purchase of shares of subsidiary companies, (ii) dividend paid, (iii) remuneration and employee benefits and (iv) director sitting fees. Our Company will endeavour to duly address such conflicts of interest as and when they may arise, however, we cannot assure you that such transactions, individually or in the aggregate, may not involve potential conflict of interest which will not have an adverse effect on our business, results of operations, cash flows and financial condition. Further, it is likely that we may enter into related party transactions in the future. While no such instance has occurred in the past, related party transactions may potentially involve conflicts of interest which may be detrimental to and have an adverse impact on our Company.

For further details on our related party transactions, please see “**Related Party Transactions**” on page 46.

**34. *Our Promoters and Promoter Group will continue to hold a majority of our Equity Shares after the Issue and can significantly influence our corporate actions.***

As on March 31, 2024, our Promoters and Promoter Group hold 61.51% of our Equity Share capital. Upon completion of the Issue, our Promoters along with the Promoter Group together will continue to hold majority of our post-Issue Equity Share capital. As long as the Promoters and the Promoter Group of our Company continue to hold a significant ownership stake in our Company, they have the ability to control or influence the outcome of any matter submitted to shareholders for approval. For details of risks in relation to the future changes in the shareholding of our Promoters and other major shareholders, please refer to “*Risk Factors—We may, at any time in the future, make further issuances of Equity Shares and this may significantly dilute your future shareholding or our Promoters and other major shareholders may undertake sale of Equity Shares which may affect the trading price of our Equity Shares*” on page 73.

As such, our Promoters and Promoter Group exercise significant influence over our business, policies and affairs and all matters requiring a shareholders’ vote. This concentration of ownership also may delay, defer or prevent a merger, acquisition or change in control of our Company and may make some transactions more difficult or impossible without the support of these Shareholders, which may adversely affect our business. Further, the Takeover Regulations may limit the ability of a third party to acquire control. We cannot assure you that the interests of our Promoters and members of our Promoter Group will not conflict with the interest of other Shareholders.

**35. *We are a listed company and are required to comply with rules and regulations notified by the Stock Exchange and SEBI with respect to continuous listing and the Companies Act, 2013. Any failure to comply with such rules and regulations or any inaccurate disclosure made to the Stock Exchanges or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.***

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and SEBI Insider Trading Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including ensuring compliance with code of conduct under insider trading policy and ensuring compliance with board composition. Any failure to comply with these requirements or any wrongful or inaccurate disclosure made by us to the Stock Exchanges, or any other statutory authority may lead to penalties being imposed on us.

**36. *This Preliminary Placement Document contains information from an industry report prepared by CRISIL which we have commissioned and paid for.***

This Preliminary Placement Document includes information derived from a third-party industry report titled “*Strategic assessment of Indian power sector*” prepared by CRISIL dated July 2024 pursuant to an engagement letter dated June 7, 2024. All such information in this Preliminary Placement Document indicates the CRISIL Report as its source. Our Company commissioned and paid for the CRISIL Report exclusively for the purpose of confirming our understanding of the industry in which we operate in connection with the Issue. Accordingly, any information in this Preliminary Placement Document derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing. The CRISIL Report uses certain methodologies for market sizing and forecasting and may include numbers relating to our Company that differ from those we record internally. There are no standard data gathering methodologies in the markets in which we operate, and methodologies and assumptions vary widely among different industry sources. Further, industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document. Further, the CRISIL Report is not a recommendation to invest/disinvest in any company covered in the CRISIL Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Preliminary Placement Document based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Preliminary Placement Document based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue.

**37. *Potential conflict of interest of the Promoters or directors of the Company if involved with one or more ventures which are in the same line of activity or business as that of the Company.***

Our Promoters and directors of the Company may engage in broad spectrum of activities, including investments in EPC services including development of advanced metering infrastructure and data centres. In the ordinary course of their business activities, our Promoters or directors may engage in activities where their interests conflict with our interests or the interests of our shareholders. There can be no assurance that our promoters or directors will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

Thus, in the future, conflicts of interests may arise in allocating business opportunities amongst our Company and our directors in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies or ventures in which our promoters have interests.

**38. *Interests of the Promoters, directors, key managerial personnel or senior management of the Company, other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters, directors, key managerial personnel, or senior management may be interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. To the extent that they hold equity shares in our Company, along with their relatives, there can be no assurance that our Promoters, directors, key managerial personnel, or senior management will exercise their rights as shareholders to the benefit and best interest of our Company. For further details about their shareholding, please see “*Capital Structure*” and “*Shareholding pattern of our Company*” on pages 84 and 190 respectively.

**39. *Our Company’s ability to pay dividends in the future will depend on our Company’s earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our Company’s financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in certain years or in the foreseeable future. Our Board has approved and adopted a dividend distribution policy effective from April 17, 2017. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. We have declared dividends during the Fiscals 2024, 2023, 2022 of ₹6.00, ₹2.00 and ₹4.00 respectively. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. For further details, see “*Dividends*” on page 86. Accordingly, realization of a gain on shareholders’ investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value or having appreciated, will not get impaired for any reasons whatsoever. Further, our Promoters will continue to hold a significant portion of our post-Issue paid-up Equity Share capital and will have a significant ability to control the payment and, or, the rate of dividends. Therefore, we cannot assure you that our Company will be able to declare dividends, of any particular amount or with any frequency in the future.

**40. *Our Registered Office, our Corporate Office and our regional office are held by us on a leasehold basis. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.***

Our Registered Office, located in Noida, Uttar Pradesh, our Corporate Office, located in Kolkata, West Bengal and our regional office, located in Gurugram, Haryana, have been procured by us on a leasehold basis. For further details, see “*Business –Properties*” on page 176. If we are unable to renew certain or all of these leases on commercially reasonable terms or at all and we cannot relocate our manufacturing facilities in a timely manner, we may suffer a disruption in our operations, and our results of operations, financial condition and cash flows may be materially and adversely affected.

- 41. *This Preliminary Placement Document includes certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the power sector industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other companies.***

Certain non-GAAP financial measures such as EBITDA, EBITDA Margin, PAT Margin and Return on Equity (together the “**Non-GAAP Measures**”) and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Preliminary Placement Document. Such Non-GAAP Measures are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures and other statistical information relating to our operations and financial performance are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. In addition, these are not standardized terms, hence a direct comparison of these measures between companies may not be possible. Other companies may calculate Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. We compute and disclose such Non-GAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by power infrastructure sector companies, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results.

#### ***External Risks***

- 42. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government’s approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from RBI or any other government agency can be obtained on any particular terms or at all.

- 43. *A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows and the trading price of the Equity Shares.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or the Indian rolling stock could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India’s sovereign debt rating or a decline in India’s foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally following which there is a global trend of rising inflation and interest rates. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, cash flows and financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly market fluctuations resulting out of war between Russia-Ukraine and Israel-Gaza. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, results of operations, cash flows and financial condition.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions; and other significant regulatory or economic developments in or affecting India.

**44. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.***

A decline in India's foreign exchange reserves could impact the valuation of the Indian Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our future financial condition our business, results of operations and cash flows. Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Indian Rupee. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition, results of operations and cash flows. While this may be beneficial for our exports, a general decline in the liquidity may have an adverse effect on our results of operations, financial conditions and cash flows.

**45. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of SEBI Takeover Regulations.

**46. *Political instability or significant changes in the economic liberalization and deregulation policies of the Government, or in the government of the States where we operate, could disrupt our business.***

We are incorporated in India and derive a significant portion of our revenues in India. In addition, a significant portion of our assets are located in India. Consequently, our performance and liquidity of our Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of our securities, may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India.

In recent years, the Indian governments have generally pursued a course of economic liberalization and deregulation aimed at accelerating the pace of economic growth and development. This has included liberalizing rules and limits for foreign direct investment in a number of important sectors of the Indian economy, including infrastructure, railways, services, pharmaceuticals and insurance. In addition, the Indian government has recently pursued a number of other economic reforms, including the introduction of a goods and services tax, increased infrastructure spending and a new Insolvency and Bankruptcy Code. There can be no assurance that the government's policies will succeed in their aims, including facilitating high rates of economic growth. Following the release of the results of the last general elections of India the ruling party has received a fresh mandate to continue its tenure for a second term, there can be no assurance that the Government will continue with its current policies. New or amended policies may be unsuccessful or have detrimental effects on economic growth.

A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our business in particular.

**47. *Natural disasters, health epidemics, pandemics and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and impact the trading price of our Equity Shares.***

Natural disasters such as floods, earthquakes, famines and droughts have in the past had a negative impact on the Indian economy. Further, health epidemics and pandemics like the COVID-19 pandemic have also affected the Indian economy negatively. If any such natural disaster, unfavourable climatic changes or health epidemics and pandemics were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event.

Our operations may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which may affect our manufacturing processes. Damage or destruction that interrupts our production could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Our insurance policies for assets covers such natural disasters. However, our insurance policies may not be adequate to cover the loss arising from these events, which could adversely affect our results of operations, cash flows and financial condition and the price of our Equity Shares.

**48. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect our business and the Indian financial markets.***

India has, from time to time, experienced instances of civil unrest and terrorist attacks. These events could lead to political or economic instability in India and may adversely affect the Indian economy, our business, results of operations, cash flows, financial condition and the trading price of our Equity Shares. India has also experienced social unrest and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, cash flows, financial condition and the trading price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between

countries, which could adversely affect our business and profitability. In addition, in June 2020, a confrontation occurred between Indian and Chinese military forces. Any degradation in India-China political relations, wider international relations or any future military confrontations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Regional or international hostilities, terrorist attacks or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government policy. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of the Equity Shares.

**49. *Investors may not be able to enforce a judgment of a foreign court against our Company or our management.***

We are a limited liability company incorporated under the laws of India and all of our Directors and Senior Management Personnel named herein are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside of India to effect service of process on our Company or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of our Company or such directors and Senior Management Personnel under laws other than Indian law. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the “**Civil Code**”) on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards.

The United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code, but the United States has not been so declared. A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to such award and any such amount may be subject to income tax in accordance with applicable laws. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

**50. *Any downgrading of India’s debt rating by a domestic or international rating agency could negatively impact our business and the price of our Equity Shares.***

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all of which are outside our control. Any adverse revisions to India's credit ratings by domestic or international rating agencies may adversely impact our debt ratings, our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

**51. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, cash flows, results of operations and financial condition.

**52. *Our businesses and activities may be regulated under competition laws in India, and any adverse application or interpretation of such laws could adversely affect our business, cash flows, results of operations and financial condition.***

The Competition Act regulates practices that could have an appreciable adverse effect on competition in the relevant market in India. Any adverse application or interpretation of the Competition Act could adversely affect our business, cash flows, results of operations and financial condition. Under the Competition Act, any arrangement, understanding or action in concert, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial monetary penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors, which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition.

Further, the Competition Act prohibits abuse of a dominant position by any enterprise, directly or indirectly, including by way of unfair or discriminatory pricing or conditions in sale of goods or services, limiting production of goods, provision of services, or technical or scientific developments relating to goods or services to the prejudice of consumers, using a dominant position in one relevant market to enter into, or protect, another relevant market, denial of market access, or making the conclusion of contracts subject to acceptance of unrelated supplementary obligations. Such practices are subject to substantial monetary penalties and may also be subject to compensation for losses and orders to divide the enterprise.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, proceedings initiated by the CCI, any claim by any party under the Competition Act, or any adverse publicity due to scrutiny or prosecution under the Competition Act, including financial penalties, our business, cash flows, results of operations and financial condition may be adversely affected.

Acquisitions, mergers and amalgamations that exceed certain revenue and asset thresholds require prior approval by the CCI. Any acquisitions, mergers or amalgamations that have an appreciable adverse effect on competition in India may be subject to remedial measures proposed by the CCI. We cannot assure you that we will be able to obtain approval for any such future transactions on satisfactory terms, or at all.

**RISKS RELATING TO OUR EQUITY SHARES AND THIS ISSUE**



**53. *There may be less information available in the Indian securities markets than in more developed securities markets in other countries.***

There is a difference between the level of regulation and monitoring of the Indian securities markets and that of the activities of investors, brokers and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries pursuant to such disclosure requirements, which could adversely affect the market for our Equity Shares. As a result, investors may have access to less information about our business, financial condition, cash flows and results of operation, on an ongoing basis, than investors in companies subject to the reporting requirements of other more developed countries.

**54. *We may, at any time in the future, make further issuances of Equity Shares and this may significantly dilute your future shareholding or our Promoters and other major shareholders may undertake sale of Equity Shares which may affect the trading price of our Equity Shares.***

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

**55. *An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.***

Pursuant to Regulation 178 of the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in the Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. Our Company cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to certain categories of Eligible QIBs in the Issue may be subject to the rules and regulations that are applicable to them, including in relation to any lock - in requirements. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

**56.  *Holders of our Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing this Preliminary Placement Document or registration statement with the applicable authority in such jurisdiction, you will not be able to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

**57. *The price of the Equity Shares may be volatile.***

The Issue Price, which may include a discount of not more than 5% of the Floor Price in accordance with the SEBI ICDR Regulations, will be determined by our Company in consultation with the Lead

Manager, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares on NSE and BSE may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our Company's profitability and performance;
- a comparatively less active or illiquid market for the Equity Shares;
- significant developments in India's economic liberalization and deregulation policies;
- significant developments in India's fiscal regulations; and
- any other political or economic factors;

We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

**58. *Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

The Government of India has announced the union budget for the Fiscal 2024, pursuant to which the Finance Bill has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act. There is no certainty on the impact of Finance Act 2021 on tax laws or other regulations, which may adversely affect our Company's business, financial condition, cash flows, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

**59. *Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

**60. *Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Bid /Issue Closing Date.***

In terms of Regulation 179 (1) of the SEBI ICDR Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven (7) days and up to ten (10) days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, cash flows, results of operation or financial condition of our Company, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

## MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 10,76,19,019 Equity Shares have been issued, subscribed and are fully paid up. The face value of our Equity Shares is ₹ 2 per equity share. The Equity Shares are listed and are available for trading on BSE and NSE.

On July 15, 2024, the closing price of the Equity Shares on BSE and NSE were ₹1,494.75 and ₹1,491.55 per Equity Share, respectively. The tables below set out, for the periods indicated, the high, low and average closing prices and the trading turnover on NSE and BSE for our Equity Shares.

- A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for the Fiscals 2024, 2023 and 2022.

### NSE

Fiscal	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in lakh)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in lakh)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lakh)
Fiscal 2024	831.2	February 16, 2024	7,19,894	5,849.0	334.95	April 5, 2023	41,715	139.74	558.91	4,44,88,666	2,70,141.6
Fiscal 2023	374.65	February 10, 2023	6,26,651	2,392.0	238.05	June 20, 2022	46,102	109.74	303.09	3,52,56,972	1,09,351.2
Fiscal 2022	347.55	June 7, 2021	1,39,689	479.9	223.7	December 20, 2021	55,342	125.49	277.34	3,52,38,340	1,00,511.5

(Source: [www.nseindia.com](http://www.nseindia.com))

- High, low and average prices are based on the daily closing prices.
- In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
- In case of two days with the same high or low price, the date with the higher volume has been chosen.

### BSE

Fiscal	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in lakh)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in lakh)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lakh)
Fiscal 2024	836.55	February 16, 2024	29,102	238.64	334.9	April 3, 2023	5,995	20.18	558.91	53,30,536	34,346
Fiscal 2023	375.75	February 10, 2023	33,641	128.66	237.05	June 20, 2022	7,598	18.09	303.02	28,56,412	8,774
Fiscal 2022	347.30	June 7, 2021	9,672	33.08	223.65	December 20, 2021	12,692	28.75	277.28	66,23,302	1,854

(Source: [www.bseindia.com](http://www.bseindia.com))

- High, low and average prices are based on the daily closing prices.
- In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
- In case of two days with the same high or low price, the date with the higher volume has been chosen.

- B. The following tables set out the reported high and low closing prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months.

## NSE

Month	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in lakh)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in lakh)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in lakh)
June 2024	1,556.8	June 25, 2024	2,00,508	3,154.5	1,223.3	June 5, 2024	13,11,916	16,162.21	1,418.5	52,40,111	71,684.8
May 2024	1,418.4	May 31, 2024	14,11,534	18,804.0	993.5	May 7, 2024	3,80,992	3,820.59	1,098.3	1,08,88,122	1,21,074.3
April 2024	1,019.1	April 29, 2024	31,78,517	32,857.9	800.6	April 1, 2024	4,71,692	3,757.85	887.7	1,24,39,739	1,16,378.4
March 2024	771.8	March 28, 2024	5,06,469	3,863.3	625.6	March 19, 2024	1,26,109	795.97	699.8	48,10,596	33,687.4
February 2024	831.2	February 16, 2024	7,19,894	5,849.0	707.0	February 29, 2024	3,14,664	2,217.91	771.8	64,63,582	51,005.4
January 2024	819.3	January 24, 2024	2,09,043	1,704.6	765.0	January 16, 2024	1,05,263	807.31	798.6	34,05,160	27,362.3

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

## BSE

Month	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in lakh)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in lakh)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in lakh)
June 2024	1,560.9	June 28, 2024	4,248	65.10	1,222.9	June 5, 2024	1,10,770	1355.52	1,419.1	28,309	391.66
May 2024	1,421.3	May 31, 2024	75,389	996.33	993.6	May 7, 2024	20,509	205.46	1,098.2	69,561	748.10
April 2024	1,020.7	April 29, 2024	1,18,560	1220.27	800.9	April 1, 2024	19,552	156.09	887.9	7,71,185	7,122.38
March 2024	771.1	March 28, 2024	37,119	281.64	625.5	March 19, 2024	15,421	97.39	699.6	3,60,572	2,496.58
February 2024	836.6	February 16, 2024	29,102	238.64	707.4	February 29, 2024	18,660	131.24	771.8	14,90,641	11,871.90
January 2024	818.4	January 24, 2024	19,593	159.77	765.6	January 16, 2024	8,122	62.32	799.2	2,89,175	2,317.81

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

C. The following table sets forth the market price of our Equity Shares on NSE and BSE on February 14, 2024, the first working day following the approval of the Board of Directors for the Issue.

NSE						BSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in lakh)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in lakh)
749.8	790.0	740.3	775.95	2,87,627	2,225	744.35	789.65	744.35	776.85	26,519	204

(Source: www.nseindia.com and www.bseindia.com)

## USE OF PROCEEDS

The gross proceeds of the Issue will aggregate up to ₹ [●] lakh. Subject to compliance with applicable laws, after deducting fees, commissions and expenses of the Issue of approximately ₹ [●] lakh, the net proceeds from the Issue shall be approximately ₹ [●] lakh (“**Net Proceeds**”).

### Objects of the Issue

Our Company proposes to utilize the Net Proceeds (defined below) towards investment in our Subsidiaries/ SPVs for funding expenditure for EPC related works to be undertaken in respect of (i) TBCB projects, (ii) AMI projects; (iii) data centers; and (iv) general corporate purposes (collectively, the “**Objects**”) as may be permissible under the applicable law and approved by the Board. For further details, see “**Business**” on page 163.

### Requirements of Funds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

			<i>(in ₹ lakh)</i>
Sr. No.	Particulars	Amount	
1.	Investment in NERES XVI Power Transmission Limited, our Subsidiary, and in NERGS-I Power Transmission Limited for funding EPC works for our TBCB projects	40,000	
2.	Investment in our Subsidiaries, Techno AMI Solutions 1 Private Limited and Techno AMI Solutions 2 Private Limited, for funding EPC works for our AMI projects	20,000	
3.	Investment in our Subsidiary, Techno Infra Developers Private Limited, for funding EPC works for our data center situated in Chennai	35,000	
4.	General corporate purposes*		[●]
<b>Total Net Proceeds</b>			<b>[●]</b>

\* To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount to be utilised for general corporate purposes will not exceed 25% of the Gross Proceeds

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clause of our Memorandum of Association enables us to undertake the objects contemplated by us in this Issue.

### Proposed schedule of implementation and deployment of Net Proceeds

					<i>(in ₹ lakh)</i>
Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Proposed schedule for deployment of the Net Proceeds		
			Fiscal 2025	Fiscal 2026	
1.	Investment in NERES XVI Power Transmission Limited, our Subsidiary, and in NERGS-I Power Transmission Limited for funding EPC works for our TBCB projects	40,000	20,000	20,000	
2.	Investment in our Subsidiaries, Techno AMI Solutions 1 Private Limited and Techno AMI Solutions 2 Private Limited, for funding EPC works for our AMI projects	20,000	20,000	-	
3.	Investment in our Subsidiary, Techno Infra Developers Private Limited, for funding EPC works for our data center situated in Chennai	35,000	35,000	-	
4.	General corporate purposes*	[●]	-	-	
<b>Total Net Proceeds</b>		<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\* To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount to be utilised for general corporate purposes will not exceed 25% of the Gross Proceeds

Our fund requirements, deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, other commercial and technical factors and other agreements entered into by our Company and our Subsidiaries, which are subject to change in the future. We currently propose to deploy the Net Proceeds in Fiscal 2025 and Fiscal 2026. Such fund requirements and deployment of funds have not been appraised by any bank or financial institution. These are based on current market conditions and business needs and are subject to revisions in light of changes in costs, our financial condition, business and strategy or external circumstances such as market conditions, competitive environment,

interest or exchange rate fluctuations and finance charges, increasing regulations or changes in government policies, which may not be in our control. Further, if the Net Proceeds are not utilised (in full or in part) for the Objects during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilised in subsequent periods as may be determined by our Company, in accordance with applicable laws. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law.

### Mode of deployment

The investment by our Company in the respective Subsidiaries/ SPVs for undertaking the proposed Objects as mentioned above, is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be decided by our Company. The actual mode of such deployment has not been finalized as on the date of this Preliminary Placement Document.

### Details of use of proceeds

#### 1. Investment in NERES XVI Power Transmission Limited, our Subsidiary, and in NERGS-I Power Transmission Limited for funding EPC works for our TBCB projects

We bid in the TBCB projects through a competitive bidding under the tariff based competitive bidding process issued by Government owned and controlled entities and public sector undertakings. The Government of India has instituted various policies for the development of infrastructure in India and we intend to participate in such opportunities and expand our participation in the development of transmission projects in the future. We believe that our EPC capabilities and past experience provides us a significant competitive advantage to further expand the scope for undertaking such projects in the future. For further details see, “*Business*” on page 163.

The TBCB projects (which we propose to fund from the Net Proceeds) will be developed by our Subsidiaries/ SPVs. Typically, our Subsidiaries/ SPVs sub-contract works in relation to engineering, procurement and construction works to us, for which our Subsidiaries/ SPVs issue a work order to our Company, and subsequently enter into an EPC agreement with our Company.

#### Details of projects

Project details	Entity	Status <sup>(1)</sup>	Estimated completion date
Project under the North Eastern Region Expansion Scheme – XVI, Power Transmission Limited, Gogamukh (“ <b>NERES XVI</b> ”), comprising: (i) Establishment of Gogamukh 400/220/132kV substation; (ii) extension works at Gerukamukh, Arunachal Pradesh, 132kV substation; (iii) Gogamukh (ISTS) – Gerukamukh, Arunachal Pradesh, 132kV substation (Zebra) line; (iv) Line-in-line-out of one double circuit (ckt-1 & ckt-2 of line-1) of Lower Subansiri – Biswanath Chariali 400kV (Twin Lapwing) 2 x double circuit lines at Gogamukh substation	NERES XVI Power Transmission Limited	Under deployment	November 30, 2026 as per the transmission service agreement dated May 30, 2024
Project under the North Eastern Region Generation Scheme-I (“ <b>NERGS-I</b> ”), comprising: (i) Establishment of new 400 kV switching station (to be upgraded to 400/220 kV level in future) at Bokajan, Assam; and (ii) Line-in-line-out of both circuits of Misa (POWERGRID) – New Mariani (POWERGRID) 400 kV D/c line at Bokajan, Assam	NERGS-I Power Transmission Limited	Under deployment <sup>(2)</sup>	December 31, 2026 as per the letter of award

<sup>(1)</sup> Work in relation to the respective projects is yet to be commenced.

(2) Currently, NERGS-I Power Transmission Limited, the company proposed to undertake the project is in the process of being acquired by our Company. Accordingly, our Company has offered the project work to NERGS-I Power Transmission Limited and EPC agreement with NERGS-I Power Transmission Limited for the EPC works will be undertaken, once it is acquired by our Company. For details, see Risk Factors “We intend to utilize a portion of the Net Proceeds for funding EPC works for TBCB projects, AMI projects and data center situated in Chennai. We cannot assure you that we will be able to complete the Projects within the expected estimated cost and on time which may result into cost escalations and time overruns.” on page 60.

We intend to utilize ₹ 40,000 lakhs from the Net Proceeds towards these projects and the remaining cost (excluding the Net Proceeds) will be funded from the internal accruals of our Company.

The details of the work order are provided below:

Work order details	Entity	Estimated EPC cost under the work order (₹ in lakhs)
Design, testing, manufacturing and supply of required materials, survey and relevant development, installation, testing and commission of the project under NERES XVI <sup>(1)</sup>	NERES XVI Power Transmission Limited	45,000.00
Design, testing, manufacturing and supply of required materials, survey, installation, testing and commission of the project under NERGS-I <sup>(2)</sup>	NERGS-I Power Transmission Limited	27,500.00

<sup>(1)</sup> The terms of the work order (including estimated EPC cost) are indicative and may change subject to commercial considerations and other requirements. The terms of the EPC agreement may vary from the work order.

<sup>(2)</sup> NERGS-I Power Transmission Limited has received a binding offer from our Company with an estimated EPC cost.

## 2. Investment in our Subsidiaries, Techno AMI Solutions 1 Private Limited and Techno AMI Solutions 2 Private Limited, for funding EPC works for our AMI projects

Our Company undertakes development and deployment of advanced metering infrastructure (“AMI”) projects, integrating smart metering solutions for enhanced energy management and billing accuracy. These AMI projects are awarded by distribution companies under various schemes of the Government of India. By deploying smart meters and robust communication networks, we enable utilities to optimize load management, reduce operational costs, and enhance customer engagement through detailed consumption insights. These innovations not only improve grid reliability but also empower consumers with tools to monitor and manage their energy usage effectively. For further details see, “Business” on page 163.

Our Company has been awarded the following projects for the deployment of smart meters:

Sr. No.	Particulars	Total number of smart meters awarded (in lakhs)
1.	Smart meters for a discom in Ranchi	5.33
2.	Smart meters for a discom in Tripura	4.27
3.	Smart meters for a discom in Indore	5.53
4.	Smart meters for a discom in Jammu & Kashmir	9.79

The AMI projects (which we propose to fund from the Net Proceeds) will be developed by our Subsidiaries/ SPVs. Typically, our Subsidiaries/ SPVs sub-contract works in relation to AMI to us, for which our Subsidiaries/ SPVs issue a work order to our Company, and subsequently enter into an EPC agreement with our Company. Our Subsidiaries/ SPVs, Techno AMI Solutions 1 Private Limited and Techno AMI Solutions 2 Private Limited have issued work orders to our Company dated April 1, 2024, and June 25, 2024, respectively, for EPC works proposed to be undertaken by our Company in respect of the AMI projects.

### Details of projects

Project details	Subsidiary	Contract price (in ₹ lakhs)	No. of smart meters	Status	Estimated completion date
Undertaking AMI project for smart prepaid metering on DBFOOT basis under the Revamped	Techno AMI Solutions 1 Private Limited	63,323.67	5,53,013 <sup>(1)</sup>	Under deployment	27 months from December 14, 2023



Project details	Subsidiary	Contract price (in ₹ lakhs)	No. of smart meters	Status	Estimated completion date
Distribution Sector Scheme in Indore					
Undertaking AMI project for smart prepaid metering on DBFOOT basis under the Revamped Distribution Sector Scheme in Jammu and Kashmir (“ <b>J&amp;K Scheme II</b> ”)	Techno AMI Solutions 2 Private Limited	1,04,126.98	7,27,855	Under deployment	27 months from June 7, 2024

<sup>(1)</sup> As per the letter of award dated October 5, 2023, M.P Paschim Kshetra Vidyut Vitran Company Limited reserves the right to increase or decrease the number of items under the contract subject to the limit of -20% up to +30% of the existing number of items under the contract

We intend to utilize ₹ 20,000 lakhs from the Net Proceeds towards these projects and the remaining cost (excluding the Net Proceeds) will be funded from the internal accruals of our Company.

The details of the work order are provided below:

Work order details <sup>(1)</sup>	Subsidiary	Estimated EPC cost under the work order (₹ in lakhs)
Design, finance and engineering of the project in Indore	Techno AMI Solutions 1 Private Limited	63,323.67
Design, finance and engineering of the project in Jammu and Kashmir in the J&K Scheme II	Techno AMI Solutions 2 Private Limited	1,04,126.98

<sup>(1)</sup> The terms of the work order (including estimated EPC cost) are indicative and may change subject to commercial considerations and other requirements. The terms of the EPC agreement may vary from the work order.

### 3. Investment in our Subsidiary, Techno Infra Developers Private Limited, for funding EPC works for our data center situated in Chennai

Our Company develops, operates and maintains data centres designed with high availability, energy efficiency, advanced cooling systems, and robust security measures to support the growing demands of data storage and processing. Our Company is in the process of the development of a data centre in Chennai with a capacity of 40 MW (“**Chennai Data Centre**”). For further details see, “**Our Business - Data centers**” on page 164.

Our Chennai Data Centre will be developed by our Subsidiary. Typically, our Subsidiary/ SPV sub-contract works in relation to data centre to us, for which our Subsidiary/ SPVs issue a work order to our Company, and subsequently enter into an EPC agreement with our Company. Our Subsidiary, Techno Infra Developers Private Limited, has issued a work order dated June 15, 2021 to our Company for EPC works proposed to be undertaken by our Company for the Chennai Data Centre.

#### Details of project

Project details	Subsidiary	EPC cost (in ₹ lakhs)	Status <sup>(1)</sup>	Estimated completion date
Construction of Chennai Data Centre building including installation, testing and commissioning of GIS substation	Techno Infra Developers Private Limited	1,40,000.88	Under deployment	(i) First phase by December 31, 2024 (ii) Project completion by March 31, 2026

We intend to utilize ₹ 35,000 lakhs from the Net Proceeds towards these projects and the balance amount will be funded from the internal accruals of our Company.

### 4. General Corporate Purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy ₹[●] lakhs towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the circular bearing reference no. NSE/ CML/2022/56

dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. Such general corporate purposes might include but not be restricted to, meeting fund requirements which our Company may face in the ordinary course of business, or meeting exigencies and expenses, repayment or prepayment of our borrowings, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries/SPVs, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013. Further, our management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable laws.

### **Other confirmations**

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The quantum of Net Proceeds to be deployed and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of business opportunities or requirements of our Company from time to time on terms acceptable to us.

Neither our Promoters, Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Object. Further, neither our Promoter nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoter, Directors, Key Managerial Personnel or Senior Management are not eligible to subscribe in the Issue.

### **Interim use of Net Proceeds**

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

### **Monitoring of Utilisation of Funds**

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency for monitoring the utilization of Gross Proceeds. The Audit Committee and Monitoring Agency will monitor the utilization of the Gross Proceeds and the Monitoring Agency shall submit the report required under Regulation 173A(2) of the SEBI ICDR Regulations, on a quarterly basis, to the Audit Committee until such time as the Gross Proceeds have been utilised in full. Such report, along with the comments (if any) shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website of our Company, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. Subject to applicable laws, including SEBI Listing Regulations, on an annual basis, our Company shall (i) prepare a statement of funds utilized for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized; and (ii) disclose every year, the utilization of the Gross Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the Objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the Object of the Issue as stated above.

## CAPITALIZATION STATEMENT

The following table sets forth our capitalization on a consolidated basis as of March 31, 2024 on a consolidated basis which is derived from the Fiscal 2024 Audited Consolidated Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with “*Selected Financial Information*”, “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and other financial information contained in the “*Financial Information*” on pages 42, 47, 87 and 238, respectively.

Particulars	Pre-Issue (as on March 31, 2024)	Post- Issue (Amount after considering the Issue) <sup>#^</sup>
<i>(in ₹ lakh)</i>		
Short term borrowings		
Secured	Nil	[●]
Unsecured	Nil	[●]
Current maturities of finance lease Obligations	Nil	[●]
Long term borrowings		
Secured	Nil	[●]
Non current lease liabilities	Nil	[●]
<b>Total debt (A)</b>	<b>Nil</b>	<b>[●]</b>
<b>Equity</b>		
Equity share capital	<b>2,152.38</b>	[●]
Other equity	2,14,168.32	[●]
<b>Total equity<sup>®</sup> (B)</b>	<b>2,16,320.70</b>	<b>[●]</b>
<b>Total capitalization (A+B)</b>	<b>2,16,320.70</b>	<b>[●]</b>
<b>Total debt/Total equity (A/B)</b>	<b>0.00</b>	<b>[●]</b>

\* Will be finalized upon determination of the Issue Price.

# Adjustments do not include Issue related expenses.

^ As adjusted to reflect the number of Equity Share issued pursuant to the Issue.

® Total Equity excludes non-controlling interest.

## CAPITAL STRUCTURE

The share capital of our Company as at the date of this Preliminary Placement Document is set out below:

Particulars		(In ₹, except share data)
		Aggregate value at face value (except for securities premium account)
<b>A AUTHORIZED SHARE CAPITAL</b>		
1,39,99,00,000 Equity Shares of face value of ₹ 2 each		2,79,98,00,000
8,00,20,000 preference Shares of face value of ₹ 10 each		80,02,00,000
<b>B ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
10,76,19,019 Equity Shares of face value of ₹ 2 each		21,52,38,038
<b>C PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT</b>		
Up to [●] Equity Shares aggregating up to ₹ [●] <sup>(1)(2)</sup>		[●]
<b>D ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE</b>		
[●] Equity Shares of face value of ₹ 2 each <sup>(2)</sup>		[●]
<b>E SECURITIES PREMIUM ACCOUNT</b>		
Before the Issue (as of the date of this Preliminary Placement Document)		Nil
After the Issue <sup>(2)(3)</sup>		[●]

(1) The Issue has been authorized by the Board of Directors pursuant to its resolution dated February 13, 2024 and the Shareholders pursuant to a special resolution passed by way of postal ballot dated April 22, 2024.

(2) To be determined upon finalization of the Issue Price.

(3) The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue. Adjustments do not include Issue related expenses.

### Equity Share Capital History of our Company

The history of the equity share capital of our Company is provided in the following table:

Date of allotment	Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
October 26, 2005	Initial subscription to the Memorandum of Association	10,000	10	10	Cash
August 28, 2006	Further issue	2,40,000	10	10	Cash
October 12, 2007	Further issue	400	10	10	Cash
March 11, 2008	Further issue	6,09,25,000	10	10	Cash
March 31, 2008	Further issue	16,00,000	10	10	Cash
September 24, 2008	Further issue	2,92,25,000	10	10	Cash
March 31, 2010	Private placement	1,44,00,000	10	10	Cash
March 31, 2011	Private placement	4,50,00,000	10	10	Cash
July 6, 2011	Private placement	15,00,000	10	10	Cash
Pursuant to a resolution of our Board dated April 17, 2013, and a resolution of our Shareholders dated May 30, 2013, equity shares of our Company having face value of ₹10 each were sub-divided into equity shares of face value of ₹2 each. Consequently, the issued and subscribed equity share capital of our Company comprising 16,64,00,400 equity shares of face value of ₹ 10 each was sub-divided into 83,20,02,000 equity shares of face value of ₹ 2 each.					
March 14, 2017	Rights issue	5,90,54,331	2	7.73	Cash
<b>Allotments subsequent to the scheme of amalgamation<sup>(1)</sup></b>					
August 10, 2018	Pursuant to the scheme of amalgamation <sup>(1)</sup>	11,26,82,400	2	2	Other than cash <sup>(1)</sup>
April 24, 2019	Buy-back	(26,82,400)	2	-	Cash
January 19, 2023	Buy-back	(23,80,981)	2	-	Cash

<sup>(1)</sup> We were incorporated in 2005 pursuant to the certificate of incorporation issued by the Registrar of Companies, Maharashtra on October 26, 2005, as a wholly owned subsidiary of "Techno Electric & Engineering Company Limited" ("TECHNO-I"). TECHNO-I merged with us in the year 2018, pursuant to a scheme of arrangement approved by the National Company Law Tribunal, Allahabad, pursuant to its order dated July 20, 2018 ("Scheme"). Pursuant to the Scheme, all the undertakings including assets, liabilities, duties and obligations of TECHNO-I were transferred and vested in our Company as a going concern. For details, see "Business - Brief

*history of the schemes of amalgamation". Further, the entire pre-scheme paid up capital consisting of 89,10,56,331 Equity shares was cancelled upon implementation of the Scheme of Amalgamation.*

<sup>(2)</sup> *Our Company received trading approval from BSE and NSE dated December 4, 2018*

Except as stated in “- **Equity Share Capital History of our Company**” above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

### Share Based Employee Benefits Schemes

Our Company does not have any employee stock option scheme as on the date of this Preliminary Placement Document.

### Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them will be included in the Placement Document in the section “**Details of Proposed Allottees**” on page 458.

### Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below.

Sr. No.	Category	Pre-Issue <sup>^</sup>		Post-Issue <sup>*</sup>	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
<b>A.</b>	<b>Promoters' holding**</b>				
1.	Indian				
	Individual	9,85,240	0.92	[●]	[●]
	Bodies corporate	6,52,16,036	60.60	[●]	[●]
	<b>Sub-total</b>	<b>6,62,01,276</b>	<b>61.51</b>	[●]	[●]
2.	Foreign promoters	Nil	Nil	[●]	[●]
	<b>Sub-total (A)</b>	<b>6,62,01,276</b>	<b>61.51</b>	[●]	[●]
<b>B.</b>	<b>Non – Promoters' holding</b>				
1.	Institutional investors	<b>29,727,555</b>	<b>27.62</b>	[●]	[●]
2.	Non-institutional investors				
	Private corporate bodies	Nil	Nil	[●]	[●]
	Bodies Corporate	25,75,837	2.39	[●]	[●]
	Directors and relatives	Nil	Nil	[●]	[●]
	Indian public	87,50,704	8.13	[●]	[●]
	Others including non- resident Indians (NRIs)	3,63,647	0.34	[●]	[●]
	<b>Sub-total (B)</b>	<b>4,14,17,743</b>	<b>38.49</b>	[●]	[●]
	<b>Grand Total (A+B)</b>	<b>10,76,19,019</b>	<b>100.00</b>	[●]	[●]

<sup>\*</sup> *Note: The post-Issue shareholding pattern will be filled-in before filing of the Placement Document with the Stock Exchanges.*

<sup>\*\*</sup> *Includes shareholding of the members of the Promoter Group.*

<sup>^</sup> *Based on beneficiary position data of our Company as on July 12, 2024*

### Other confirmations

There will be no change in control of our Company pursuant to the Issue.

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

## DIVIDENDS

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including Companies Act, 2013 together with the applicable rules issued thereunder. Our Board may also, from time to time, declare interim dividends. For further information, see “*Description of the Equity Shares*” on page 224.

The dividend distribution policy of our Company was approved and adopted by our Board on April 17, 2017. We may retain all our future earnings, if any, for use in the operations and expansion of our business. The dividend, if any, will depend on a number of factors, including but not limited to our Company’s earnings per share, adequacy of profits, debt obligations and terms of repayment, the requirement of necessary funds for long term or short term purposes, capital invested, cash flows and other factors considered relevant by our Board. In addition, the dividend, if any, will also depend on a number of external factors including but not limited to applicable laws and regulations including taxation laws, economic conditions, prevalent market practices, and technological changes.

Further, our shareholders may not expect dividend in certain circumstances including growth opportunities which require our Company to allocate a significant amount of capital, in the event of a higher working capital requirement for business operations or otherwise, inadequacy of cash flow available for distribution, inadequacy or absence of profits, utilization of surplus cash for buyback of securities or setting off previous year losses, prohibition to declare dividend by any regulatory body and other factors which may be considered relevant by the Board. For details in relation to risks involved in this regard, see “*Risk Factors – Our Company’s ability to pay dividends in the future will depend on our Company’s earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our Company’s financing arrangements*” on page 67.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

We have declared and paid dividends on the Equity Shares during the Fiscals 2024, 2023 and 2022, and the period from April 1, 2024 until the date of this Preliminary Placement Document, details of which are included below:

Particulars	April 1, 2024 to the date of the Preliminary Placement Document	Fiscal 2024	Fiscal 2023	Fiscal 2022
Face value per Equity Share (in ₹)	2	2	2	2
Total Dividend (in ₹ lakh)	75,33,33,133	64,57,14,114	21,99,20,000	44,00,00,000
Dividend per share (in ₹ per Equity Share)	7.00	6.00	2.00	4.00
Rate of dividend	350%	300%	100%	200%
No. of Equity Shares	10,76,19,019	10,76,19,019	10,99,60,000	11,00,00,000
Paid/ Not paid	Not Paid	Paid	Paid	Paid

# Dividend is paid to the shareholders other than promoters of the Company.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted. For further information, please see the section entitled “*Description of the Equity Shares*” on page 224.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our Audited Consolidated Financial Statements. Unless the context requires otherwise, the financial information corresponding to Fiscals 2024, 2023 and 2022 have been derived from the Audited Consolidated Financial Statements. Our Audited Consolidated Financial Statements have been prepared under Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting standards) Rules, 2015, and other relevant provisions of the Companies Act.*

*Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal are to the 12-month period ended March 31 of that year. Unless the context otherwise requires, in this section, references to ‘the Company’, ‘our Company’, the ‘Issuer’ are to Techno Electric & Engineering Company Limited, on a standalone basis, and references to ‘we’, ‘our’ or ‘us’ are to Techno Electric & Engineering Company Limited, together with its Subsidiaries on a consolidated basis.*

*The amounts in relation to the Fiscal Year 2022 as reproduced in the Preliminary Placement Document are the restated corresponding amounts as reported in the Fiscal 2023 Audited Consolidated Financial Statements, and accordingly the same is not in agreement with the Fiscal 2022 Audited Consolidated Financial Statements. The corresponding amounts of Fiscal 2022 have been restated in the Fiscal 2023 Audited Consolidated Financial Statements, being impact of non-current assets classified as ‘held for sale’ and classification of wind business in Tamil Nadu as ‘discontinued operations’.*

*This Preliminary Placement Document may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Preliminary Placement Document. For further information, see “**Forward-Looking Statements**” on page 21. Also read “**Risk Factors**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations- Significant Factors Affecting our Results of Operations and Financial Condition**” on pages 47 and 90, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Unless stated otherwise, statistical information, industry and market data used in this section has been obtained from the report titled “Strategic assessment of Indian power sector” dated July 2024 prepared by CRISIL Market Intelligence & Analytics – a division of CRISIL Limited (“**CRISIL MI&A**”) which is a report exclusively commissioned and paid for by our Company and prepared and issued by CRISIL MI&A pursuant to an engagement letter dated June 7, 2024, in connection with the Issue. The relevant industry sources are indicated at all relevant places within this section. For more information, see “**Risk Factors – This Preliminary Placement Document contains information from an industry report prepared by CRISIL which we have commissioned and paid for.**” on page 66.*

### OVERVIEW

We are one of the leading engineering, procurement and construction (“**EPC**”) service providers, having workforce capabilities and technical know-how of providing EPC services across all aspects of conventional energy and renewable energy, including power generation, transmission and distribution (*Source: CRISIL Report*). Our services encompass the entire project lifecycle, from conceptualization and design to procurement, construction and commissioning. As of March 31, 2024, we have 30 active projects, aggregating to an order book of ₹9,21,897.40 lakh.

Our business operations include three principal business lines: (i) EPC services; (ii) transmission and distribution infrastructure assets; and (iii) data centres.

**EPC services:** Our EPC business includes engineering, procurement and construction across the entire lifecycle of power generation, transmission and distribution for conventional energy.

- **Power generation:** We undertake engineering, procurement and construction of balance of plant (“**BOP**”) works for thermal power and air quality control projects for thermal power plants for our public sector and private sector clients. We can deploy advanced technologies such as flue gas desulphurisation (“**FGD**”) systems for reducing sulphur dioxide emissions, optimize power plant operations with comprehensive BOP services, and enhance power transmission with efficient step-up

power evacuation solutions. We also deliver turnkey captive power plants using waste heat recovery and up to 200 MW of conventional power plant on turnkey basis to maximize energy efficiency and reduce operational costs for industrial clients. For instance, we are currently undertaking projects in relation to FGD systems for a 500MW thermal power station at Bokaro, Jharkhand and two 600 MW thermal power station in Jhalawar, Rajasthan and one 210 MW plus two 195 MW thermal power station in Kota, Rajasthan.

- **Transmission:** We undertake engineering, procurement and construction for sub-stations for transmission projects for capacities ranging from 220 KV KVA up to 765 KV KVA for our public sector and private sector clients. We specialise in designing and implementing extra high voltage sub-stations (up to 765 kV sub-stations), utilizing both air insulated switchgear and gas insulated switchgear technologies and in installing static synchronous compensators up to 300 MVar and enhancing grid stability and efficiency.
- **Distribution:** We undertake rural electrification projects and provide digitisation solutions for distribution companies and advanced metering infrastructure solutions. our expertise extends to managing distribution systems through digitization, enabling real-time monitoring and optimization and are capable of advanced metering infrastructure (“**AMI**”) deployment, integrating smart metering solutions for enhanced energy management and billing accuracy. As of March 31, 2024, set forth below are the projects awarded to us for the deployment of smart meters:

Sr. No.	Particulars	Total number of smart meters awarded (in lakhs)
1.	Smart meters for a discom in Ranchi	5.33
2.	Smart meters for a discom in Tripura	4.27
3.	Smart meters for a discom in Indore	5.53
4.	Smart meters for a discom in Jammu & Kashmir	9.79

**Transmission and distribution infrastructure assets:** We routinely evaluate opportunities for partnering with government entities and strategic partners to develop assets in the transmission and distribution infrastructure sector on a design, build, finance, own, operate and transfer (“**DBFOOT**”) basis.

In the past we have leveraged our execution experience in the transmission sector to bid for transmission projects under tariff based competitive bidding (“**TBCB**”) process. As on date of this preliminary placement document, we have developed three transmission projects on a DBFOOT basis in Haryana, Punjab and Nagaland and have secured successful bids for two transmission projects located in Assam, with a capacity of 400 KVA each. In April 2024, we successfully bid for a transmission project under the North-Eastern Region Generation Expansion Scheme-I through TBCB and in June 2024, we successfully bid for the establishment of a new 400kV switching station and a 400kV D/c line at Bokajan, Assam.

We forayed into advanced metering in 2019 to participate in the initiative undertaken by the government of India to transform the energy distribution infrastructure in India. As of May 2024, 112 lakh electricity smart meters have been installed representing only 4.5% of the targeted deployment of 25 crore electricity smart meters nationwide, according to data published by the National Smart Grid Mission portal. Despite the current installation figures, the potential for growth in the electricity smart meter market remains substantial. The total electricity smart metering infrastructure market is estimated at Rs 2.2 – 2.5 lakh crore by Fiscal 2026 as per the government estimates (*Source: CRISIL Report*). We believe that we can leverage our expertise and experience to participate in the government’s vision by developing and deploying advanced metering solutions and technologies. We have secured orders for 9.79 lakh smart meters in Jammu & Kashmir. As of March 31, 2024, our order book of smart meters was ₹ 2,49,749.77 lakh.

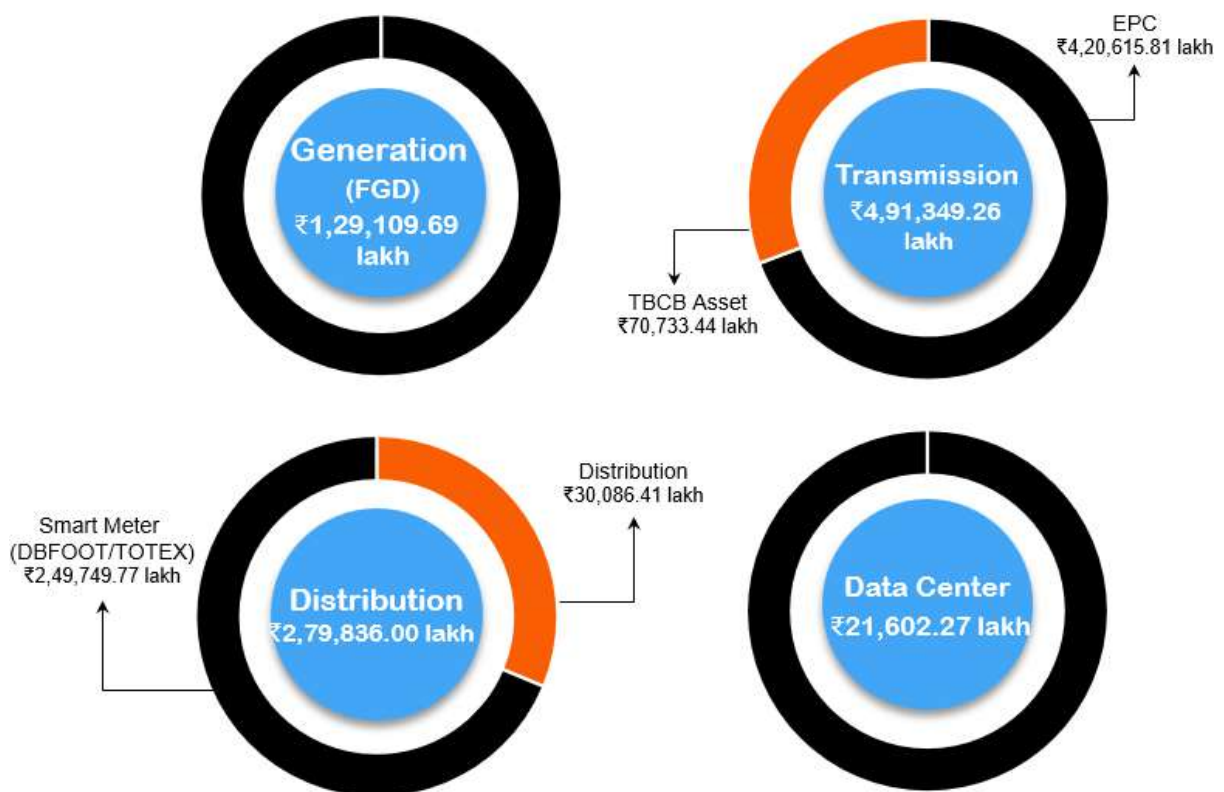
**Data centres:** In order to diversify our business, we ventured into data centre solutions in 2021 with our first hyperscale data centre in Chennai, Tamil Nadu, with a load capacity of 40 MW. We have acquired 4 acres of land for our upcoming data centre in Kolkata. Further, we have recently been awarded a contract by RailTel Corporation of India Limited to develop, operate and maintain the largest deployment of edge data centres over the next five years in 102 cities across India (*Source: CRISIL Report*). Our approach includes innovative cooling technologies such as water-cooled chiller plants paired with adiabatic cooling towers, reducing water usage by up to 75%. This significantly lowers the energy needed to maintain optimal temperatures, reducing operational costs and promoting sustainability. Automated systems in our data centres enable real-time monitoring and management, ensuring optimal performance and maximizing uptime. These systems allocate resources effectively, predict maintenance needs, and support seamless scalability while enhancing security measures. This



automation represents a substantial advancement in data centre management, driving efficiencies and enhancing service reliability.

With almost two decades of industry experience, we believe that we possess the expertise and technical know-how to implement large-scale projects effectively, driving revenue growth and profitability. Our extensive experience has allowed us to develop technical and engineering know-how and gain in-depth knowledge of the regulatory framework governing the power and energy sector in India, which has resulted in developing a strong reputation among our public and private sector clients which include reputed players in the power and energy sector.

Over the years, we have established a strong track record of successful project execution, delivering quality engineering solutions within (and in certain cases earlier than) the scheduled project timelines. We have a track record for early completion of projects, which has helped us in building a strong reputation among our clients and allowed us to build a robust order book. Our aggregate order book as of March 31, 2024 was ₹9,21,897.40 lakh. The breakup of our order book is set forth below:



Our experience and focus in the power and energy sector has allowed us to develop a comprehensive understanding of the regulatory landscape governing the power and energy sector in India. This allows us to ensure that projects executed by us are compliant with the extant regulatory framework and standards. Through continuous engagement with regulatory bodies and industry stakeholders, we stay abreast with evolving changes and transformation in the power and energy sector in India, primarily driven by regulatory changes aimed at reducing emissions and promoting cleaner energy sources. We aim to capitalise on these opportunities and position ourselves to meet the growing demand for environmental compliance in the power and energy sector.

As the EPC industry is primarily dependent on skilled workforce, our growth and execution capabilities are primarily attributable to the strength and experience of our skilled engineers and other employees. As of March 31, 2024, we had 450 full time employees, of which 296 were qualified engineers. Our technically qualified and experienced employees enable us to effectively manage execution of projects. We aim to upskill our employees through regular training and recognise their excellence at work through various incentive-based programmes.

We are committed to following stringent health, safety and environmental policies and practices in the execution of our projects. We conduct comprehensive mandatory workshops and training to impart safety training to make

plants, work sites and our offices safe. We have also received several awards and certifications for our operations and projects from our clients, including completion of 400kV bay extension works at Madakathara from Kerala State Electricity Board in 2021. We have also been awarded a certificate of appreciation for 100% electrification in Ramgarh district from Jharkhand Bijli Vitran Nigam Limited. Additionally, we were conferred with best performance award in the safety (substation) category by Power Grid Corporation in 2017. In addition, we have implemented the SAP ERP system at our corporate office and all our project sites enabling strong system control and real time monitoring of projects.

Our revenue from operations for the Fiscals 2024, 2023 and 2022 was ₹1,50,237.93 lakhs, ₹90,796.08 lakhs and ₹1,07,386.65 lakhs, respectively (this includes revenue from discontinued operations for Fiscals 2024, 2023 and 2022: ₹(0.16) lakhs, ₹7,846.23 lakhs and ₹7,649.85 lakhs), growing at a CAGR of 18.28% between Fiscal 2022 to Fiscal 2024. Our profit for the year for Fiscals 2024, 2023 and 2022 was ₹26,845.51 lakhs, ₹18,685.78 lakhs and ₹26,389.20 lakhs, respectively, while our EBITDA was ₹20,515.86 lakh, ₹14,903.39 lakh and ₹21,904.96 lakh, respectively and EBITDA Margin was 13.66%, 16.41% and 20.40%, respectively, for the same period.

#### ***Brief history of the schemes of amalgamation***

We were incorporated in 2005 pursuant to the certificate of incorporation issued by the Registrar of Companies, Maharashtra on October 26, 2005, as a wholly owned subsidiary of “Techno Electric & Engineering Company Limited” (“**TECHNO-I**”). TECHNO-I merged with us in the year 2018, pursuant to a scheme of arrangement approved by the National Company Law Tribunal, Allahabad, vide its order dated July 20, 2018 (“**Scheme**”). Pursuant to the Scheme, all the undertakings including assets, liabilities, duties and obligations of TECHNO-I were transferred and vested in our Company as a going concern.

Prior to the Scheme a scheme of arrangement was entered into between Super Wind Project Limited (“**Super Wind**”) and Techno Electric & Engineering Company Limited dated July 29, 2011, issued by High Court at Calcutta, whereby Techno Electric & Engineering Company Limited merged with its subsidiary Super Wind.

#### **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

Our business, prospects, results of operations and financial conditions are affected by a number of factors, including the following:

#### ***Growth of our order book***

Our order book as of a particular date comprises the estimated revenues from the unexecuted portions of all the existing contracts. As on March 31, 2024, our order book was ₹9,21,897.40 lakh. Further, our order book as of a particular date is calculated on the basis of the aggregate contract value of our ongoing projects as of such date reduced by the value of work executed by us until such date, as certified by the relevant client. For the purposes of calculating the order book value, we do not take into account any escalation or change in work scope of our ongoing projects as of the relevant date, or the work conducted by us in relation to any such escalation of change in work scope of such projects until such date. The projects in our order book are subject to changes in the scope of undertakings as well as adjustments to the costs relating to the contracts. The value of the orders we receive impacts our future performance. Any cancellation of orders or termination of projects under construction by our customers may result in a reduction of our expected future revenue. Our revenues and profitability are also affected by the type, number and value of the projects we undertake in a relevant financial year, as well as the stages of completion of the relevant projects. As our projects may have different profit margins and may be in different stages of completion or operation, different amounts of revenue and profit can be recognized and/or realized at relevant times. Our results of operation from our projects may vary from fiscal to fiscal depending on the project implementation schedule. Projects which are spread over longer periods of time may also be subject to various other risks which we may not be able to control or foresee. Further, the projects awarded to us may be cancelled subsequently on account of various factors. Furthermore, there are various risks associated with the execution of large-scale projects as larger contracts may represent a larger part of our portfolio, increasing the potential volatility of our results and exposure to individual contract risks. Managing large-scale projects may also increase the potential relative size of cost overruns and negatively affect our operating margins.

#### ***Our bidding capabilities***

We enter into contracts primarily through a competitive bidding process, and our business depends on our ability to bid for and be awarded contracts for projects by project owners. Projects are awarded following competitive

bidding processes and satisfaction of prescribed qualification criteria. Typically, a project owner advertises potential projects in newspapers or on their websites by publishing pre-qualification notices. We evaluate our credentials considering the eligibility criteria for projects that are of interest. Once we pre-qualify for a bid, tender documents are sent to pre-qualified bidders by the project owner. We then submit a financial bid, along with any technical bid details required, to the project owner.

Further, service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience and sufficiency of financial resources are important considerations in authority decisions. We spend considerable time and resources in the preparation and submission of bids. We may not bid where we have been prequalified to submit a bid or our bids, when submitted or if already submitted, may not be accepted. If we are not able to qualify in our own right to bid for larger projects, we may be required to partner and collaborate with other companies in bids for such projects. If we are unable to partner with other companies or lack the credentials to be the partner-of-choice for other companies, we may lose the opportunity to bid for large EPC projects.

In addition, the government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. There can be no assurance that the projects for which we bid will be tendered within a reasonable time, or at all. In the event that new projects which have been announced and which we plan to bid for are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected.

***Dependence on contracts awarded by governmental authorities and other entities owned and controlled by the GoI or state governments***

We are primarily dependent on contracts awarded by governmental authorities and other entities funded by the GoI or state governments. We currently derive majority of our revenue from contracts entered into with major power companies in India. Larger contracts from few customers may represent a larger part of our order book, increasing the potential volatility of our results and exposure to individual contract risks. We expect such contracts with government authorities to continue to account for a high percentage of our order book in the future. Accordingly, larger contracts from a few government and public sector clients may represent a larger part of our order book, resulting in dependence on such clients and increasing the potential volatility of our results and exposure to individual contract risks.

There can be no assurance that the Government of India or the state governments will continue to place emphasis on the power and energy sector. The Government of India is increasingly emphasizing the transition to renewable and clean energy sources, driven by environmental concerns, international commitments to reduce carbon emissions, and the need for sustainable energy solutions. Policies are being enacted to promote the development and adoption of renewable energy technologies such as solar, wind, and hydroelectric power. These policies include incentives for renewable energy projects, stringent regulations on emissions from conventional energy sources, and long-term targets for increasing the share of renewables in the energy mix. This shift in policy focus is expected to have significant implications for conventional energy projects. New regulations and policies aimed at curbing emissions and promoting clean energy could lead to increased operational costs for conventional energy projects and potentially make them less competitive compared to renewable alternatives.

***Our execution capabilities***

Our ability to complete our projects within the expected completion dates or at all is subject to a number of risks and unforeseen events, including, without limitation collaboration with third parties, changes in applicable regulations, availability of adequate financing arrangements on commercially viable terms, as well as an inability or delay in securing necessary statutory or regulatory approvals for such projects.

Our EPC projects are required to achieve commercial operation no later than the scheduled commercial operation dates specified under the relevant EPC contracts, or by the end of the extension period, if any is granted by our clients. We provide our clients with performance guarantees for completion of the construction of our projects within a specified time frame. The client may also be entitled to terminate the EPC contract in the event of delay in completion of the work if the delay is not on account of any of the agreed exceptions.

In addition to the risk of termination by the client, delays in completion of development may result in cost overruns, lower or no returns on capital and reduced revenue for the client thus impacting the project's performance, as well as failure to meet scheduled debt service payment dates and increased interest costs from

our financing agreements for the projects. Delay in completion of projects have major repercussions on our business including but not limited to hefty fines and penalties payable to the vendor as per the agreed terms and conditions, partial forfeiture of our earnest money, we may be subject to disputes brought by the vendors / suppliers, etc.

### ***Government policies, macro-economic conditions and performance of the power generation, transmission and distribution sectors***

Our business is substantially dependent on co-existence of power generation sector and transmission and distribution sector in India which is primarily undertaken or awarded by governmental authorities, entities funded by the central and state Governments. We currently derive and, in the future expect to derive a significant portion of our revenue from power generation, transmission and distribution business projects in India which are dependent on budgetary allocations made by central and state Governments, participation from multilateral agency sponsored developments, public bodies as well as significant access through private sector funding. We believe that sustained increase in budgetary allocation for and the participation of public bodies, multilateral agencies in and the development of comprehensive infrastructure policies that encourage greater private sector participation and funding will result in several EPC projects in the power sector being launched in India.

Macroeconomic factors like increasing need of power for residential, industrial and commercial purposes, increased usage of electricity in rural economy, creation of green energy corridors higher focus on renewable energy and related governmental policies thereof, Indian government's specific focus on transmission sector and related policies will have a significant impact on our prospects and results of operations. Other macroeconomic factors like global GDP growth, Indian foreign investment regulations, oil prices, financial stability may impact the economic environment of India and the policies of the government with respect to the infrastructure sector. A change in policy resulting from a change in government (including change in central government and/or state governments of regions where our projects are under construction) may also impact our business.

### ***Competition***

We operate in a highly competitive environment in both in the Indian and overseas markets. The industry is highly fragmented, both domestically and globally. Success of our operations depends on our ability to effectively compete, including by continuing to distinguish our capabilities. Further, some of our competitors are larger than us, have stronger financial resources or a more experienced management team, or have stronger engineering capabilities in executing technically complex projects. Our competition depends on various factors, such as the type of project, total contract value, potential margins, complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards. Competition from other companies offering EPC services may impact our ability to successfully bid for projects at price levels which would generate desired returns for us.

## **MATERIAL ACCOUNTING POLICIES**

### **Group Overview**

Techno Electric & Engineering Company Limited (the “**Company**” or the “**Holding Company**”) and its subsidiaries (collectively, the “**Group**”) is a recognised company in the power sector. It provides engineering, procurement and construction services to the three segments of power sector including generation, transmission and distribution. The Group is also engaged in generation of wind power through wind turbine generators in the states of Tamil Nadu and Karnataka. The Group is recognised for its expertise in the domains of light construction and heavy engineering segments across the country's power sector. The Holding Company is a public limited company incorporated and domiciled in India and has its registered office at C-218 Ground Floor (GR-2) Sector-63, Noida Gautam Buddha Nagar 201 307, Uttar Pradesh, India.

### **Basis of Preparation**

#### **Statement of Compliance**

These consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“**Ind AS**”) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act,

2013, (compliant Schedule III) notified under Section 133 of Companies Act, 2013, amendments thereto and other relevant provisions of the Act and guidelines issued by SEBI to the extent applicable.

Accordingly, the Group has prepared these consolidated financial statements which comprises the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss, the Cash Flow statement and the Statement of Changes in Equity for the year ended as on that date, and material accounting policies and other explanatory information (together hereinafter referred to as “**Fiscal 2024 Audited Consolidated Financial Statements**”).

These financial statements have been prepared in accordance with the material accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

These financial statements of the Group for the year ended March 31, 2024 were approved for issuance in accordance with the resolution passed by the Board of Directors on May 28, 2024.

### **Basis of measurement**

The consolidated financial statements have been prepared on accrual basis under historical cost convention, except for the following assets and liabilities, which had been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer material accounting policy regarding Financial instruments)
- Defined employee benefit plan
- Derivative financial instruments

### **Functional and reporting currency**

The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Group’s functional and reporting currency and are rounded off to lakh (Rs in lakh), except when otherwise indicated.

### **Operating cycle and current versus non-current classification**

The Group presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current.

Operating Cycle for the business activities of the Group relating to Long term Contracts (i.e. supply or construction contracts) covers the duration of the specific project/ Contract including the defect liability period, wherever applicable and extends up to the realisation of the receivables (including retention monies) within the agreed credit period normally applicable to the respective project/contract.

Assets and Liabilities other than those relating to Long term contracts are classified as current if it is expected to be realised or settle within 12 months after the balance sheet date.

### **Basis of Consolidation**

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries together with the share of the total comprehensive income of a joint venture as at March 31, 2024. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the CFS for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the CFS to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

### **Consolidation procedure:**

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- ii. Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**Summary of Material Accounting Policies**

***Property, Plant and Equipment***

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, non-refundable taxes, directly attributable cost (including borrowings) of bringing the assets to its working conditions and locations and present value of any obligatory decommissioning cost for its intended use.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

In case of constructed assets, cost includes cost of all materials used in construction, direct labour, allocation overheads and directly attributable borrowing cost.

Assets are depreciated to the residual values on a straight-line basis over the useful life prescribed in Schedule II to the Companies Act, 2013 except Office equipment and Furniture & Fixture which are depreciated on written down value method. Freehold land is not depreciated.

The residual values and estimated useful life are reviewed at the end of each financial year, with effect of any changes in estimate accounted for on prospective basis. Each component of a Property Plant and Equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the other component of assets. The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013.

*Useful life of the assets depreciated on written down value method:*

<b>Class of Assets</b>	<b>Useful Life</b>
Office Equipment	3-5 years
Furniture and fittings	10 years

*Useful life of the assets depreciated on straight line method:*

<b>Class of Assets</b>	<b>Useful Life</b>
Plant and Equipment - Wind Division	20 years
Plant and Equipment	15 years
Buildings	30-60 years
Vehicles	8-10 years

***Intangible Assets***

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortisation is calculated on straight line method over the estimated useful lives of the assets as follows:

Category	Useful Life
Computer software packages (ERP and others)	6 years

An intangible asset is de-recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### ***Cash and Bank Balances***

**Cash and cash equivalents** includes cash in hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**Other bank balances** include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Group's cash management.

#### ***Inventories***

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is determined using the weighted average cost basis.

#### ***Leases***

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **Right-of-use assets**



The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as mentioned below:

Land	30 to 99 years
------	----------------

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section “impairment of non-financial assets”.

#### Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of sites, offices, equipment, etc. that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **Group as a lessor**

Lessor accounting under IND AS 116 is substantially unchanged from IND AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IND AS 17. Therefore, IND AS 116 does not have an impact for leases where the Group is the lessor.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### **Employee Benefits**

Retirement benefit in the form of Provident Fund and Pension Fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognizes contribution payable to the scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to Statement Profit and Loss in subsequent periods.

The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Group has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

### ***Foreign Currency Reinstatement and Translation***

The Group's financial statements are presented in Indian Rupee (Rs.), which is the Group's functional currency.

### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Tax charges and credits, if applicable, attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### ***Financial instruments - Initial Recognition, Subsequent Measurement, and Impairment***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, at amortised cost or fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IND AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### ***Subsequent Measurement***

Subsequent measurement of financial assets is described below -

- Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (“**EIR**”) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- Debt instruments at fair value through other comprehensive income (“**FVTOCI**”)

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset’s contractual cash flows represent SPPI.

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (“**FVTPL**”)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

- Equity instruments measured at fair value through other comprehensive income

All equity investments in scope of 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. These equity shares are designated as Fair Value Through OCI (FVTOCI) as they are not held for trading and disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### ***Derecognition***

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group’s balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### ***Impairment of financial assets***

In accordance with 109, the Group applies expected credit loss (“**ECL**”) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

- ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of 115
- iii. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

### **Financial liabilities**

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

#### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

#### *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## ***Taxation***

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income and such change could be for change in tax rate.

### **i. Current Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **ii. Deferred Tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## ***Revenue recognition***

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

### **i. Revenue from sale of goods and services**

Revenue from sale of goods and services is recognised at the point in time when the performance obligation is satisfied by the transfer of control of promised goods and services to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group

as part of the contract. As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered.

## **ii. Revenue from construction contracts**

Revenue from construction contract are satisfied over the period of time based on the identified performance obligation and accordingly revenue is recognised based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs.

The amount of revenue recognised in a year on projects is dependent, inter alia, on the actual costs incurred, the assessment of the percentage of completion of (long-term) contracts and the forecasted contract revenue and costs to complete of each project.

Costs in respect of projects include costs of materials including own manufactured materials at costs along with fabrication, construction, labour and directly attributable/identifiable overheads, as estimated by the management.

Estimates of revenue and costs are reviewed periodically and revised, wherever there are changes in design, scope, specification, etc, resulting in increase or decrease in revenue determination, is recognised in the period in which estimates are revised.

Provision is made for all losses incurred to the balance sheet date. Variations in contract work, claims and incentive payments are recognised to extent that it is probable that they will result in revenue and they are capable of being reliably measured. Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

## **iii. Revenue from Power Generation**

Power generation income is recognised on the basis of units of power generated, net of wheeling and transmission loss, as applicable, when no significant uncertainty as to the measurability or collectability exists.

Renewal Energy Certificate Income is accounted on accrual basis at the rate sold at the Power Exchanges. At the year-end Renewal Energy Certificate Income is recognised at the minimum floor price specified by the Central Regulator of CERC / last traded price at the exchange.

## **iv. Contract Assets**

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Unbilled receivables where further subsequent performance obligation is pending are classified as contract assets when the Group does not have unconditional right to receive cash as per contractual terms. Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

## **v. Impairment of Contract asset**

The Group assesses a contract asset for impairment in accordance with Ind AS 109. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of Ind AS 109.

## **vi. Contract Liability**

Contract Liability is recognised when there are billings in excess of revenues, and it also includes consideration received from customers for whom the Group has pending obligation to transfer goods or services.

The billing schedules agreed with customers include periodic performance-based payments and / or milestone-based progress payments. Invoices are payable within contractually agreed credit period.

## **vii. Export Benefits**

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

## **viii. Interest and Dividend Income**

### **Interest**

Interest income is included in other income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate when there is a reasonable certainty as to realisation.

### **Dividend**

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of dividend can be measured reliably.

### ***Dividend Distribution***

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable is recognised directly in equity.

### ***Earnings per share***

#### **Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to owners of the equity by the weighted average number of equity shares outstanding during the financial year.

The weighted average number of equity shares outstanding during the period is adjusted for events such as buy back, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### ***Provisions, Contingent Assets and Contingent Liabilities***

#### **a) Provisions**

Provisions are recognized only when there is a present obligation (legal or constructive) as a result of a past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

#### **b) Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is



either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### **c) Contingent Assets**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are neither recognized nor disclosed, when realization of income is virtually certain, related asset is disclosed.

### ***Investment in Subsidiaries***

A subsidiary is an entity controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Investments are tested for impairment whenever an event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount. If, in a subsequent period, recoverable amount equals or exceeds the carrying amount, the impairment loss recognised is reversed accordingly.

### ***Investment in joint ventures and associates***

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not having control or joint control over those policies.

The investment in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

### ***Segment Reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Financial Officer of the Group.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Group and for which discrete financial information is available. All operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Segment revenues and expenses are directly attributed to the related segment. Revenues 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 attributed to the related 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, deferred tax assets / liability and provision for tax.

### ***Discontinued Operations***

The Group classifies disposal assets as held for sale/ distribution if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets are available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets, its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale/ distribution of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss.

#### *Use of Assumptions, Judgments and Estimates*

The preparation of consolidated financial statements in conformity with the requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and reported amounts of assets, liabilities, income, expense and disclosure of Contingent assets and liabilities at the date of these consolidated financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revision to accounting estimates are recognised in the period in which the estimates is revised and future period impacted.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements:

#### **a) Revenue**

The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

The measurement of construction contracts in progress is based on an assessment of the stage of each project and expectations concerning the remaining progress towards completion of each contract, including the outcome of disagreements. The assessment of stage, income and expenses, including disagreements, is made by the project management on a project-by-project basis.

The assessment of disagreements relating to extra work, extensions of time, demands concerning liquidated damages, etc., is based on the nature of the circumstances, knowledge of the client, the stage of negotiations, previous experience and consequently an assessment of the likely outcome of each case. For major disagreements, external legal opinions are a fundamental part of the assessment.

Estimates concerning the remaining progress towards completion depend on a number of factors, and project assumptions may change as the work is being performed. Likewise, the assessment of disagreements may change as the cases proceed. Actual results may therefore differ materially from expectations. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

**b) Fair value measurement of financial instruments**

The Group measures financial instruments, such as investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**c) Depreciation / amortization and impairment of property, plant and equipment / intangible assets.**

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The Group reviews carrying value of its property, plant and equipment and intangible assets whenever there is objective evidence that the assets are impaired. In such situation, assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted using pre-tax discount rate, which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. the Group reviews the estimated useful lives of the assets regularly in order to determine the

amount of depreciation / amortization and amount of impairment expense to be recorded, adequately during any reporting period. This reassessment may result in change in estimate impacting the financial result of the Group.

**d) Arrangements containing leases**

The Group enters into service/hiring arrangements for various/services. The determination of lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**e) Impairment of Financial assets**

The Group evaluates whether there is any objective evidence that financial assets including loan, trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the parties to make required payments. The Group bases the estimates on the ageing of the receivables, creditworthiness of the receivables and historical write-off experience and variation in the credit risk on year-to-year basis.

**f) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

**g) Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

**h) Defined benefit obligation ("DBO")**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**i) Fair Value Measurements**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques which involve various judgements and assumptions. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in the assumptions about these factors could affect the reported fair value of financial instruments.

**j) Provisions and Contingencies**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Group as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

***Standards issued but not yet effective.***

There are no standards issued up to the date of issuance of Group's financial Statements.

***Application of new and revised Indian Accounting***

The Ministry of Corporate affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amended Rules 2023, which amended certain accounting standards, and are effective 01 April 2023. The rule predominantly amends IND AS 1, Presentation of Financial Statements, IND AS 8, Accounting Policies, Change in Accounting Estimate and Errors and IND AS 12, Income Taxes, whereas the other amendments notified by these rules are primarily in the nature of clarifications. As per the managements assessments these amendments did not have any material impact on the amount recognised in the prior periods.

## RESULTS OF OPERATIONS

The following table sets forth select financial data from our statement of profit and loss for the Fiscals 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such periods:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(in ₹ lakhs)	Percentage of total income (%)	(in ₹ lakhs)	Percentage of total income (%)	(in ₹ lakhs)	Percentage of total income (%)
<b>Income</b>						
Revenue from operations	1,50,238.09	91.69	82,949.85	91.74	99,916.80	86.62
(i) Sale of products and services	1,49,758.74	91.4	82,735.53	91.51	98,969.80	85.8
(a) Contract Revenue	1,48,714.94	90.76	81,647.60	90.3	97,876.44	84.85
(b) Sale of power	1,043.80	0.64	1,087.93	1.2	1,093.36	0.95
(ii) Other operating revenue	479.35	0.29	214.32	0.24	947.00	0.82
Other income	13,610.96	8.31	7,464.40	8.26	15,437.84	13.38
<b>Total income (I)</b>	<b>1,63,849.05</b>	<b>100</b>	<b>90,414.25</b>	<b>100</b>	<b>1,15,354.64</b>	<b>100</b>
<b>Expenses</b>						
Cost of materials consumed	1,12,473.98	68.64	66,020.16	73.02	76,709.72	66.5
Changes in inventories of stock - in - trade	3,562.66	2.17	(3,440.53)	(3.81)	(2,083.08)	(1.81)
Employee benefits expense	4,615.42	2.82	4,218.99	4.67	3,392.80	2.94
Finance costs	1,642.98	1.00	1,065.76	1.18	638.32	0.55
Depreciation and amortization expenses	784.30	0.48	759.95	0.84	744.28	0.65
Other expenses	8,644.67	5.28	7,484.34	8.28	6,093.70	5.28
<b>Total expenses (II)</b>	<b>1,31,724.01</b>	<b>80.39</b>	<b>76,108.67</b>	<b>84.18</b>	<b>85,495.74</b>	<b>74.12</b>
<b>Profit before tax from continuing operations (I-II)</b>	<b>32,125.04</b>	<b>19.61</b>	<b>14,305.58</b>	<b>15.82</b>	<b>29,858.90</b>	<b>25.88</b>
<b>Tax expenses</b>						
Current tax	6,064.63	3.7	4,401.09	4.87	5,911.87	5.12
Deferred tax	(1,108.82)	(0.68)	145.90	0.16	5.33	0
Tax related to earlier years	66.74	0.04	97.76	0.11	-	-
<b>Total tax expenses (IV)</b>	<b>5,022.55</b>	<b>3.07</b>	<b>4,644.75</b>	<b>5.14</b>	<b>5,917.20</b>	<b>5.12</b>
<b>Profit for the year from continuing operations before profit of joint venture (III-IV) = (V)</b>	<b>27,102.49</b>	<b>16.54</b>	<b>9,660.83</b>	<b>10.69</b>	<b>23,941.70</b>	<b>20.75</b>
<b>Share of profit from joint venture (VI)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>364.00</b>	<b>0.32</b>
<b>Profit for the year from continuing operations (V + VI) = (VII)</b>	<b>27,102.49</b>	<b>16.54</b>	<b>9,660.83</b>	<b>10.69</b>	<b>24,305.70</b>	<b>21.07</b>
<b>Discontinued operations</b>						

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(in ₹ lakhs)	Percentage of total income (%)	(in ₹ lakhs)	Percentage of total income (%)	(in ₹ lakhs)	Percentage of total income (%)
Profit/ (Loss) for the year from discontinued operations	(425.50)	(0.26)	4,541.05	5.02	2,719.67	2.36
Exceptional items - gain on sale of discontinued operations	79.65	0.05	6,785.61	7.51	-	-
Less: Tax expense on discontinued operations	(88.87)	(0.05)	2,301.71	2.55	636.17	0.55
<b>Profit for the year from discontinued operations (VIII)</b>	<b>(256.98)</b>	<b>(0.16)</b>	<b>9,024.95</b>	<b>9.98</b>	<b>2,083.50</b>	<b>1.81</b>
<b>Profit / (loss) for the year (VII + VIII)</b>	<b>26,845.51</b>	<b>16.38</b>	<b>18,685.78</b>	<b>20.67</b>	<b>26,389.20</b>	<b>22.88</b>

## **Fiscal 2024 compared to Fiscal 2023**

### ***Total Income***

Total income increased by ₹73,434.80 lakhs, or 81.22%, from ₹90,414.25 lakhs for Fiscal 2023 to ₹163,849.05 lakhs for Fiscal 2024, primarily due to an increase in revenue from operations and other income.

### ***Revenue from operations***

Total revenue from operations (from continuing and discontinued operations) increased by ₹59,441.85 lakhs, or 65.47%, from ₹90,796.08 lakhs for Fiscal 2023 to ₹150,237.93 lakhs for Fiscal 2024. The increase in revenue from operations is primarily attributable to the following:

- *Sale of products and services*: Sale of products and services increased by ₹67,023.21 lakhs or 81.01%, from ₹82,735.53 lakhs in Fiscal 2023 to ₹1,49,758.74 lakhs in Fiscal 2024, which was principally attributable to increase in contract revenue.
- *Contract revenue*: Contract revenue increased by ₹67,067.34 lakhs or 82.14% from ₹81,647.60 lakhs in Fiscal 2023 to ₹1,48,714.94 lakhs in Fiscal 2024, which was principally attributable to (i) increase in new EPC contracts entered into by our Company in Fiscal 2024 and (ii) increase in the EPC revenue on account of the continuing projects reaching relevant project milestones.
- *Sale of power*: Sale of power decreased by ₹44.13 lakhs or 4.06%, from ₹1,087.93 lakhs in Fiscal 2023 to ₹1,043.80 lakhs in Fiscal 2024, which was principally attributable to decrease in wind revenue in Fiscal 2024.
- *Sale of power (discontinued operation)*: Sale of power decreased by ₹ 7846.39 lakhs or 100%, from ₹ 7846.23 lakhs in Fiscal 2023 to ₹ -0.16 lakhs in Fiscal 2024, which was principally attributable to sale of discontinued operation.
- *Other operating revenues*: Other operating revenue increased by ₹265.03 lakhs or 123.66%, from ₹214.32 lakhs in Fiscal 2023 to ₹ 479.35 lakhs in Fiscal 2024, which was principally attributable to accrual of income in Fiscal 2024 in relation to the smart metering project in Jammu and Srinagar.

### ***Other income (from continuing operation)***

Other income increased by ₹6,146.56 lakhs or 82.34%, from ₹7,464.40 lakhs in Fiscal 2023 to ₹13,610.96 lakhs in Fiscal 2024, which was principally attributable to an increase in dividend income and net gain on sale and remeasurement of investments measured at FVTPL.

### ***Expenses (from continuing operation)***

Total expenses increased by ₹55,615.34 lakhs, or 73.07%, from ₹76,108.67 lakhs in Fiscal 2023 to ₹131,724.01 lakhs in Fiscal 2024, primarily due to an increase in cost of materials consumed and changes in inventories of stock-in-trade. Our total expenses represented 80.39% and 84.18% of our total income in Fiscals 2024 and 2023, respectively. The increase in expenses is primarily attributable to the following:

- *Cost of materials consumed*: Cost of materials consumed increased by ₹46,453.82 lakhs or 70.36%, from ₹66,020.16 lakhs in Fiscal 2023 to ₹ 112,473.98 lakhs in Fiscal 2024, which was in line with the growth of our revenue from sale of products and services and contract revenue and on account of the expansion of our EPC business in Fiscal 2024 as compared to Fiscal 2023.
- *Changes in inventories of stock-in-trade*: Changes in inventories of stock-in-trade was ₹(3,440.53) lakhs in Fiscal 2023 as compared to ₹ 3,562.66 lakhs in Fiscal 2024, on account of the change between the closing and opening inventory of finished goods.
- *Employee benefits expense*: Employee benefits expense increased by ₹396.43 lakhs or 9.40%, from ₹4,218.99 lakhs in Fiscal 2023 to ₹4,615.42 lakhs in Fiscal 2024, on account of increase in the number of employees and normal increase in wages and salaries in Fiscal 2024.
- *Finance costs*: Finance costs increased by ₹577.22 lakhs or 54.16%, from ₹1,065.76 lakhs in Fiscal 2023 to ₹1,642.98 lakhs in Fiscal 2024, on account of the interest paid on inter-corporate deposit for the entire 12



months period in Fiscal 2024, as compared to payment of interest on inter-corporate deposit for only six months in Fiscal 2023.

- *Depreciation and amortization expenses:* Depreciation and amortization expenses increased by ₹24.35 lakhs or 3.20%, from ₹759.95 lakhs in Fiscal 2023 to ₹784.30 lakhs in Fiscal 2024, which was principally attributable to additions made to office equipment in Fiscal 2024 as compared to Fiscal 2023 because of which depreciation has increased by such amount.
- *Other expenses:* Other expenses increased by ₹1,160.33 lakhs or 15.50%, from ₹7,484.34 lakh in Fiscal 2023 to ₹8,644.67 lakh in Fiscal 2024, which was principally attributable to an increase in travelling and conveyance expenses, rates and taxes, insurance, service charges, legal and professional fees and miscellaneous expenses, which was partially offset by a decrease in rent, provision for foreseeable losses and impairment of goodwill.

#### ***Profit before tax from continuing operations***

As a result of the factors outlined above, our profit before tax from continuing operations was ₹32,125.04 lakhs for Fiscal 2024 compared to ₹14,305.58 lakhs for Fiscal 2023.

#### ***Tax expenses (from continuing operation)***

Total tax expenses increased by ₹377.80 lakhs or 8.13%, from ₹4,644.75 lakhs for Fiscal 2023 to ₹5,022.55 lakhs for Fiscal 2024, which was principally attributable to an overall increase in tax expenses as compared to Fiscal 2023 on account of increase in revenue from operations and other income.

#### ***Profit for the year from continuing operations***

As a result of the factors outlined above, our profit for the year from continuing operations was ₹27,102.49 lakhs for Fiscal 2024 compared to ₹9,660.83 lakhs for Fiscal 2023.

#### ***Discontinued operations***

The loss for the year from discontinued operations was ₹425.50 lakhs for Fiscal 2024 compared to a profit of ₹4,541.05 lakhs in Fiscal 2023. An exceptional gain of ₹79.65 lakhs has been accounted for during Fiscal 2024 on account of sale of 3.6 MW of wind assets.

#### ***Profit/ (loss) for the year from discontinued operations***

The loss for the year from discontinued operations was ₹256.98 lakhs for Fiscal 2024 compared to a profit of ₹9,024.95 lakhs in Fiscal 2023. An exceptional gain of ₹ 6,785.61 lakhs has been accounted for during Fiscal 2023 on account of sale transaction of 105.3MW of wind assets.

#### ***Profit for the year***

As a result of the factors outlined above, our profit for the year was ₹26,845.51 lakhs for Fiscal 2024 compared to ₹18,685.78 lakhs for Fiscal 2023.

### **Fiscal 2023 compared to Fiscal 2022**

#### ***Total Income***

Total income decreased by ₹24,940.39 lakhs, or 21.62%, from ₹1,15,354.64 lakhs for Fiscal 2022 to ₹90,414.25 lakhs for Fiscal 2023, primarily due to a decrease in revenue from operations and other income.

#### ***Revenue from operations***

Revenue from operations (from continuing and discontinued operations) decreased by ₹16,590.57 lakhs, or 15.45%, from ₹ 1,07,386.65 lakhs for Fiscal 2022 to ₹90,796.08 lakhs for Fiscal 2023. The decrease in revenue from operations is primarily attributable to the following:

- *Sale of products and services:* Sale of products and services decreased by ₹16,234.27 lakhs or 16.40%, from ₹98,969.80 lakhs in Fiscal 2022 to ₹82,735.53 lakhs in Fiscal 2023 which was principally attributable to decrease in contract revenue.

- *Contract revenue*: Contract revenue decreased by ₹16,228.84 lakhs or 16.58% from ₹97,876.44 lakhs in Fiscal 2022 to ₹81,647.60 lakhs in Fiscal 2023, which was principally attributable to majority of our projects having reached the completion stage in Fiscal 2023, resulting in reduction of our EPC revenue.
- *Sale of power*: Sale of power decreased by ₹ 5.43 lakhs or 0.50%, from ₹1,093.36 lakhs in Fiscal 2022 to ₹1,087.93 lakhs in Fiscal 2023, which was principally attributable to a decrease in the number of units of electricity generated in Fiscal 2023 as compared to Fiscal 2022.
- *Sale of power (discontinued operation)*: Sale of power increased by ₹ 376.38 lakhs or 5.04%, from ₹ 7469.85 lakhs in Fiscal 2022 to ₹ 7846.23 lakhs in Fiscal 2023, which was principally attributable to increase in generation.
- *Other operating revenues*: Other operating revenue decreased by ₹732.68 lakhs or 77.37%, from ₹947 lakhs in Fiscal 2022 to ₹ 214.32 lakhs in Fiscal 2023, which was principally attributable to the interest earned on account of delayed payment received against project with Kohima Mariani Transmission Limited in Fiscal 2022. There is no such income earned during Fiscal 2023.

*Other income (from continuing operation)*

Other income decreased by ₹7,973.44 lakhs or 51.65%, from ₹15,437.84 lakhs in Fiscal 2022 to ₹7,464.40 lakhs in Fiscal 2023, which was principally attributable to a decrease in dividend income by ₹2,393.97 lakhs and net gain on sale and remeasurement of investments measured at FVTPL by ₹6,574.59 lakhs.

*Expenses (from continuing operation)*

Total expenses decreased by ₹9,387.07 lakhs, or 10.98%, from ₹85,495.74 lakhs in Fiscal 2022 to ₹76,108.67 lakhs in Fiscal 2023, primarily due to a decrease in cost of materials consumed and changes in inventories of stock-in-trade. Our total expenses represented 84.18% and 74.12% of our total income in Fiscals 2023 and 2022, respectively. The decrease in expenses is primarily attributable to the following:

- *Cost of materials consumed*: Cost of materials consumed decreased by ₹10,689.56 lakhs or 13.94%, from ₹76,709.72 lakhs in Fiscal 2022 to ₹66,020.16 lakhs in Fiscal 2023, which was principally attributable to the transfer of cost incurred to capital work in progress on account of expenses incurred by the Company on capital expenditure for data centre project.
- *Changes in inventories of stock-in-trade*: Changes in inventories of stock-in-trade was ₹(2,083.08) lakhs in Fiscal 2022 as compared to ₹(3,440.53) lakhs in Fiscal 2023, which was principally attributable to the change between the closing and opening inventory of finished goods.
- *Employee benefits expense*: Employee benefits expense increased by ₹826.19 lakhs or 24.35%, from ₹3,392.80 lakhs in Fiscal 2022 to ₹4,218.99 lakhs in Fiscal 2023, which was principally attributable to (i) an increase in wages and salaries of employees by 17.5% in Fiscal 2023 and (ii) reversal in the policy in relation to leave encashment.
- *Finance costs*: Finance costs increased by ₹427.44 lakhs or 66.96%, from ₹638.32 lakhs in Fiscal 2022 to ₹1,065.76 lakhs in Fiscal 2023, which was principally attributable to the interest paid on mobilisation advance taken in Fiscal 2023.
- *Depreciation and amortization expenses*: Depreciation and amortization expenses increased by ₹15.67 lakhs or 2.11%, from ₹744.28 lakhs in Fiscal 2022 to ₹759.95 lakhs in Fiscal 2023, which was principally attributable to the increase in depreciation expense in Fiscal 2023 on account of additions made to office equipment in the EPC division amounting to ₹69.12 lakhs.
- *Other expenses*: Other expenses increased by ₹1,390.64 lakhs or 22.82%, from ₹6,093.70 lakh in Fiscal 2022 to ₹7,484.34 lakh in Fiscal 2023, which was principally attributable to an increase in travelling and conveyance expenses, service charges, legal and professional fees and miscellaneous expenses, which was partially offset by a decrease in rates and taxes, rent, provision for foreseeable losses and impairment of goodwill on consolidation.

*Profit before tax from continuing operations*

As a result of the factors outlined above, our profit before tax from continuing operations was ₹14,305.58 lakhs for Fiscal 2023 compared to ₹29,858.90 lakhs for Fiscal 2022.

***Tax expenses (from continuing operation)***

Total tax expenses decreased by ₹1,272.45 lakhs or 21.50%, from ₹5,917.20 lakhs for Fiscal 2022 to ₹4,644.75 lakhs for Fiscal 2023, which was principally attributable to an overall decrease in tax expenses as compared to Fiscal 2022 on account of decreased revenue and other income.

***Profit for the year from continuing operations before profit of joint venture***

Our profit for the year from continuing operations before profit of joint venture was ₹9,660.83 lakhs for Fiscal 2023 compared to ₹23,941.70 lakhs for Fiscal 2022.

***Discontinued operations***

The profit for the year from discontinued operations was ₹4,541.05 lakhs for Fiscal 2023 compared to ₹2,719.67 lakhs in Fiscal 2022. An exceptional gain of ₹6,785.61 lakhs has been accounted for during Fiscal 2023 on account of partial sale transaction of 105.3MW of wind assets.

***Profit for the year from discontinued operations***

The profit for the year from discontinued operations was ₹9,024.95 lakhs for Fiscal 2023 compared to a profit of ₹2,083.50 lakhs in Fiscal 2022.

***Profit for the year***

As a result of the factors outlined above, our profit for the year was ₹18,685.78 lakhs for Fiscal 2023 compared to ₹26,389.20 lakhs for Fiscal 2022.

**Cash Flows**

The following table sets forth certain information relating to our cash flows for Fiscals 2024, 2023 and 2022:

Particulars	<i>(in ₹ lakhs)</i>		
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2022
Net cash generated from/ (used in) operating activities	(19,823.97)	9,335.83	25,927.42
Net cash generated from/ (used in) investing activities	26,875.18	1,256.93	(22,398.39)
Net cash generated from/ (used in) financing activities	(8,450.64)	(10,300.66)	(6,355.26)

***Net cash generated from/ (used in) operating activities***

***Fiscal 2024***

Net cash used in operating activities for Fiscal 2024 was ₹19,823.97 lakhs and our cash flow before changes in operating assets and liabilities was ₹20,461.34 lakhs. The changes in operating asset and liabilities in Fiscal 2024 primarily consisted of (i) a decrease in inventories of ₹ 6,062.66 lakhs due to decrease in closing inventories as compared to the opening inventory; (ii) an increase in trade receivables of ₹9,975.19 lakhs due to an increase in revenue; (iii) an increase in other financial assets of ₹2,107.47 lakhs due to an increase in security deposit; (iv) an increase in other assets of ₹ 10,885.19 lakhs due to an increase in contract asset; (v) an increase in trade payables of ₹ 2,961.54 lakhs due to an increase in cost of materials consumed; (vi) a decrease in other financial liabilities of ₹3,229.88 lakhs due to decrease in provisioning of other expenses; (vii) a decrease in provisions of ₹130.37 lakhs due to a decrease in provision for foreseeable losses; and (viii) a decrease in other liabilities of ₹ 15,711.91 lakhs due to decreased contract liabilities.

***Fiscal 2023***

Net cash generated from operating activities for Fiscal 2023 was ₹ 9,335.83 lakhs and our cash flow before changes in operating assets and liabilities was ₹14,999.12 lakhs. The changes in operating asset and liabilities in Fiscal 2023 primarily consisted of (i) an increase in inventories of ₹ 7,397.85 lakhs due to an increase in closing inventories as compared to the opening inventory; (ii) an increase in trade receivables of ₹5,408.31 lakhs due to increase in receivables which were not due; (iii) an increase in other financial assets of ₹ 50.64 lakhs due to an

increase in security deposit; (iv) a decrease in other assets of ₹ 1,898.45 lakhs due to a decrease in contract assets; (v) an increase in trade payables of ₹ 10,149.06 lakhs due to an increase in payables which were not due; (vi) an increase in other financial liabilities of ₹419.85 lakhs due to an increase in other expenses payable provisioned as on year-end; (vii) an increase in provisions of ₹348.17 lakhs due to an increase in provision for compensated expenses and provision for foreseeable losses; and (viii) an increase in other liabilities of ₹ 5,673.95 lakhs due to an increase in contract liabilities.

#### *Fiscal 2022*

Net cash generated from operating activities for Fiscal 2022 was ₹25,927.42 lakhs and our cash flow before changes in operating assets and liabilities was ₹22,008.94 lakhs. The changes in operating asset and liabilities in Fiscal 2022 primarily consisted of (i) an increase in inventories of ₹2,083.08 lakhs due to an increase in closing inventory as compared to the opening inventory; (ii) an increase in trade receivables of ₹5,378.72 lakhs due to an increase in billed revenue; (iii) a decrease in other financial assets of ₹1,484.40 lakhs due to a decrease in valuation of renewable energy; (iv) a decrease in other assets of ₹3,451.10 lakhs due to a decrease in capital advances; (v) an increase in trade payables of ₹5,643.51 lakhs due to an increase in brought out components; (vi) an increase in other financial liabilities of ₹539.37 lakhs due to an increase in other expense payable provisioned as on year-end; (vii) a decrease in provisions of ₹89.67 lakhs due to a decrease in provision for compensated expenses; and (viii) an increase in other liabilities of ₹6,912.86 lakhs due to an increase in contract liabilities.

#### ***Net cash generated from/ (used in) investing activities***

##### *Fiscal 2024*

Net cash generated from investing activities in Fiscal 2024 was ₹26,875.18 lakhs. This reflected (i) investment others of ₹23,767.02 lakhs; (ii) loans granted to bodies corporate (net of repayments) of ₹11,225.98 lakhs; (iii) dividend income of ₹6,143.07 lakhs; (iv) interest income received of ₹3,042.11 lakhs; (v) proceeds from sale of discontinued operations of ₹573.26 lakhs; (vi) investment in bank deposit having original maturity of more than three months (net) of ₹166.05 lakhs; and (vii) proceeds from sale of property, plant and equipment of ₹0.64 lakhs. This was partially offset by acquisition of property, plant and equipment and movement of capital creditors, capital work-in-progress of ₹18,042.95 lakhs.

##### *Fiscal 2023*

Net cash generated from investing activities in Fiscal 2023 was ₹1,256.93 lakhs. This reflected (i) proceeds from sale of discontinued operations of ₹40,908.49 lakhs; (ii) dividend income of ₹2,084.55 lakhs; (iii) interest income received of ₹ 2,804.77 lakhs; (iv) advance received against assets held for sale of ₹680.00 lakhs; and (v) proceeds from sale of property, plant and equipment of ₹40.74 lakhs. This was partially offset by (i) investment others of ₹23,680.84 lakhs; (ii) investment in bank deposit having original maturity of more than three months (net) of ₹10,292.76 lakhs; (iii) acquisition of property, plant and equipment and movement of capital creditors, capital work-in-progress of ₹6,554.24 lakhs; and (iv) loans granted to bodies corporate (net of repayments) of ₹4,733.78 lakhs.

##### *Fiscal 2022*

Net cash used investing activities in Fiscal 2022 was ₹22,398.39 lakhs. This reflected (i) investment in bonds, mutual funds, etc. of ₹ 24,352.85 lakhs; (ii) acquisition of property, plant and equipment and movement of capital creditors, capital work-in-progress and capital advances of ₹3,370.12 lakhs; and (iii) loans granted to bodies corporate (net of repayments) of ₹1,271.90 lakhs. This was partially offset by (i) dividend income of ₹4,478.52 lakhs; (ii) interest income of ₹1,939.05 lakhs; and (iii) investment in bank deposit having original maturity of more than three months (net) of ₹178.91 lakhs.

#### ***Net cash generated from/ (used in) financing activities***

##### *Fiscal 2024*

Our net cash used in financing activities was ₹8,450.64 lakhs in Fiscal 2024. This was primarily due to (i) dividend paid of ₹6,457.14 lakhs; (ii) interest paid of ₹1,642.98 lakhs; and (iii) other finance charges paid of ₹350.52 lakhs.

##### *Fiscal 2023*

Our net cash used in financing activities was ₹10,300.66 lakhs in Fiscal 2023. This was primarily due to (i) dividend paid of ₹2,199.20 lakhs; (ii) interest paid of ₹525.17 lakhs; (iii) other finance charges paid of ₹540.59 lakhs; and (iv) share buyback of ₹7,035.70 lakhs.

#### *Fiscal 2022*

Our net cash used in financing activities was ₹6,355.26 lakhs in Fiscal 2022. This was primarily due to (i) repayment of borrowings (net) of ₹771.34 lakhs; (ii) dividend paid of ₹4,945.60 lakhs; (iii) interest expense paid of ₹89.16 lakhs; and (iii) other finance charges paid of ₹549.16 lakhs.

### **BORROWINGS**

We do not have any outstanding borrowings as on March 31, 2024.

### **CONTINGENT LIABILITIES AND COMMITMENTS**

The following table sets forth certain information relating to our contingent liabilities and commitments as at March 31, 2024, as determined in accordance with Ind AS 37:

<b>Particulars</b>	<b>As at March 31, 2024</b>
<b><i>Contingent liabilities</i></b>	
Claims against the company not acknowledged as debts:	
- Indirect tax demands (VAT/CST/Entry tax)	87.80
<i>Amount paid under protest ₹Nil</i>	
- Income tax demands	5,732.55
<i>Amount paid under protest ₹387.25 lakhs</i>	
<b>Total</b>	<b>5,820.35</b>
<b><i>Commitments</i></b>	
Estimated amount of contracts remaining to be executed on capital account and not provided for (net off capital advance)	2,109.96

*Note:*

- a) *In our opinion, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.*
- b) *It is not practicable for our Company to estimate the timings of cash outflows, if any, in respect to the above pending resolution of the respective proceedings.*

### **OFF-BALANCE SHEET ARRANGEMENTS**

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

### **RELATED PARTY TRANSACTIONS**

We have, in the course of their business and operations, entered into transactions with related parties, such as supply of materials and rendering of service, dividend paid, interest on delayed payments, interest on loan given and loan refunded.

For further information on our related party transactions, see “*Related Party Transactions*” on page 46.

### **QUANTITATIVE AND QUALITATIVE DISCLOSURES ON MARKET RISKS**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. We are exposed to certain market risks, including credit risk, liquidity risk and market risk.

#### ***Credit risk***

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. Our counter parties include certain government owned and controlled entities and public sector undertakings. The maximum exposure to credit risk is equal to the carrying value of the financial

assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. We assess the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

### ***Liquidity risk***

Liquidity risk is defined as the risk that we will not be able to settle or meet our obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. Our finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by our senior management. Our management monitors our liquidity position through rolling forecasts on the basis of expected cash flows.

### ***Market risk***

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect our income or the value of our holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

## **SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS**

Our business is primarily dependent on contracts awarded by governmental authorities. We currently derive the majority of our revenue from contracts entered into with major power companies in India. For further information see, ***“Risk Factors - Our business is primarily dependent on contracts awarded by governmental authorities and other entities owned and controlled by the GoI or state governments and we derive majority of our revenues from contracts with a limited number of government entities. Any adverse changes in the tendering criteria or power or energy sector policies by the government policies may lead to our contracts being foreclosed, terminated, restructured or renegotiated, and we may not be able to receive any future contracts which may have a material effect on our business and results of operations.”*** on page 48.

## **TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT**

Our Company is primarily engaged in executing EPC projects and there are no other primary reportable segments. Our Company monitors the operating results of the business as a single segment. For further information, see ***“Financial Information”*** on page 238.

## **KNOWN TRENDS OR UNCERTAINTIES**

Other than as described in ***“Risk Factors”*** on page 47 and this section, to our knowledge there are no known trends or uncertainties that have had or are expected have a material adverse impact on our income or revenue from operations.

## **FUTURE CHANGES IN RELATIONSHIP BETWEEN COST AND REVENUE**

Other than as described in this section and ***“Business”***, and ***“Risk Factors”*** on pages 163 and 47, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

## **NEW PRODUCTS OR BUSINESS SEGMENTS**

Other than as disclosed in this section and in ***“Business”*** on page 163, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

## **COMPETITIVE CONDITIONS**

We operate in a competitive environment. For further information, see ***“Business – Competition”***, ***“Industry Overview”*** and ***“Risk Factors”*** on pages 175, 120 and 47, respectively.

## **SEASONALITY**

Our business is not seasonal.

## **RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS**

Except as set out below, there have been no reservations / qualifications / adverse remarks / emphasis of matters highlighted by our Statutory Auditors in their audit report on the Financial Statements:

For Fiscal 2024:

***“Emphasis of Matters - Loans, Other receivables and Trade Receivable (Including retention receivables)***

*We draw attention to notes 8 (ii), 9B(i), 12 (vi)(vii) and (viii) to the accompanying consolidated financial Statements for the year ended 31 March 2024 in connection with the Loans, other receivables (under other current financial assets) and trade receivables (including retention receivables) amounting to ₹3,000 lakhs, ₹1,772.00 lakhs, and ₹14,810.87 lakhs respectively, which are pending settlement/ realization and are substantially overdue as on 31 March 2024. The management of the Holding company based on its internal assessment, external legal opinions and certain interim favourable regulatory orders, is of the view that the aforesaid balances are fully recoverable and accordingly, no provision for impairment is required to be recognized in respect of such balances as on 31 March 2024. Our conclusion is not modified in respect of this matter.”*

**MATERIAL DEVELOPMENTS SINCE MARCH 31, 2024**

Except as disclosed in this Preliminary Placement Document, to our knowledge, no circumstances have arisen since the date of the last financial statements disclosed in this Preliminary Placement Document, which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## INDUSTRY OVERVIEW

The industry-related information contained in this section is derived from the industry report titled “Strategic assessment of Indian power sector” dated July 2024 prepared by CRISIL MI&A which is a report exclusively commissioned and paid for by our Company and prepared and issued by CRISIL MI&A pursuant to an engagement letter dated June 7, 2024, in connection with the Issue. CRISIL MI&A is not related in any manner to our Company, our Promoter, our Directors, Key Managerial Personnel or members of the Senior Management, our Subsidiaries or the Lead Manager. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Issue. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

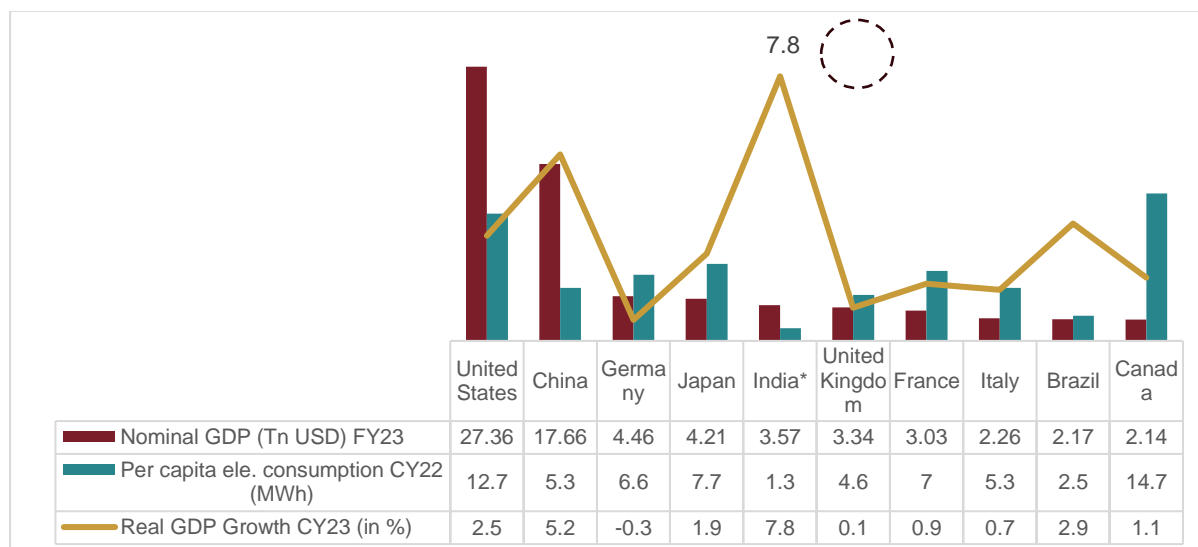
### 1. MACROECONOMIC OVERVIEW

#### 1.1. Economic indicators

India’s gross domestic product (GDP) at constant (fiscal 2012) prices was Rs. 173.8 lakh crore (provisional estimates) for fiscal 2024 vis-à-vis the first revised estimate of Rs.160.7 lakh crore as per data released by the National Statistical Office (NSO) in May 2024. This translates into a growth of 8.2% over fiscal 2023.

India has become the fifth largest economy in the world in 2023, according to the International Monetary Fund’s (IMF) World Economic Outlook (April 2024). As per IMF GDP Forecasts, India’s GDP growth is estimated at 6.5% in 2025, the highest amongst the top 10 economies.

#### Comparison of India’s economy with other major nations



\* India Financial Year,

Source: World Economic Outlook Database (April-2024) by IMF; IEA, CEA, CRISIL MI&A-Consulting

In April 2024, IMF released World Economic Outlook. As per IMF, Economic activity was surprisingly resilient through the global disinflation of 2022–23. IMF estimated global growth at 3.2% in 2023, is projected to continue at the same pace in 2024 and 2025. Growth in India is projected to remain strong at 6.8 percent in 2024 and 6.5 percent in 2025, with the robustness reflecting continuing strength in domestic demand and a rising working-age population.



## Real GDP annual growth forecast of major economies (figures in %)

Country	CY24	CY25	CY26	CY27	CY28	CY29
Brazil	2.2	2.1	2.1	2.0	2.0	2.0
Canada	1.2	2.3	1.9	1.7	1.7	1.7
China	4.6	4.1	3.8	3.6	3.4	3.3
France	0.7	1.4	1.6	1.5	1.4	1.3
Germany	0.2	1.3	1.5	1.1	0.8	0.7
India*	6.8	6.5	6.5	6.5	6.5	6.5
Italy	0.7	0.7	0.2	0.3	0.8	0.8
Japan	0.9	1.0	0.8	0.6	0.6	0.4
United Kingdom	0.5	1.5	1.7	1.7	1.6	1.4
United States	2.7	1.9	2.0	2.1	2.1	2.1

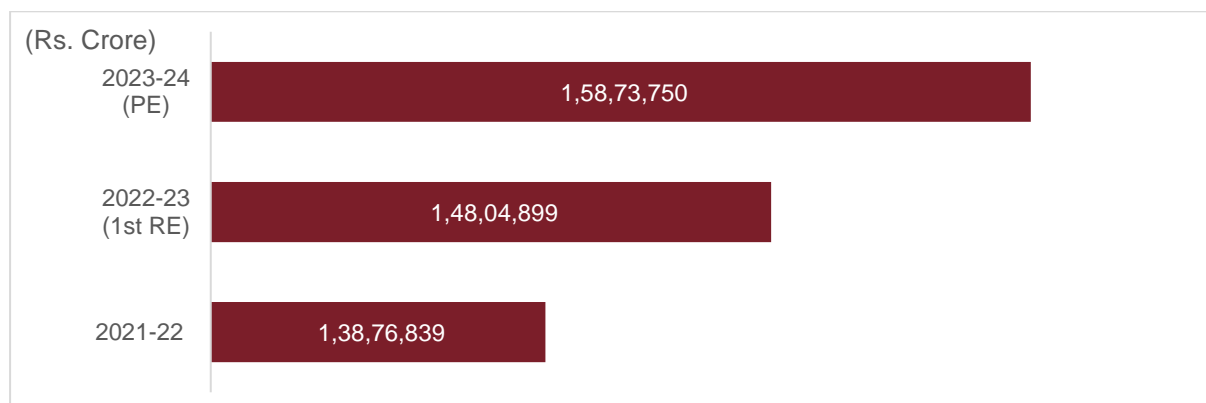
\* Financial Year

Source: IMF, CRISIL MI&A Consulting

### 1.2. GVA performance

Real GVA has grown by 7.2% in 2023-24 over 6.7% in 2022-23. This GVA growth has been mainly due to significant growth of 9.9% in Manufacturing sector in 2023-24 over -2.2% in 2022-23 and growth of 7.1% in 2023-24 over 1.9% in 2022-23 for Mining & Quarrying sector.

#### GVA at basic prices



SAE: second advance estimates; RE: revised estimates

Source: Ministry of Statistics and Programme Implementation, CRISIL MI&A-Consulting

### 1.3. Demographic factors

#### 1.3.1. Per capita electricity consumption

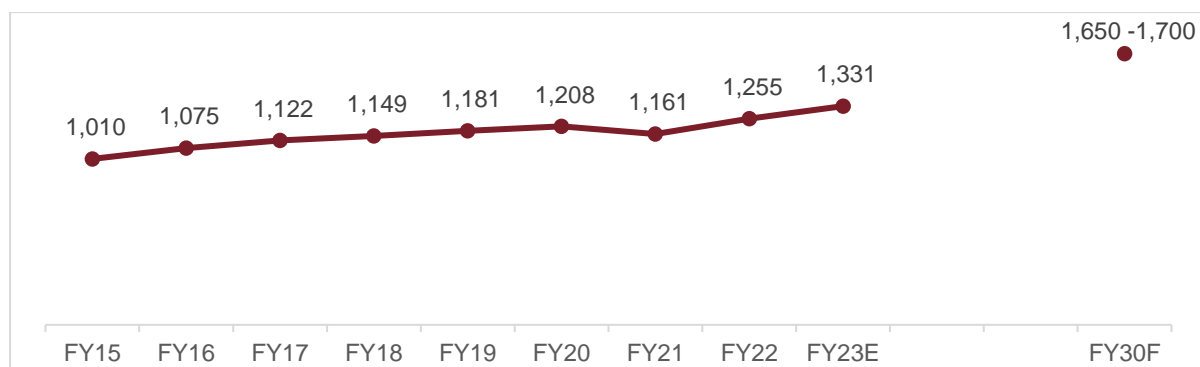
Electricity consumption per person rose to 1,331 kWh in fiscal 2023 (as per CEA's provisional data), from 1,010 kWh in fiscal 2015 at a CAGR of 3.5%, primarily led by large capacity additions coupled with strengthening of the transmission and distribution (T&D) network. Post successive on-year growth in consumption, demand declined in fiscal 2021, particularly from high-consuming industrial and commercial categories on account of weak economic activity following outbreak of the COVID-19 pandemic. In fiscal 2022, though, per capita consumption rebounded to 1,255 kWh on the back of recovery in demand, with a similar trend estimated in fiscal 2023. Similarly, the energy requirement grew at 4.4% CAGR over fiscals 2015 to 2023 i.e. from 1,069 BUs to 1,512 BUs.

Despite this healthy increase, the per-capita electricity consumption remains significantly lower than other major economies. Developing countries, such as Brazil and China, have significantly higher per-capita electricity consumption than India.

Between fiscals 2024 and 2029, India's per capita electricity consumption is expected to grow at ~5-7% CAGR. Per capita consumption is expected to gradually improve in the long term as well, as power demand picks up on the back of improvement in access to electricity, in terms of quality and reliability, rising per capital income, increasing EV penetration, railway electrification, on account of intensive rural electrification, resulting in realisation of latent demand from the residential segment, increased penetration of consumer durables. However,

there are few factors which could restrict the growth such as improved energy efficiency, focus on T&D loss reduction, sustainability targets and increasing share of services in GDP. Consequently, CRISIL MI&A-Consulting expects per capita electricity consumption to reach 1,650-1,700 kWh by fiscal 2030.

#### Per capita electricity consumption (in kWh)



E: Estimated; F: Forecast

Source: Central Electricity Authority of India (CEA), CRISIL MI&A-Consulting

#### 1.4. Assessment of the long-term potential drivers

Domestic economic growth hinges on revival in private consumption, lowering of banks' non-performing assets (NPAs), improvement in the investment climate and many more such factors. The GoI has taken the following steps in this regard:

- *Post-pandemic policies to revive the economy:* The Indian government has initiated several measures to revive the economy from the pandemic-induced stress, including SIDBI schemes for special liquidity support to micro, small and medium enterprises (MSMEs), state compensation schemes, increase in the threshold of default under Section 4 of the Insolvency and Bankruptcy Code, 2016 (IBC), among others. These are short-term measures, but likely to support long-term growth of the country as the economy recovers from the pandemic.
- *Union Budget 2023-24:* The growth-centric and expansionary budget of fiscal 2024 focuses on giving a boost to investment in infrastructure and productive capacity, ultimately leading to rise in growth and employment. Some of the key announcements include:
  - Rs 10 lakh crore capital investment, a steep increase of 33% for the third year in a row, to enhance growth potential and for job creation, crowd-in private investments, and provide a cushion against global headwinds.
  - Investment of Rs 75,000 crore, including Rs 15,000 crore from private sources, for 100 critical transport infrastructure projects, for last- and first-mile connectivity at ports, coal, steel, fertilisers, and food grains sectors.
  - **New Infrastructure Finance Secretariat** established to enhance opportunities for private investment in infrastructure.
  - Continuation of 50-year interest-free loan to state governments for one more year to spur investment in infrastructure and to incentivise them for complementary policy actions.
  - Capital outlay of Rs 2.40 lakh crore has been provided for the railways.
  - **Urban Infrastructure Development Fund (UIDF)** will be established through use of priority sector lending shortfall, which will be managed by the National Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.
- *Monetary policy:* In its monetary policy in April 2022, the RBI had replaced the reverse-repo rate with a new standing deposit facility (SDF) rate as the floor of the policy corridor under the liquidity adjustment facility (LAF). The marginal standing facility (MSF) rate will remain at the corridor's upper end. The central bank restored the LAF policy corridor to the pre-pandemic symmetric width of 50 bps. Thus, the

SDF will move 25 bps below, and MSF will stand 25 bps above the repo rate. In its monetary policy statement dated 19<sup>th</sup> April 2024, the MPC decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.50 per cent. The SDF rate remained unchanged at 6.25 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 6.75 per cent. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

- *Passage of key bills:* The government has passed several key bills over the past few fiscals – the Companies (Amendment) Bill, 2020, which seeks to lower the penalties and peruse the need to decriminalise some offences by making recommendations to the GoI; the Banking Regulation (Amendment) Bill, 2020, which strives to amend the act with regard to cooperative banks; and the IBC (Second Amendment) Bill, 2019, which aims at streamlining issues of troubled companies, protect corporate debtors and prevent unnecessary revocation of insolvency proceedings under the IBC.
- *Boost infrastructure:* The capital expenditure and effective capital expenditure, which are budgeted at Rs10 lakh crore and Rs 13.7 lakh crore will account for 3.3% and 4.5% of GDP, respectively. The Budget speech also enumerated the measures to be undertaken by the GoI to support the states and the private sector in boosting investments in infrastructure.
- *Thrust on manufacturing:* The government has made some progress in improving labour market efficiency through various programmes such as Skilling India and Make in India. The sector has shown strong resilience despite lockdowns and has remained above the 50 (the mark separating expansion from contraction). However, the overall reform process remains gradual in the manufacturing sector
  - *Consumption growth:* Given the favourable demographics and rising disposable income, the growing middle-class population is expected to help recover and eventually spur consumption growth in India. However, amid the raging pandemic, keeping inflation and interest rates in check is important to support consumption
  - *Development of financial markets:* To develop the financial markets, the government has instituted steps such as Jan Dhan Yojana, a better monetary policy framework and the passage of bankruptcy code (amendment). Further, capital market regulator, the Securities and Exchange Board of India (SEBI), approved the framework for business trusts in India: real estate investment trusts (REITs) and infrastructure investment trusts (InvITs), both of which are new asset classes for investors. While REIT is an investment vehicle that allows monetisation of real estate assets, InvIT helps promoters monetise their completed infrastructure projects (having concessionaire/development agreement). In the budget, the government approved 100% FDI for insurance intermediaries and increased its FDI limit in the sector to 74% from 49%. This step, along with the emerging digital gold investment options and the platform for infra-debt financing, will help deepen Indian financial markets
- *Digitalisation:* The government has been quick to board the technology bandwagon with its Digital India programme, which aims to speed up financial inclusion and deliver government services electronically, by increasing internet connectivity and improving online infrastructure. Digitisation and digitalisation will create an efficiency-led growth spurt over the medium term. In the 2023-24 budget, the government announced certain initiatives in the digital space, including Digital Public Infrastructure for Agriculture, National Digital Library for Children and Adolescents, fintech services, Skill India digital platform, data embassy, fiscal support for digital public infrastructure, etc.

## 1.5. Aatmanirbhar Bharat Abhiyan

Production Linked Incentives (PLIs) in the 14 sectors for the *Aatmanirbhar Bharat* vision received an outstanding response, with a potential to create 60 lakh new jobs (as per government estimates).

The five focus points of the *Aatmanirbhar Bharat Abhiyan* are economy, infrastructure, system, vibrant demography, and demand. Its five phases are:

- Phase I: Businesses including MSMEs
- Phase II: Poor, including migrants and farmers.

- Phase III: Agriculture
- Phase IV: New horizons of growth
- Phase V: Government reforms and enablers

#### Sector-wise focus of *Atmanirbhar Bharat* Vision

Sector	Government spend	Key schemes
Renewable energy	~Rs 1,30,000 crore	<ul style="list-style-type: none"> <li>● Rs 4,500 crore Production Linked Incentive Scheme ‘National Programme on High Efficiency Solar PV Modules’. This was further increased by Rs 19,500 crore in the budget for fiscal 2023, taking it to Rs 24,000 crore; in Tranche I 8.7 GW and in Tranche II 39.6 GW capacity were allocated for domestic solar module manufacturing capacity under PLI.</li> <li>● PM Surya Ghar Muft Bijli Yojna: This scheme has a proposed outlay of Rs. 75,000 Crore and aims to light up 1 crore households (rooftop solar) by providing up to 300 units of free electricity every month.</li> <li>● Public procurement (Preference for ‘Make in India’) to provide for purchase preference (linked with local content) in respect of renewable energy (RE) sector</li> <li>● Implementation of Pradhan Mantri Kisan Urja Suraksha Utthan Mahabhiyan (PM KUSUM) scheme; MNRE, in November 2020, scaled up and expanded the PM KUSUM scheme to add 30.8 GW by 2022 with central financial support of Rs 34,422 crore. The scheme has been extended till March 31, 2026</li> <li>● Approved Models &amp; Manufacturers of Solar Photovoltaic Modules (Requirement for Compulsory Registration) Order, 2019</li> <li>● List of manufacturers and models of solar PV modules recommended under ALMM Order</li> <li>● Scheme of grid connected wind-solar hybrid power projects</li> <li>● Basic customs duty (BCD) of 25% on solar cells and 40% on modules, respectively, effective April 1, 2022</li> </ul>
Power distribution companies (discoms)	~Rs.97,000 Crore	<ul style="list-style-type: none"> <li>● Rs 1.35 lakh crore liquidity infusion for discoms via Power Finance Corporation/ Rural Electrification Corporation (PFC/ REC) against receivables</li> <li>● Rebate for payment to be received by generation companies (gencos) to be passed on to industrial customers</li> <li>● Revamped distribution sector scheme (RDSS) to help discoms improve their operational efficiencies and financial sustainability by providing result-linked financial assistance; outlay of Rs 3,03,758 crore over 5 years i.e., fiscals 2022 to 2026. The outlay includes an estimated Government Budgetary Support (GBS) of Rs 97,631 crore.</li> </ul>
Agriculture procurement and sales	Rs 4,000 crore	<ul style="list-style-type: none"> <li>● Amendment in the Essential Commodities Act for deregulation of sales of agriculture produce, including field crops, onion, and potato</li> <li>● Working capital limit of Rs 6,700 crore sanctioned for procurement of food grains to state government entities</li> <li>● Rs 3,500 crore allocated for the distribution of 5 kg rice/wheat and 1 kg pulses to 8 crore non-card holder migrants</li> <li>● Rs 500 crore allocated under Operation Greens for facilitation of sales of horticulture produce through 50% subsidy on storage and transport</li> </ul>
Agri-allied	Rs 72,500 crore	<ul style="list-style-type: none"> <li>● Additional allocation of Rs 40,000 crore for Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)</li> </ul>

Sector	Government spend	Key schemes
		<ul style="list-style-type: none"> <li>Rs 20,000 crore for fisherman over the next five years under Pradhan Mantri Matsya Sampada Yojana</li> <li>Rs 13,343 crore for eradication of foot and mouth disease in Indian livestock population</li> <li>Rs 15,000 crore for Animal Husbandry Infrastructure Development Fund (AHIDF)</li> <li>Rs 4,000 crore for enhanced cultivation of herbal and medicinal plants</li> <li>Rs 500 crore for the Indian apiculture industry</li> <li>Rs 10,000 crore for formulation of micro food enterprises</li> </ul>
Mining	Nil	<ul style="list-style-type: none"> <li>Expected to offer 500 mineral blocks, including 50 coal</li> <li>Promoting commercial coal mining (ordinance to remove captive end-use restriction passed in January 2020); government to expedite policy formulation and auction process</li> <li>Government to allow composite exploration/auction of coal bed methane reserves for extraction</li> <li>Rebate offered on revenue sharing quantum to incentivise early operationalisation/higher produce</li> <li>Provision of Rs 50,000 crore for evacuation infrastructure</li> </ul>
New Energy	Rs. ~38,800 Crore	<ul style="list-style-type: none"> <li>Rs 18,100 crore under PLI scheme for Advanced Chemistry Cell (ACC) Battery Storage in India launched in October to achieve 50 GWh manufacturing capacity</li> <li>Green Hydrogen Policy launched in February 2022 to facilitate production of green hydrogen/green ammonia</li> <li>PLI scheme on green hydrogen manufacturing with an initial outlay of Rs 19,744 crore with an aim to boost domestic production of green hydrogen</li> </ul>

Source: Official portal of the Government of India; various ministries, PIB press releases, CRISIL MI&A-Consulting

## 2. OVERVIEW OF INDIAN POWER SECTOR

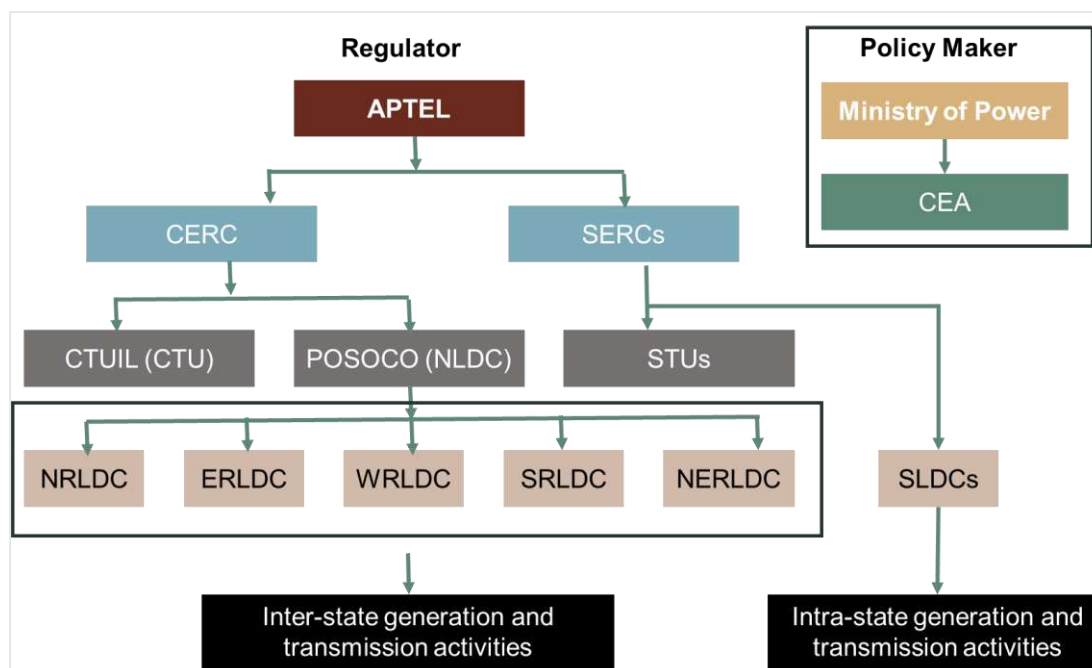
### 2.1. Overview of power sector in India and its structure

#### 2.1.1. Regulatory framework

India has a widespread power network with interconnected regional grids. The power generation profile is dominated by conventional (coal, lignite, natural gas, oil, hydro and nuclear power) sources, although, non-conventional sources (such as wind, solar, and biomass and municipal waste) are rapidly gaining traction. Transmission and Distribution infrastructure has expanded over the years for evacuation of power from generating stations to load centres through the intra-state and inter-state transmission system (ISTS).

The sector is highly regulated, with various functions being distributed between multiple implementing agencies. There are three chief architects of the sector namely the Central Electricity Regulatory Commission (CERC), the Central Electricity Authority (CEA), and the State Electricity Regulatory Commissions (SERCs).

#### Institutional and structural framework



Note:

APTEL - The Appellate Tribunal for Electricity; CERC- Central Electricity Regulatory Commission; CEA- Central Electricity Authority; WRLDC- Western Regional Load Despatch Centre; ERLDC- Eastern Regional Load Despatch Centre; SRLDC- Southern Regional Load Despatch Centre; NLDC- National Load Despatch Centre (Now called as GRID-INDIA); NRLDC- Northern Regional Load Despatch Centre; NERLDC- North-Eastern Regional Load Despatch Centre;

SLDC- State Load Despatch Centre; CTU- Central Transmission Utility; STU- State Transmission Utility.

Source: CRISIL MI&A-Consulting

### 2.1.2. Key regulatory updates

The development of grid interactive renewable power has essentially taken off with the Electricity Act 2003, which mandates the SERCs to promote cogeneration and generation of electricity from renewable energy (RE) sources by providing suitable measures for connectivity with the grid and sale of electricity and fix certain minimum percentages for purchase of renewable power in the area of each distribution licensee. In June 2008, a National Action Plan on Climate Change (NAPCC) was announced, which included eight major national missions, with the one on solar energy the National Solar Mission (NSM) being central. The NSM was launched in January 2010, with a target of 20 GW of grid solar power. In June 2015, this target was increased to 100 GW by 2022 and a cumulative target of 175 GW of RE capacity addition by 2022 was set which included 100 GW from solar, 60 GW from wind, 10 GW from bio-power, and 5 GW from small hydropower.

Furthermore, the GoI has committed in the COP 26 summit to reduce its emission to net zero by 2070. To achieve the said target India updated its intended nationally determined contributions (NDCs) in August 2022, for the period up to 2030. India set an ambitious target of achieving 500 GW of non-fossil fuel-based capacity addition, 50% of energy needs from non-fossil fuels, reduction of emissions by 1 billion tonnes between 2021 and 2030 and emissions intensity of the GDP by 45% by 2030. This is expected to provide further impetus to the renewable energy segment.

In the past 5 years, the government has taken several initiatives to promote RE in the country:

- Permitting **foreign direct investment (FDI)** up to 100% under the automatic route
- **Waiver of ISTS charges** for inter-state sale of solar and wind power for projects to be commissioned by June 30, 2025
- Declaration of **trajectory for renewable purchase obligation (RPO)** wherein trajectory for RPO for wind, hydro purchase obligation (HPO) and for decentralised RE has been laid down up to fiscal 2030
- Setting up of **ultra-mega renewable energy parks** to provide land and transmission to RE developers on a plug-and-play basis

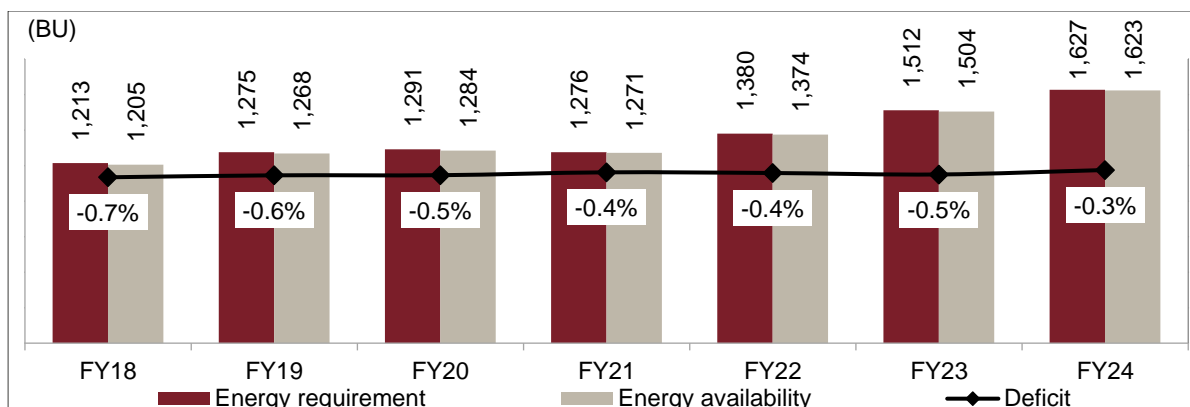
- Laying of new transmission lines and creating new sub-station capacity for evacuation of renewable power under the **Green Energy Corridor (GEC)** Scheme
- **Standard bidding guidelines** for tariff based competitive bidding process for procurement of power from grid-connected solar PV and wind projects
- Introduction of **tariff based competitive bidding (TBCB)** in Transmission sector to Promote competitive procurement of transmission services and to encourage private investment in transmission lines
- **Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022** in order to further accelerate the RE programme with the end goal of ensuring access to affordable, reliable, sustainable and green energy for all
- **Letter of credit (LC)** or advance payment to ensure timely payment by distribution licensees to RE generators
- **National Green Hydrogen Mission** for the development of green hydrogen production capacity of at least 5 million tonne per annum (mtpa) with an associated RE capacity addition of about 125 GW in the country
- **Issued Transmission System plan for integration of over 500 GW RE capacity by 2030** which include 8,120 ckm of high voltage direct current (HVDC) transmission corridors (+800 kV and +350 kV), 25,960 ckm of 765 kV AC lines, 15,758 ckm of 400 kV lines and 1,052 ckm of 220 kV cable at an estimated cost of Rs 2.44 lakh crore. It also includes transmission system required for evacuation of 10 GW offshore wind located in Gujarat and Tamil Nadu at an estimated cost of Rs 0.28 lakh crore.
- **Issuance of bidding trajectory for renewable power bids** aims to achieve a target of 280 GW solar capacity (of the 500 GW of installed capacity from non-fossil sources) by 2030. The bids for 40 GW of solar energy capacity per annum, of the total trajectory of 50 GW RE capacity are to be issued each year from fiscal 2024 through fiscal 2028
- **The viability gap funding for Battery storage** proposed in the budget for fiscal 2024 with capacity of 4000 MWh. An outlay of Rs 3,500 crore is expected by the central government to support the VGF. Central government also issued guidelines to promote pump storage projects.
- **Launch of Revamped Distribution Sector Scheme (RDSS)** with the objective of improving the quality and reliability of power supply to consumers. It aims to reduce the AT&C losses to Pan-India levels of 12-15% and reduction of average cost of supply (ACoS) – aggregate revenue requirement (ARR) gap to zero by fiscal 2025. The Scheme has an outlay of Rs.3,03,758 crores.

## 2.2. Demand-supply scenario

### 2.2.1. Historical demand-supply trend

India's electricity requirement has risen at a CAGR of ~5.0% between fiscals 2018 and 2024, while power availability rose at ~5.1% CAGR on the back of strong capacity additions, both in the generation and transmission segments. As a result, the energy deficit declined to 0.5% in fiscal 2023 and further reduced to 0.3% in fiscal 2024 from 0.7% in fiscal 2018. Also, strengthening of inter-regional power transmission capacity over the past five years has further supported the fall in deficit levels as it reduced supply constraints on account of congestion and lower transmission corridor availability.

**Aggregate power demand supply (in billion units, or BUs)**

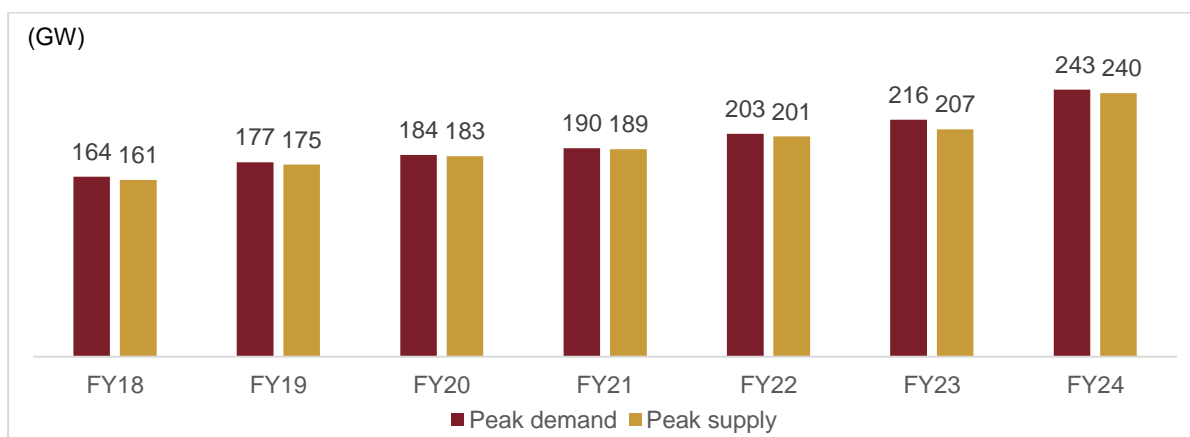


Source: CEA, CRISIL MI&A-Consulting

Peak electricity demand in India has grown from 164 GW in fiscal 2018 to 243 GW in fiscal 2024 clocking an average growth rate of 6.8% in the past six years. Prior to the pandemic, electricity demand in India usually peaked in August-September, mostly covering the monsoon season. This spike in peak demand was primarily due to an increase in domestic and commercial load, mainly space cooling load due to high humidity conditions. However, during post pandemic years, annual peak demand occurred in the summer season (April-July), due to extreme heatwave conditions.

Peak demand touched record high levels of 243 GW in fiscal 2024 during September, attributed to an increase in cooling demand as intense summers scorched several regions of the country. During fiscal 2023, the generation has struggled to keep up with the rise in demand, resulting in an increase in peak deficit to 4.2% as compared with 1.2% for the same period in fiscal 2022. However, during fiscal 2024, the peak deficit reduced to 1.4% with a deficit of only 3 GW with jump in supply.

### Peak power demand and supply



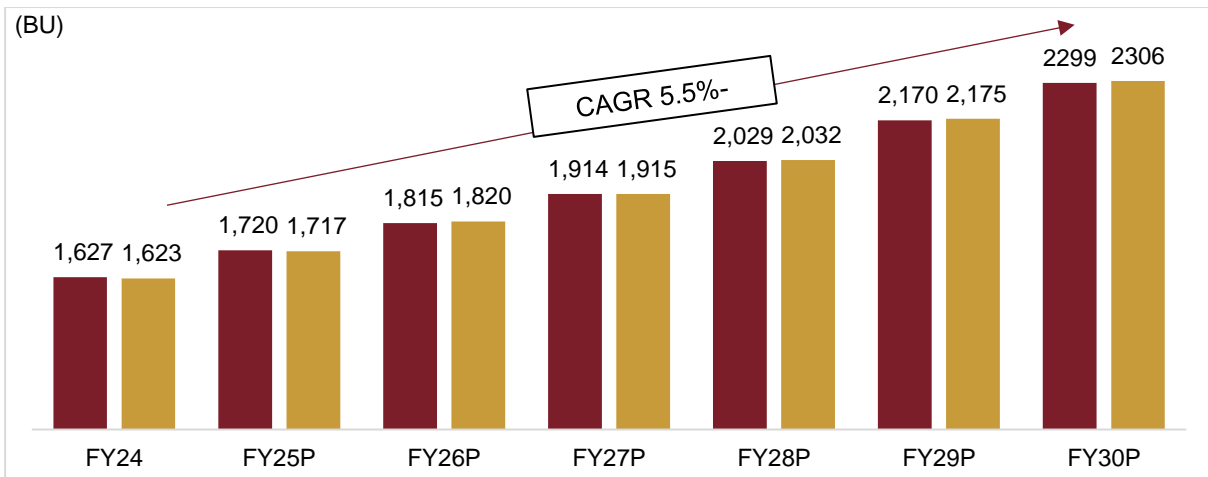
Source: CEA, CRISIL MI&A-Consulting

### 2.2.2. Power demand-supply forecast

Power demand maintained a strong growth momentum in fiscal 2023 logging a double-digit growth of ~10% albeit a moderate base of fiscal 2022 due to extreme seasonal vagaries, sustained buoyancy in economic activities along with robust industrial activity accelerating power demand. In fiscal 2024, power demand surged by 7.5% driven by El-Nino led warmer temperatures along with a 7.6% increase in GDP growth despite a high base of 7.2% in fiscal 2023. Despite the high base of preceding three years, CRISIL MI&A-Consulting expects power demand to grow by 5.5-6.0% in the next five years which will be supported by infrastructure-linked capex, strong economic fundamentals along with expansion of the power footprint via strengthening of T&D infrastructure, coupled with major reforms initiated by the GoI for improving the overall health of the power sector, particularly that of state distribution utilities, are expected to improve the quality of power supply, thereby propelling power demand.

### Energy demand outlook (fiscals 2025-30) in BUs



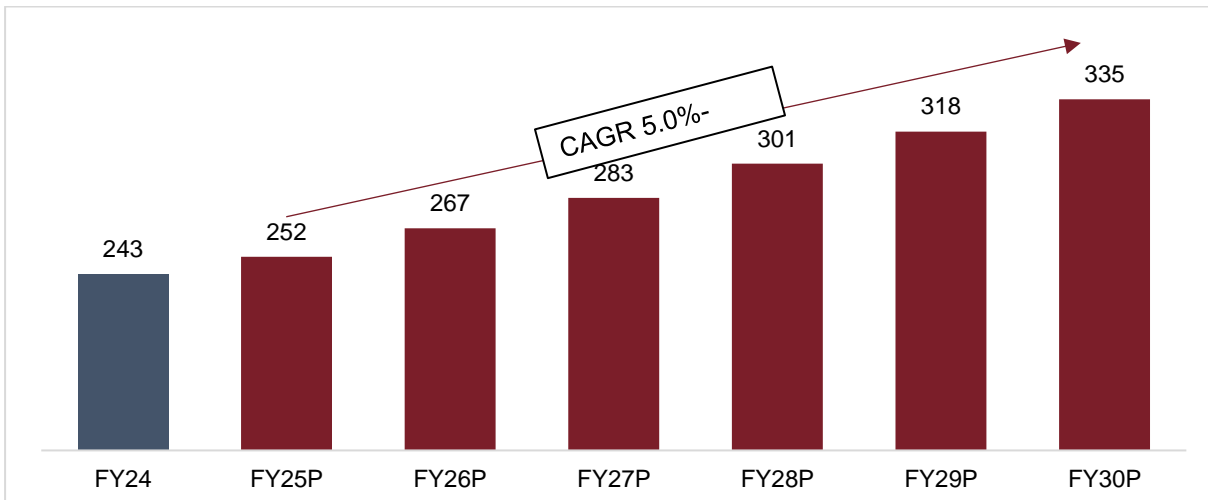


P: Projected, Source: CEA, CRISIL MI&A-Consulting

Peak electricity demand in India has grown from 184 GW in fiscal 2020 to 243 GW in fiscal 2024 clocking an average growth rate of 7.3% in the past five years.

Peak demand is expected to grow at annual average 5-6% over fiscal 2024-30 to reach nearly 335 GW by fiscal 2030 with expected persistent high temperatures, rising urbanization, economic growth and infrastructure push leading to higher power consumption.

**Peak demand to increase by 95-100 GW between fiscals 2024 and 2030 to cross 300 GW**



P: Projected, Source: CEA, CRISIL MI&A-Consulting

**2.3. Review and outlook on installed capacity**

**2.3.1. Existing Installed capacity**

The total installed generation capacity as of March 2024 was ~442 GW, of which ~98 GW of capacity was added over fiscals 2018-24. The overall installed generation capacity has grown at a CAGR of 4.3% over the same period.

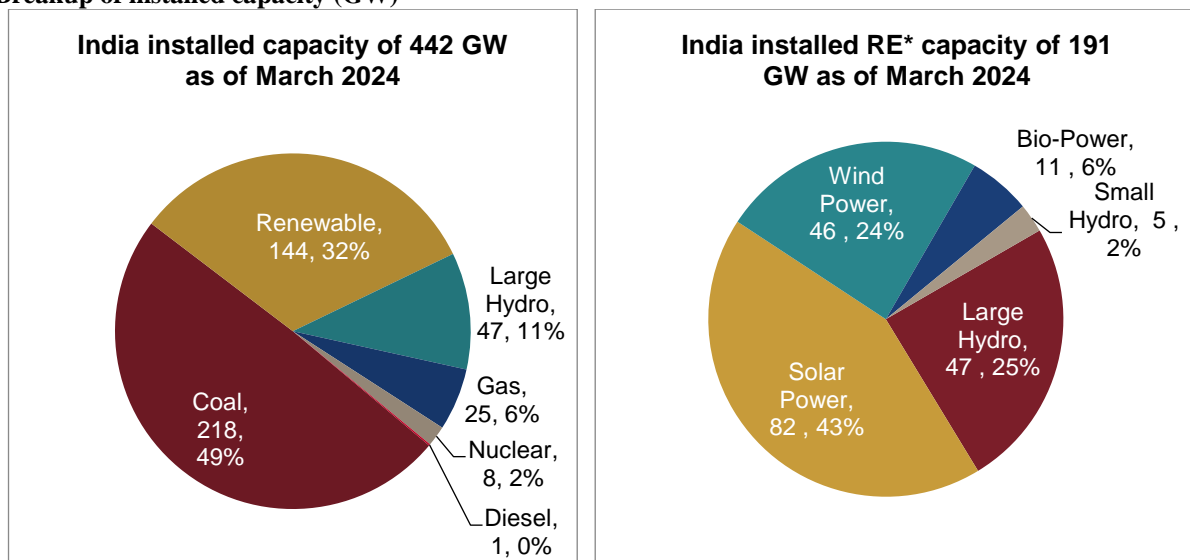
### India Annual capacity additions and installed capacity (GW)



Source: CEA, CRISIL MI&A-Consulting

Coal and lignite-based installed power generation capacity has maintained its dominant position over the years and accounts for ~49% as of March 2024. However, RE installations (including large hydroelectric projects), have reached ~191 GW capacity as of March 2024, compared with 114 GW as of March 2018, constituting about 43% of total installed generation capacity. This growth has been led by solar power, which rapidly rose to ~60 GW from 22 GW over the same period.

### Breakup of installed capacity (GW)



\* Including Large Hydro, Source: CEA, CRISIL MI&A-Consulting

### 2.3.2. Assessment of capacity additions over the next 5 years

India's installed generation capacity, which stood at 356 GW at the end of fiscal 2019 has reached to ~442 GW in fiscal 2024 (as of March 2024) on the back of healthy renewable capacity additions (including solar, wind, hybrid, and other renewable sources) even as additions in coal and other fuels have declined. In fiscal 2024, renewables (excl. large hydro) accounted for ~33% of the installed capacity, up from ~22% in fiscal 2019, whereas coal-based capacity tapered to ~49% over the same period.

Capacity additions in the conventional power generation segment of about 30-35 GW are expected over fiscals 2025-30 driven by higher than decadal average power demand. Fresh project announcements are limited as players are opting for the inorganic route for expansion given the availability of assets at reasonable valuations. In fact, 4.8 GW of stressed power assets awaiting debt resolution. However, the need for generation capacity equipped for flexible operations to ramp up-down quickly is critical to meet peak demand as generation from renewable capacities is infirm in nature. CRISIL MI&A-Consulting expects 25-27 GW of coal-based power to be commissioned over fiscals 2025-30. Coal capacity additions are expected to be driven entirely by central and state sectors, as major private gencos continue to focus on adding RE capacity.

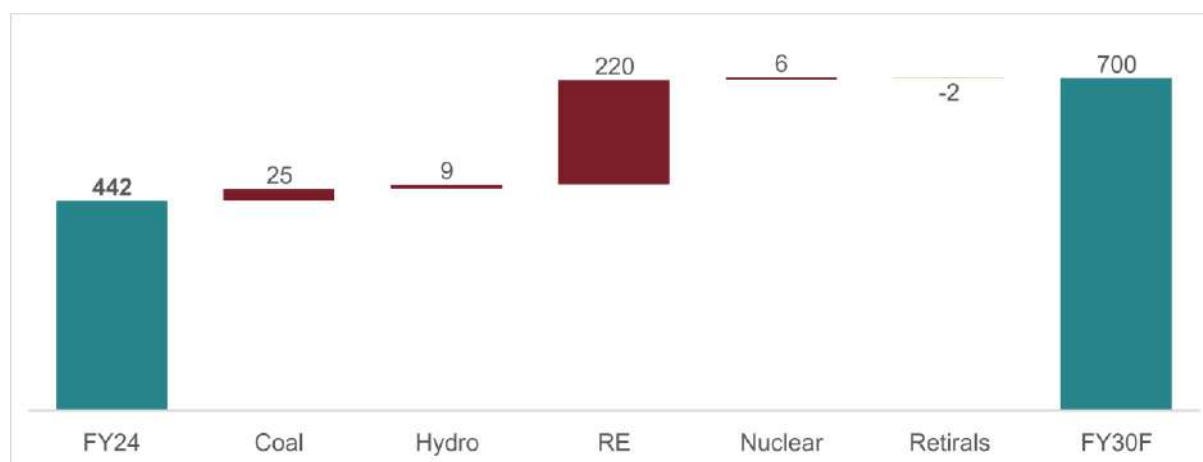
Nuclear power capacity additions of 5-6 GW are expected during the period as ongoing projects at Kakrapara, Kalpakkam, and Rajasthan are nearing completion. As of January 2024, Unit 1 of KAPP has been commissioned with Unit 2 expected by end of fiscal 2024.

CRISIL MI&A-Consulting expects 8-9 GW of hydro power installations and 32-25 GW of energy storage solutions including 8.5-9.5 GW pumped hydro storage projects (PSP) capacity additions and 23-24 GW of Battery Energy storage system (BESS) over fiscals 2025-2030.

Old and inefficient coal plants to the tune of 14-15 GW (mainly state-owned) were to be retired. However, as per CEA notification issued on January 20, 2023, power utilities have been advised to not retire any thermal units until 2030 and carry out renovation and maintenance (R&M) for life extension and improve the flexibility and reliability of thermal units. However, as per the National Electricity Plan 2023, the CEA has considered 2.1 GW of plants for retirement by 2032.

By fiscal 2030, RE capacity (excl. large hydro) of over 220 GW is expected to be driven by various government initiatives, favourable policies, competitive tariffs, innovative tenders, development of solar parks and green energy corridors, etc. RE capacity is estimated to account for about 50% of the installed capacity of 700-710 GW by fiscal 2030.

**All India installed estimated capacity addition by fiscal 2030 (in GW)**

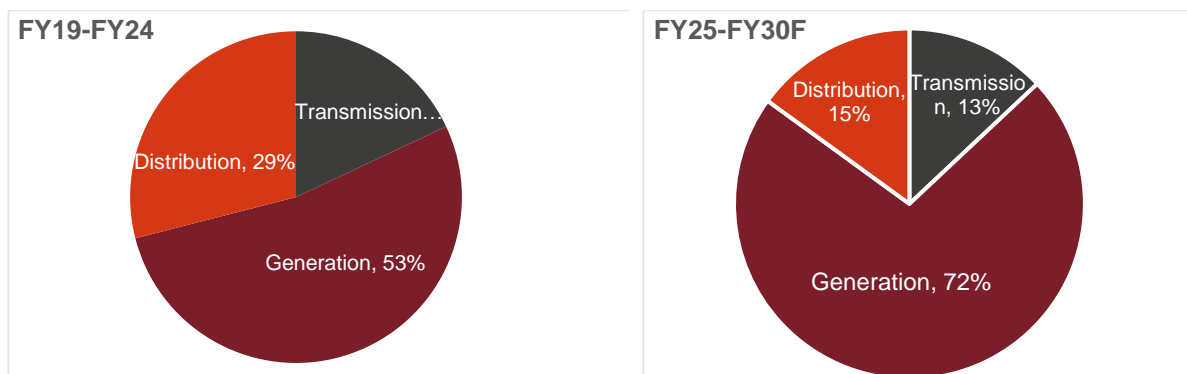


RE includes solar, wind, small hydro, and other renewable sources  
 Source: CEA, CRISIL MI&A-Consulting

**2.4. Investments in generation, transmission, and distribution infrastructure**

The total investments in the power sector between fiscal 2019-24 was about Rs. 14.6 trillion. CRISIL MI&A-Consulting expects investments of Rs 25-26 trillion in the power sector over fiscal 2025-30. Generation segment to drive investments with capacity additions with robust growth in RE installations followed by distribution investments led by the RDSS scheme.

**Segment-wise break-up of total investments-dominance of the generation segment**



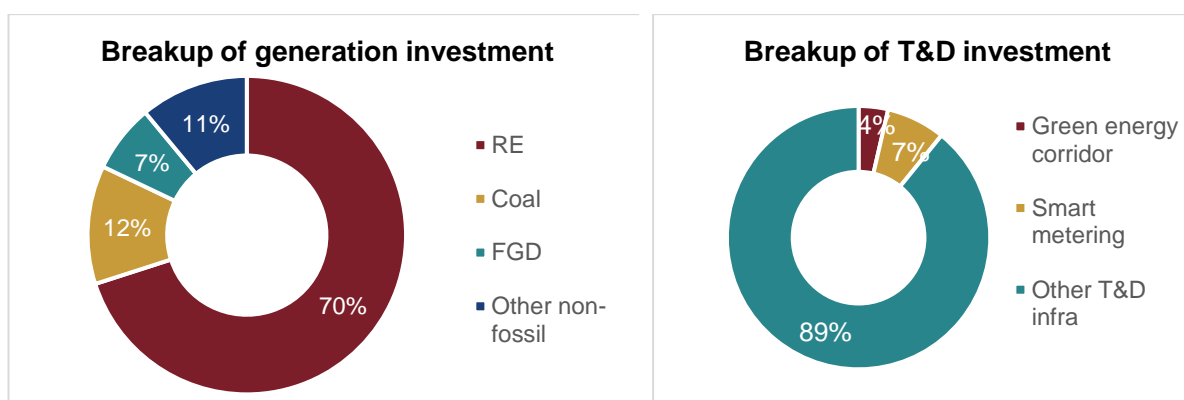
Source: CRISIL MI&A-Consulting

Investments in the generation segment are expected to double from Rs ~7.8 trillion to ~Rs 19.0-20.0 trillion over fiscal 2025-30. Capacity addition from RE sources is expected to be 220-225 GW over fiscals 2025 to 2030, and 25-27 GW from coal-based plants sources over the same period. Investments in RE capacity, which are expected to double over the next five years, in line with capacity additions, will constitute over 70% of overall generation investments.

To achieve the RE generation target, strong transmission infrastructure is needed so as to integrate large scale RE capacities into the grid. This is expected to lead to transmission investments of Rs 2.5-3.5 trillion between fiscals 2025-2030 from ~Rs 2.6 trillion between fiscals 2019-2024 led by upcoming ISTS projects

The distribution segment is expected to attract investments worth Rs 3-4 trillion over fiscals 2025 to 2030 vis-à-vis ~Rs 3.3 trillion between fiscal 2019-2024 led by the government's thrust on the RDSS scheme entailing an outlay of Rs 3.04 trillion for state discoms, to be allocated till fiscal 2026. Rs 2.52 trillion worth of DPRs have been sanctioned by nodal agencies (PFC and REC) as of December 2023. While the amount is sanctioned, disbursement under the scheme will be contingent upon work undertaken that was proposed under DPR. Fulfilment of the conditions, which primarily involve operational efficiency parameters, strengthening of distribution infrastructure, and regulatory compliance, will entail significant investments in the distribution segment.

### Breakup of investments (FY25F-FY30F)



Note: Other T&D Infra includes investments for inter-regional transmission corridor, north eastern transmission system strengthening, distribution system strengthening/augmentation under RDSS, addition in distribution substations, transformers and feeders.

Source: CRISIL MI&A-Consulting

## 2.5. Overview of power distribution infrastructure

### 2.5.1. Review of existing distribution network

The electricity is generated mostly at voltages between 11 kV to 33 kV which is stepped up to 132kV, 220 kV or 400 kV or 765 kV for transmitting to various parts of the country through inter-state transmission network and within State through intra-state transmission network. For distribution purposes, the electricity is suitably stepped down to 66 kV, 33 kV, 22 kV, 11 kV and 0.4 kV for supplying to the consumers. In some states/UTs, some additional voltages like 6.6 KV or 3.3 KV are also in practice.

As on March 2022, the total number of Power Sub-stations (66/11 kV, 33/11 kV and 22/11 kV) in the country was 39,965 with a total installed capacity of 4,82,810 MVA. The total number of 66/33/22 kV feeders in the country were around 36,804 with total length of 5,89,304 ckm and the total number of 11 kV feeders in the country were 2,30,979 with total length of 49,35,279 ckm. The number of Distribution Transformers (DT) at all-India level as on March 2022 stood at 1,46,74,261 with an installed capacity of 6,89,192 MVA.

### Distribution infrastructure as of March 2022

(66/33/22 kV)		(66/33/22/11 kV)		(66/33/22 kV)		11 kV		400/220 V	
Substation count	Substation capacity (MVA)	DT count	DT capacity (MVA)	Feeder count	Feeder length (ckm)	Feeder count	Feeder length (ckm)	LT line (1-P)	LT line (3-P)

(66/33/22 kV)		(66/33/22/11 kV)		(66/33/22 kV)		11 kV		400/220 V	
39965	482810	1467426	689192	36804	589304	230979	4935279	2231495	5714263

1

Note: The data is as per CEA's Distribution Perspective Plan 2030. Latest available data is as of Mar 2022

Source: CEA, CRISIL MI&A-Consulting

## 2.5.2. Network addition targets and rural electrification (FY25-30)

The Distribution perspective plan 2030 prepared by CEA in Feb 2024 for assessment of requirement for development of the distribution sector to provide 24x7 quality power, reduction of AT&C losses, and to provide reliable power to its consumers. The plan has been prepared based on energy requirement and peak demand as forecasted in the 20<sup>th</sup> EPS of CEA.

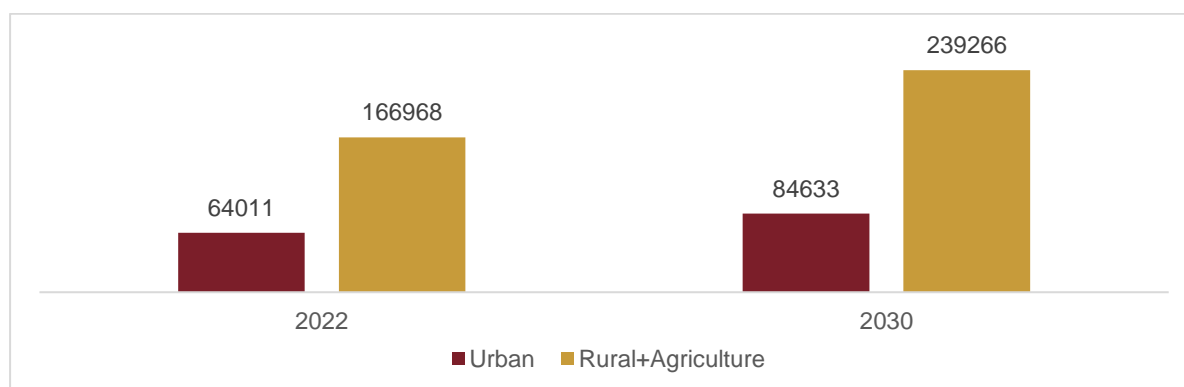
### Year wise details of infrastructure proposed for distribution sector

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	Total addition	Cumulative by 2030
No. of S/s	1173	2003	2286	1870	1230	1218	1155	1257	12192	52157
Capacity of S/s (MVA)	14523	21878	24628	21889	14909	14442	13232	16020	141521	624332
No. of feeders	1680	3307	3790	2892	2047	1408	1311	1400	17835	54639
Length of feeders (ckm)	17674	34945	40754	33188	18580	15446	13905	14197	188689	777994
No. of 11 kV feeders	10408	19527	18142	12484	8567	7553	7947	8292	92920	323899
Length of 11 kV feeders (ckm)	111823	200772	193086	130282	86527	79774	81988	84252	968504	5903782
No. of DT of DT (MVA)	553242	614488	620579	580657	563968	559048	575458	590413	4657853	19332115
Capacity of DT (MVA)	24621	28173	31683	30610	29809	31430	30869	31517	238712	927656
LT lines 400/230V (ckm)	167432	241742	260456	219787	199863	201542	219039	319015	1828876	9774634

Source: CEA, CRISIL MI&A-Consulting

The total no. of 11 kV feeder as of March 2022 was around 2.3 lakh, of which ~72% were rural+agriculture feeders. By 2030, it is estimated that the total no. of 11 kV feeder would be 3.24 lakh, of which ~74% feeders would be rural+agriculture or mixed feeders.

### Bifurcation of urban and rural 11 kV Feeders (nos.)



Source: CEA, CRISIL MI&A-Consulting

As per CEA's estimates, the total investment of Rs 7.4 trillion would be required for upgradation of distribution infrastructure during fiscal 2023- 30, out of which, about Rs 1.9 trillion would be available with Discoms including fund sanctioned under RDSS. The available fund would be around 25% of the total investment.

### **3. OVERVIEW OF POWER TRANSMISSION SECTOR IN INDIA**

#### **3.1. Overview of Indian power transmission sector**

The transmission segment plays a key role in transmitting power continuously to various distribution entities across the country. The transmission sector needs concomitant capacity addition, in line with generation capacity addition, to enable seamless flow of power.

A transmission and distribution (T&D) system comprises transmission lines, substations, switching stations, transformers, and distribution lines.

In India, the T&D system is a three-tier structure comprising distribution networks, state grids, and regional grids. The distribution networks and state grids are owned and operated by the respective state transmission utilities or state governments (through state electricity departments). Most inter-state and inter-regional transmission links are owned and operated by the PGCIL which facilitates the transfer of power from a surplus region to one with deficit.

The T&D system in India operates at several voltage levels:

- Extra high voltage (EHV): 765 kV, 400 kV and 220 kV
- High voltage: 132 kV and 66 kV
- Medium voltage: 33 kV, 11 kV, 6.6 kV and 3.3 kV
- Low voltage: 1.1 kV, 220 volts and below

Transmission and sub-transmission systems supply power to the distribution system, which, in turn, supply power to end consumers. To facilitate the transfer of power between neighbouring states, state grids are inter-connected through high-voltage transmission links to form a regional grid. There are five regional grids:

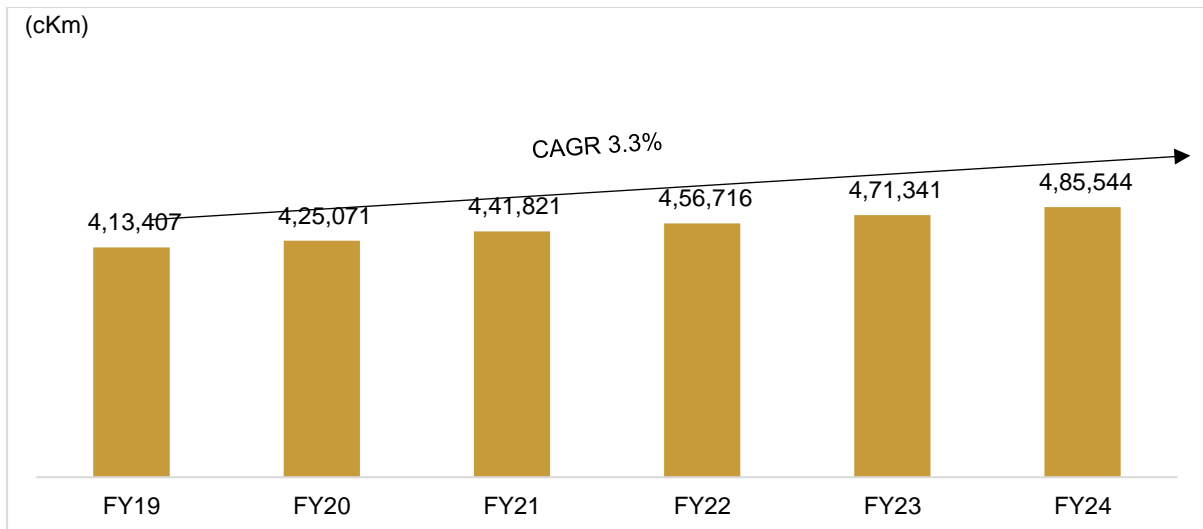
- Northern region: Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttarakhand, and Uttar Pradesh
- Eastern region: Bihar, Jharkhand, Orissa, Sikkim, and West Bengal
- Western region: Dadra and Nagar Haveli, Daman and Diu, Chhattisgarh, Goa, Gujarat, Madhya Pradesh, and Maharashtra
- Southern region: Andhra Pradesh, Karnataka, Kerala, Puducherry, and Tamil Nadu
- North-eastern region: Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura

#### **3.2. Transmission infrastructure growth**

##### **3.2.1. Market Review**

Robust generation capacity addition over the years and government's focus on 100% rural electrification through last mile connectivity has led to extensive expansion of the T&D system across the country. The total length of domestic transmission lines rose from 413,407 circuit kilometres (ckm) in fiscal 2019 to 485,544 ckm in fiscal 2024.

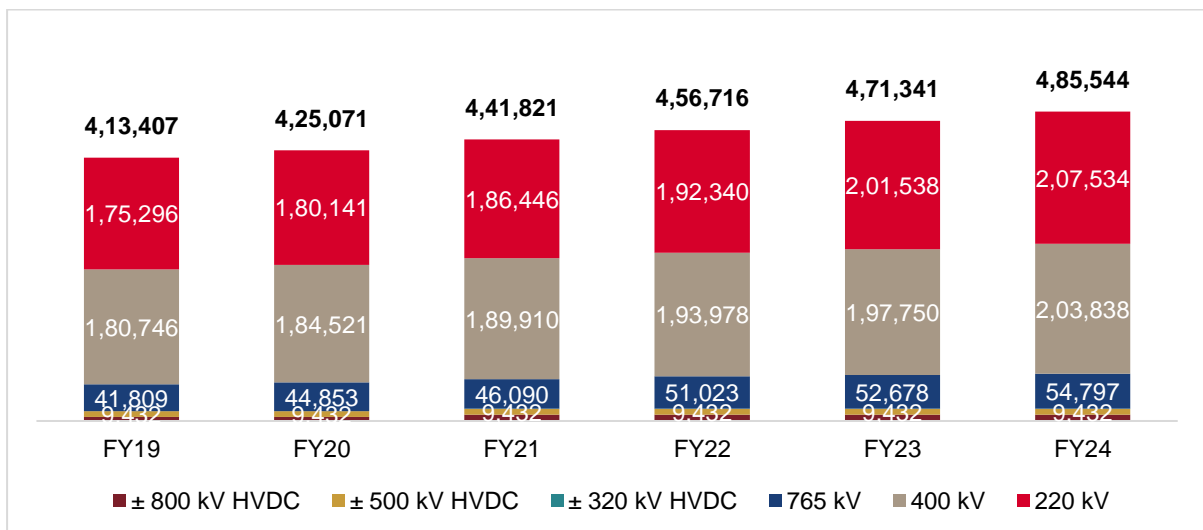
##### **Total transmission line network in the country (220 kV and above)**



Source: CEA, CRISIL MI&A Consulting

There has been strong growth in the transmission system at higher voltage levels and substation capacities. This is a result of increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses and improve grid reliability.

**Strong growth in the length of high voltage transmission lines (220 kV and above)**



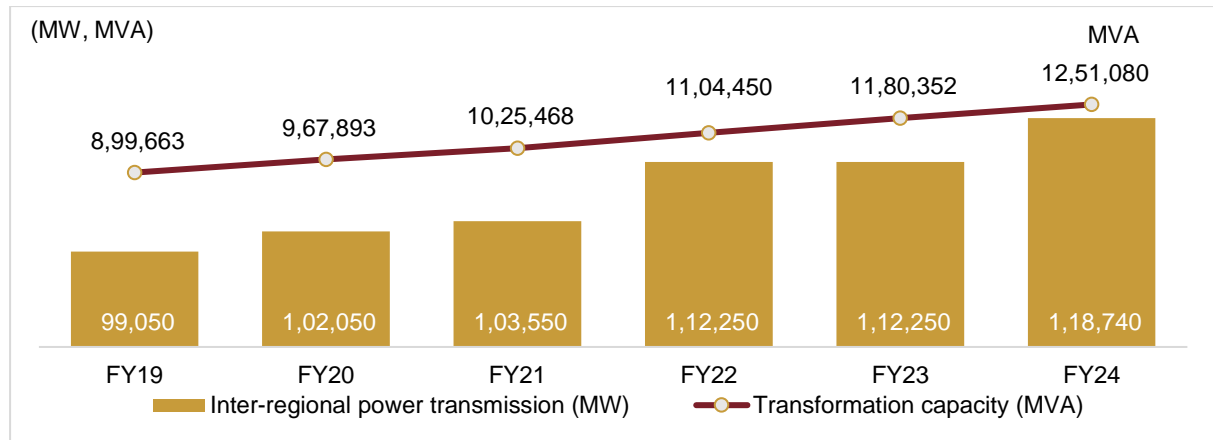
Source: CEA, CRISIL MI&A Consulting

Strong growth of transmission system at higher voltages has grown due to increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses, and improve grid reliability.

The transmission sector, a crucial part of the power industry, required more attention to meet the growing demand for electricity and the expanding generation capacity. Existing investments from budgets, internal funds, and PSU loans were insufficient to meet this demand. To address this issue, the Electricity Act allowed private companies to participate in the power transmission sector through a competitive bidding process called tariff-based competitive bidding (TBCB). The National Tariff Policy of 2006 provided guidelines for this process, aiming to promote competition, attract private investment, and increase transparency in constructing transmission infrastructure. India stands out as one of the few countries that have opened its transmission sector to private participation, generating significant interest from private businesses. The Electricity Act, 2003 coupled with TBCB for power procurement, encouraged private participation in the power transmission sector and has supported the growth of transmission lines in India sector.

Inter-regional power transmission capacity of the National Grid has grown strongly from 99,050 MW in fiscal 2019 to 118,740 MW in fiscal 2024, at a CAGR of 3.7%. Subsequently, transformation capacity rose from 899,663 MVA in fiscal 2019 to 1,251,080 MVA in fiscal 2024, growing at a CAGR of ~6.8%.

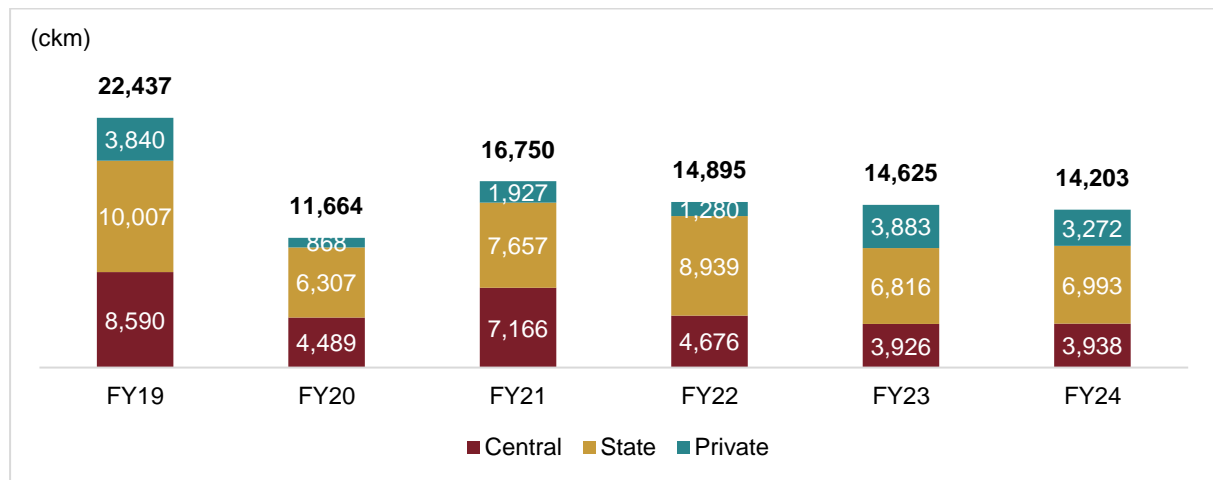
### Growth in transformation capacity and inter-regional power transmission capacity



Source: CEA, CRISIL MI&A Consulting

Investments in transmission line additions continue to be dominated by the central and state sectors. In the 13<sup>th</sup> five-year plan (2017- 2022), a total of 88,865 ckm was set up in the country, with the central and state sectors contributing to 38% and 50%, respectively.

### Sector-wise share of transmission line additions

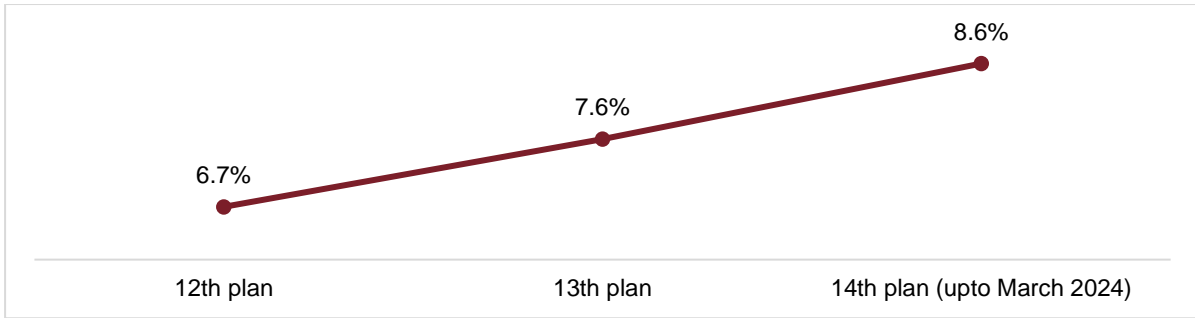


Source: CEA, CRISIL MI&A Consulting

Private sector participation has been growing in the segment, with the total share reaching ~8.6% in FY24. However, private participation in the transmission segment still lags the generation segment, where private contribution has grown strongly from 46% in fiscal 2019 to 52% in fiscal 2024.

### Private sector participation in transmission sector

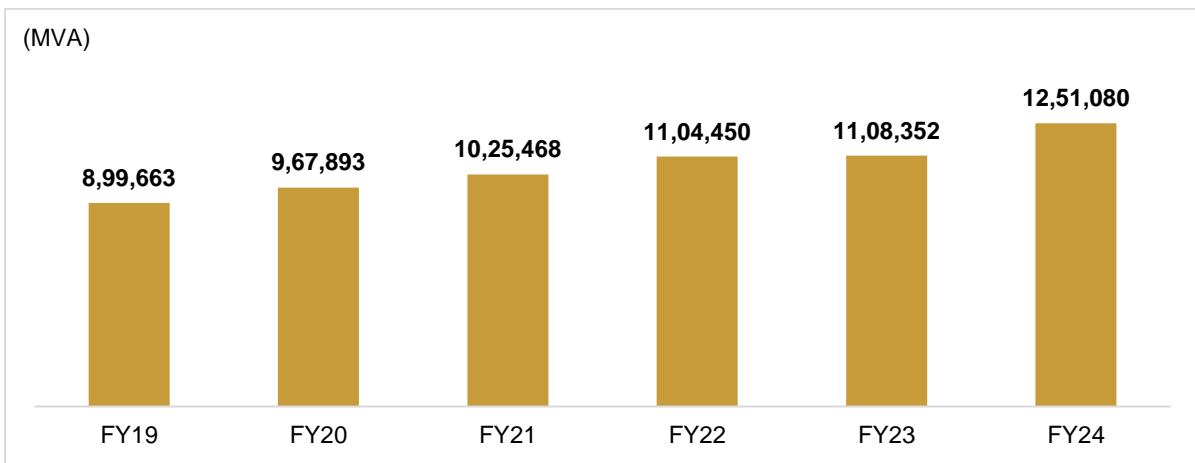




Source: CEA, CRISIL MI&A Consulting

Sub-station capacities in the country have grown from 899,663 MVA in fiscal 2019 to reach 1,251,080 MVA in fiscal 2024, at a CAGR of 6.8%.

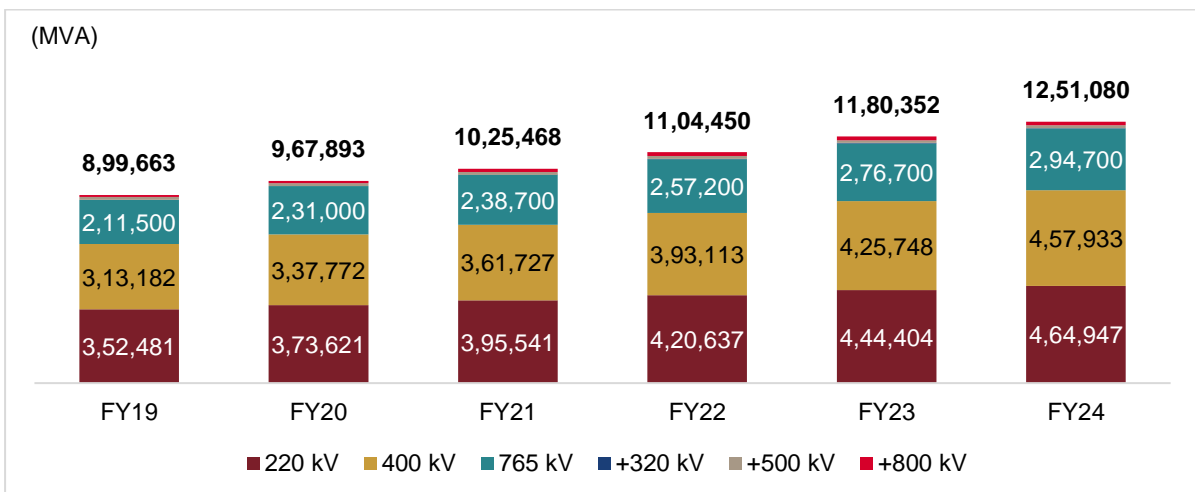
### Total substations in the country



Source: CEA, CRISIL MI&A Consulting

The growth in sub-station capacities has majorly seen traction in 220 kV, 400 kV and 765 kV segments, contributing to 32%, 41% and 24% of the incremental additions between fiscals 2019 and fiscal 2024.

### Robust growth in high voltage sub-station capacity (above 220 kV)



Source: CEA, CRISIL MI&A Consulting

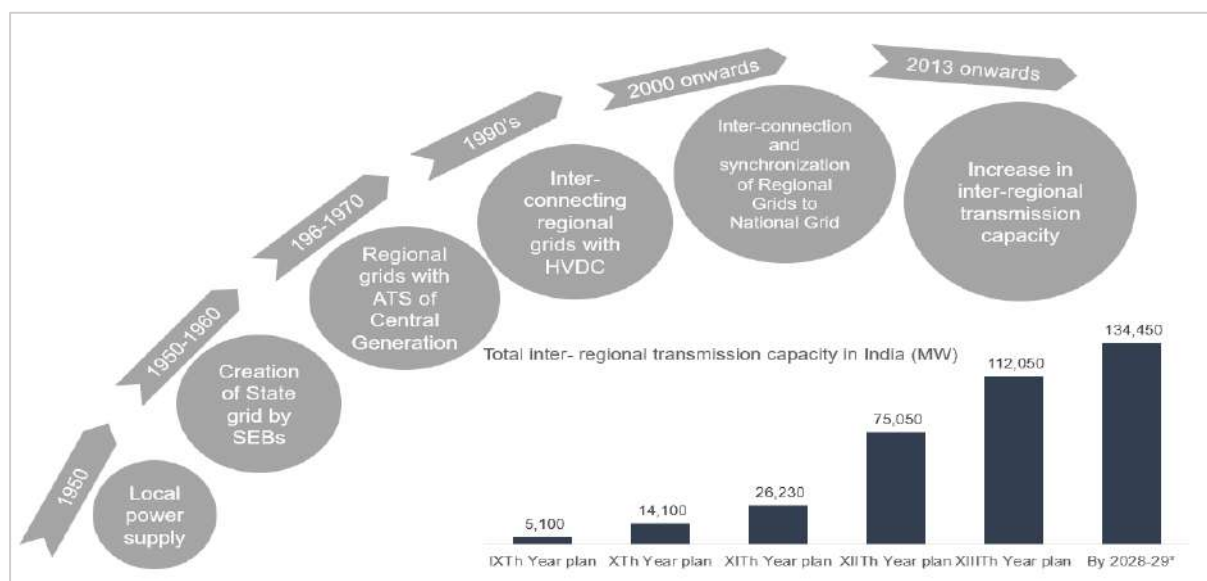
#### 3.2.1.1. Unification of regional grids into the national grid

To facilitate the transfer of power between neighbouring states, state grids are inter-connected through high-voltage transmission links to form a regional grid. There are five regional grids, namely, Northern, Western,

Southern, Eastern and North-eastern regional grid. As peak demand for power does not take place at the same time in all states, it results in a surplus in one state and a deficit in another. Regional or inter-state grids facilitate the transfer of power from a surplus region to the one facing a deficit. Additionally, they also facilitate the optimal scheduling of maintenance outages and better coordination between power plants.

The Indian national grid has evolved over a period of past 60 years all the way from isolated state grids to regional grids and finally with the commissioning of 765 kV transmission line between Raichur and Solapur in December 2013 India achieved one nation one Grid status. Although the interregional transmission capacity is still low, unification of grid has helped in bridging the gap between load centers to the demand centers in India. The detailed evolution of the grid is as discussed in the section given below:

### Integration and growth of transmission network in India



Source: CEA, \*CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

The advantages of a national grid system are:

- A flatter demand curve (or a higher system load factor) on account of the exchange of power among regions, resulting in a better PLF and more economical operations
- Lower investments required for new generation capacity
- Surplus power from one region being made available at economical costs to consumers in other regions.
- Better scheduling of planned outages of power plants; and
- Improved stability of the grid, as the share of an individual generating station in the total capacity declines with greater integration of the power system.

Setting up a national grid requires the gradual strengthening and improvement of regional grids, and their progressive integration through extra high voltage (EHV) and HVDC transmission lines

Over the medium term, investments in the transmission sector are expected to focus on forming the national grid, by setting up inter-regional links and strengthening the regional and intra-state grids. Inter-regional power transmission capacity has increased from 14 GW in fiscal 2007 to 118.74 GW as of March 2024.

#### 3.2.1.2. Plans to increase grid infrastructure

Report on “Transmission System for Integration of over 500 GW RE Capacity by 2030” published by CEA portrays the broad transmission system roadmap for reliable integration of 537 GW RE capacity by the year 2030.

The length of the transmission lines and sub-station capacity planned under ISTS for integration of additional wind and solar capacity by 2030 has been estimated as 50,890 ckm and 433,575 MVA respectively at an estimated cost of Rs 244,200 crores.

The present inter-regional transmission capacity is 118,740 MW. With the additional inter-regional transmission corridors under implementation/planned, the cumulative inter-regional transmission capacity is likely to be about 150,000 MW in 2030

#### Planned Transmission capacity additions by CEA till 2030

Transmission system type/ voltage class	Unit	Capacity additions till 2030
(a) ± 800 kV	ckm	6,200
(b) ± 350 kV	ckm	1,920
(c) 765 kV	ckm	25,960
(d) 400 kV	ckm	15,758
(e) 220 kV cable	ckm	1,052
<b>Total transmission lines</b>	<b>ckm</b>	<b>50,890</b>
(a) ± 800 kV	MVA	20,000
(b) ± 350 kV	MVA	5,000
(c) 765 kV	MVA	274,500
(d) 400 kV	MVA	134,075
(e) 220 kV cable	MVA	0
<b>Total substations</b>	<b>MVA</b>	<b>433,575</b>

Source: CEA, CRISIL MI&A Consulting

#### Inter-regional capacity addition till 2030

Inter-regional capacity	Capacity additions till 2030 (MW)
West – East	22,790
West – North	62,720
West – South	28,120
North – East	22,530
South – East	7,830
East – Northeast	2,860
Northeast – North	3,000
<b>Total</b>	<b>149,850</b>

Source: CEA, CRISIL MI&A Consulting

#### 3.2.2. Power transmission infrastructure has better risk-return profile

Returns from various infrastructure projects (other than transmission line projects) like roads, ports and power generation rely mostly on the operational performance of the assets, which in turn is dependent on factors where developers have limited control. For instance, in the roads sector (non-annuity-based project) the company's profits are dependent on collection of toll revenues, the port sector bears risk of cargo traffic, while in the case of power generation, it depends on availability of fuel and offtake by distribution companies.

Further, the counter party risk is higher in annuity-based roads projects as the sole revenue counter party for annuity-based payments is National Highway Authority of India (NHAI), while in the case of ISTS transmission projects the revenue counter party is a pool of distribution and generation companies, thus reducing the counterparty risk based on account of diversification.

Also, in the case of an inter-state transmission asset, the revenue stream is consistent based on the unitary charge (Rs. Million/annum) determined at the time of bidding for the entire concession period of 35 years. These charges are independent of the total power transmitted through the transmission lines and hence factors such as volume and traffic do not fluctuate the revenues.

Moreover, inter-state transmission assets have limited O&M costs as compared to other infrastructure assets. Typically, transmission projects incur relatively low O&M costs of 7-8 per cent of revenues to ensure normative availability. In comparison, road projects incur as high as 35-40 per cent as O&M costs.

In addition, transmission lines could also be used for providing telecom services thereby diversifying the revenue profile.

The chart given below compares other infrastructure assets to the transmission assets.

### Comparison of transmission assets with other infrastructure assets

	Inter-state power transmission	Roads	Ports	Conventional power generation	Solar energy power generation	Wind energy power generation	Commercial Real Estate
<b>Certainty of cash flows</b>	Driven by long-term agreements	Traffic risk in BOT projects	End-user industry risk	Offtake and cost of fuel	Broadly driven by long term agreements	Broadly driven by long term agreements	Preferred by global institutional investors and HRI investors, but risks of seasonality
<b>Counterparty risk</b>	Exposure limited to systemic risk	Cost overruns, limited O&M impact toll collection	Exposure to multiple end users	Direct exposure to debt laden SEBs	Faster clearance to payments under NRI/SECI Scheme (2-3 months). Weaker discoms delay the payments (5-6 months)	Faster clearance to payments under NRI/SECI Scheme (2-3 months). Weaker discoms delay the payments (5-6 months)	Regular challenges of delays and cancellations
<b>Operational Risk</b>	Limited O&M requirements	High O&M required	Limited O&M requirements	Substantial periodic maintenance needs	Limited O&M requirements	Substantial periodic O&M requirements	Limited O&M requirements
<b>Future Growth Potential</b>	Severs deficit in power transmission capacity	High growth potential	Good potential, limited by feasible locations	Moderate potential from base-load power demand	Governments to scale up capacity to 100 GW by FY2022 from ~12 GW in FY2017	Governments to scale up capacity to 60 GW by FY2022 from ~32 GW in FY2017	Pivoting towards hybrid models as work from home becomes more acceptable with digital means of communication
<b>Competitive Environment</b>	Few credible players	Highly competitive given multiple private players	Few private players	High competitiveness given multiple players	Highly competitive given multiple private players	Highly competitive given multiple private players	Low number of large players, smaller ones merging due to impact on business
<b>Summary</b>							

Most Favourable   
 Favourable   
 Marginally Favourable

Source: CRISIL MI&A Consulting

Thus, other infrastructure projects, over and above the construction risk, also bear the risk of poor returns in case of lower utilization of assets. Transmission projects, on the other hand, are insulated from such risk, thus making it an attractive investment.

### 3.3. Evolution of Tariff Based Competitive Bidding and PoC mechanism in the transmission segment

Being a critical link in the power sector value chain, the transmission sector needed more attention to cater to the growing power demand and the increasing generation capacity. Investments in the form of budgetary allocations, internal accruals and PSU borrowings were unable to fund this growing need. Keeping this in mind, the Electricity Act permitted private sector participation through the tariff based competitive bidding or TBCB route in the power transmission sector. In May 2018, the government proposed amendments to the national tariff policy 2006, which aims to improve power supply, provide clarity to competitively bid projects, reduce cost burden on consumers and boost renewable energy segment.

Some of the major amendments proposed under the National Tariff policy in May 2018 are as given below:

1. AT&C losses of more than 15% shall not be taken into consideration for tariff determination purpose for tariff orders post FY 2019.
2. AT&C losses shall be brought down to 10% within 3 years from the year of achievement of 15% AT&C loss.
3. Direct benefit transfer (DBT) of power subsidies to consumers, rather than cross subsidizing few categories of consumers during tariff determination.
4. Cross subsidization of tariffs across each category of consumers should be brought within +/-20% range of the cost of supply.
5. Provisions for carving out a separate tariff category for charging of electric vehicle infrastructure. Further determined tariffs to be near to the average cost of supply.

6. Cross subsidy surcharge to be paid by the open access consumers for a maximum period of one year from the date of opting for open access.
7. Open access customers must schedule conventional power for at least eight consecutive hours and Renewable power for four consecutive hours to prevent frequent changeover of supply from open access consumers.

Moreover, all future procurement of transmission enhancements is compulsorily being made through the TBCB route, with PGCIL itself bidding through TBCB except for certain high technology projects.

The highlights of TBCB guidelines issued by the MoP are:

1. The transmission line will be awarded under the build-own-operate-and-maintain (BOOM) basis to the successful bidder.
2. Procurement of transmission services will include all activities related to the survey, preparation of DPR, arranging finance, project management, obtaining transmission license, getting RoW and other site clearances, providing compensation for land, engineering and project design, arranging for equipment, material supplies, construction services, testing and commissioning, maintenance and operation of transmission lines and/or switching substations or HVDC links, including terminal stations and HVDC transmission lines.
3. A bid process coordinator (normally central government appoints central PSUs) such as Rural Electrification Corporation (REC) or Power Finance Corporation (PFC), would be appointed for each project as the bid process coordinator (BPC) for procurement of required transmission service. Further, the charges incurred by the BPC under the bidding process would be recovered from the winning bidder.
4. The successful bidder will be designated as the transmission service provider (TSP) and shall seek appropriate license from the regulatory commission if it is not a deemed license. The transmission service agreement (TSA) would be effective from the date of grant of license from the appropriate regulatory commission.
5. The TSP should commission the line as per the schedule specified in the TSA.
6. The TSA shall include an agreement for payment security, which will include a revolving letter of credit of required amount and escrow mechanism.
7. Under tariff-based competitive bidding, technically qualified developers quoting the lowest levelised tariff is awarded the project, as against the erstwhile 'cost-plus' model.

Hence in a nutshell, under the TBCB, tariff for projects is not on a cost-plus basis and bidders are required to quote tariff for a period of 35 years for establishing transmission lines. The bidder quoting the lowest levelised tariff is selected. The successful bidder is then required to acquire a special purpose vehicle or SPV incorporated by the bid process coordinator or BPC. Once the process of acquisition is complete, the SPV approaches CERC to obtain a transmission license.

### **3.3.1. Point of Connection (PoC) mechanism**

In 2011, the CERC introduced the 'Point of Connection' (PoC) method for determining inter-state transmission charges.

In the PoC method, the transmission charges to be recovered from the entire system have been allocated between users based on their location in the grid. The inter-state grid has been divided into generation and withdrawal (demand) zones, and prices for each zone are determined by an algorithm based on the load profile of the zone. Separate transmission charges are attributable to both generators and distribution companies as they are both deemed to be beneficiaries of the transmission network. However, in almost all cases, transmission charges attributed to the generator are recovered from the discoms.

The transmission grid is divided into injection and withdrawal nodes and for the sake of simplicity, various nodes of a contiguous region have been further aggregated into zones.

The total PoC charges to be paid for a transaction between two locations is the sum of the PoC charges and losses of a generator zone and injection zone.

### 3.3.2. General Network Access (GNA) Regulations 2022

CERC GNA Regulations, 2022 are a set of regulations that govern the grant of GNA to the ISTS in India. These Regulations allow generators to connect to and evacuate power through the inter-state transmission system without specifying where the power will be delivered. This is a significant shift in how transmission systems are planned, as it allows for more flexibility and non-discriminatory access.

It is expected that these amendments will benefit the power generator and consumer, who now are dealing with challenges of transmission. GNA would fundamentally change the way transmission system planning is done by giving power sector constituents easier access to the transmission network across the country.

### 3.3.3. Project awarding under TBCB has increased in the last few fiscals

Between 2010-11 and 2014-15, the pace of award of project was slow with only Rs. 180-190 billion (~USD 2.48-2.62 billion) of projects being awarded. However, the pace of award of project has significantly increased. In fact, in 2015-16, projects aggregating to ~Rs. 260 billion (~USD 3.58 billion) were awarded. Awarding of projects through TBCB picked up from fiscal 2017 onwards. In fact, between fiscals 2017 and 2020, projects worth Rs ~312 billion have been awarded by BPCs (REC, PFC). This is sharp contrast with the tenure from fiscals 2011 to 2016 where cumulatively Rs ~400 billion of transmission projects were awarded by the BPCs. Presently, 53 projects, awarded under the TBCB route have been commissioned. Additionally, 51 transmission projects, which have been bid out though TBCB, are under construction.

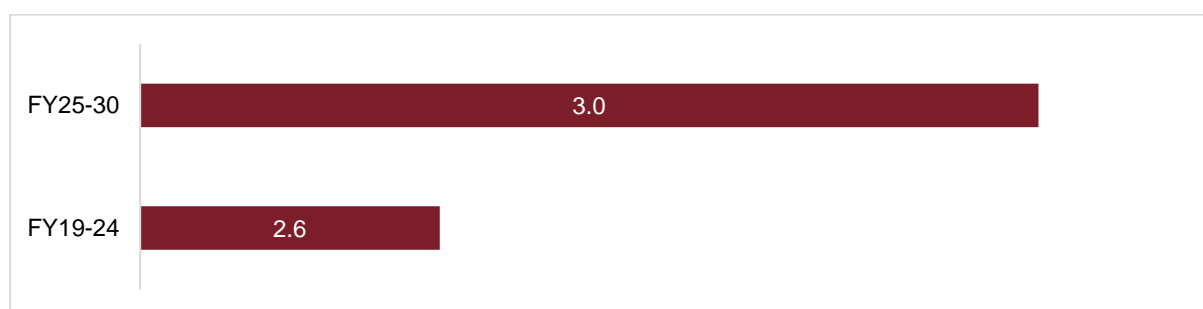
### 3.4. Investments of Rs ~3 trillion expected in transmission segment

To service a large generation installed base, the estimated investment in the transmission sector is expected to cumulatively reach Rs ~3 trillion for fiscal 2025-30. Investments in the sector are expected to be driven by the need for a robust and reliable transmission system to support continued generation additions and the strong push to the renewable energy sector as well as rural electrification. Also, strong execution capability coupled with healthy financials of PGCIL will drive investments.

A number of inter-regional transmission corridors have been planned, and some of these high-capacity transmission corridors are in various stages of implementation. Newly sanctioned projects under the North-Eastern System Strengthening Scheme and system strengthening schemes focused in the Ladakh region are also expected to augment investments in the transmission segment.

1. North-Eastern region power system improvement project
2. Comprehensive scheme of T&D system in Arunachal Pradesh and Sikkim
3. 220 kV transmission system from Alusteng (Srinagar) to Leh (via Drass, Kargil, Khalsti and Leh Sub-stations in Jammu and Kashmir)

#### Investment in transmission sector (Rs. Trillion)



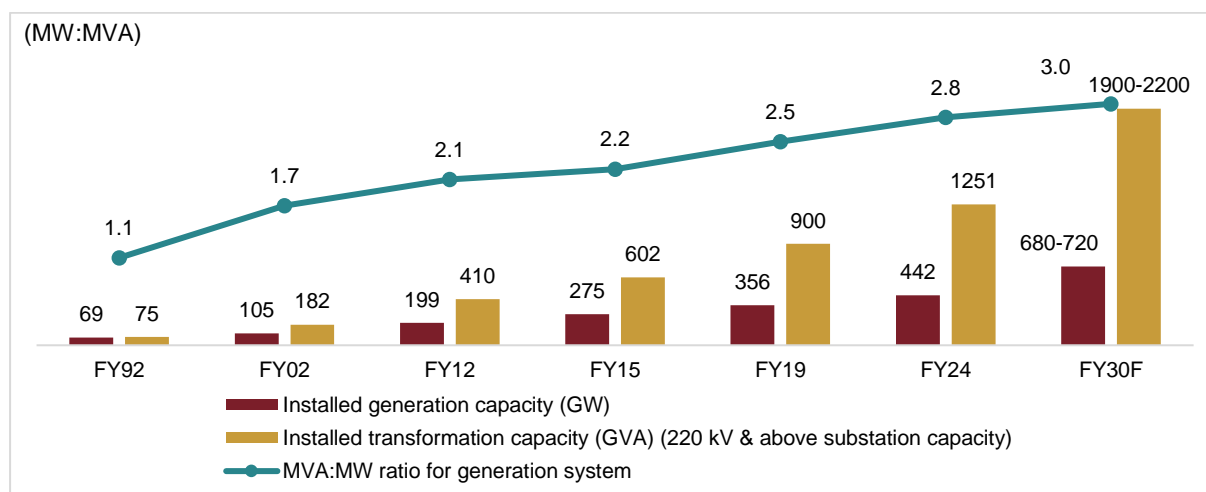
*The numbers do not include private sector investments in T&D sector*

*Source: CRISIL MI&A Consulting*

#### 3.4.1. Domestic investments in T&D to be led by intra-state augmentation

To ensure free and uninterrupted flow of power, every MW of new generation capacity needs a certain transformation capacity added to the system. In Indian context, 220 kV and above level transformation to generation addition ratio (MVA: MW) has remained low over the years. At the end of March 1992, this ratio was 1.1 times and has improved to 2.8 times as of March 2024. Lower transformation capacity results in line congestion, which has been visible particularly in inter-state transmission of power. With the government's focus on alleviating congestion, transmission capacities are expected to witness growth in transformation capacity additions during the 14<sup>th</sup> Plan.

### Transformation vs generation capacity



Source: CEA, CRISIL MI&A Consulting

Consequently, in the transmission line segment, robust growth in HV lines of 400kV and 765kV is expected due to its importance in inter-state transmission lines. Higher voltage level enhances power density, reduces losses, and efficiently delivers bulk power. Moreover, it reduces the requirement of right-of-way due to less land requirement, a key challenge facing the transmission sector. Thus, CRISIL MI&A Consulting believes the MVA:MW ratio would further improve to around 3.0 by March 2030.

### 3.4.2. Continued state investments and RE integration schemes to support domestic demand

In contrast to the previous few years, where the central sector used to drive investments in the sector, focus has now shifted to intra-state transmission additions and improving the intra-state transmission network. The rise in investments by states is expected on account of plans to decongest transmission networks to accommodate higher renewables, allow ISTS transmission of power and improve grid availability for open access of power.

### 3.4.3. Integration of renewable energy integration to further support domestic demand

The rapid addition of renewable capacities requires adequate grid infrastructure to evacuate incremental power.

The grid capacity additions will come under two main schemes, namely the Green Energy Corridor Scheme and Renewable Energy Zones (REZ). This would add ~80 GW of transmission grid capacity to an existing ~24 GW, taking grid capacity planned for RE integration to ~100 GW.

### Intra-state transmission system planned & constructed under Green Energy Corridor project

State	Lines Target (ckm)	Lines constructed (ckm) as of 31 July 2023
Tamil Nadu	1,068	1,068
Rajasthan	1,054	984
Andhra Pradesh	1,073	814
Himachal Pradesh	502	485
Gujarat	1,908	1,526
Karnataka	618	618
Madhya Pradesh	2,773	2,773
Maharashtra	771	672
<b>Total</b>	<b>9,767</b>	<b>8,940</b>

Source: MNRE, CRISIL MI&A Consulting

### 3.4.4. Government plans to increase TBCB to shift focus from PGCIL

At present private sector participation in the T&D space is low. However, with the introduction of TBCB and viability gap funding (VGF) schemes for intra-state projects, the share of private sector players in the power transmission sector is expected to increase gradually over the long term.

As of May 2024, 53 projects awarded under TBCB have been commissioned/ready for commissioning, 51 are under construction. Construction of two projects could not be started due to litigations, while one project has been cancelled by CERC and another one is expected to be cancelled as per the request of the transmission service provider. Of the 51 projects under construction, 25 are of PGCIL and the balance are of private players.

### 3.5. Outlook on transmission capacity additions

Following are the major transmission capacity additions as envisaged till FY2029:

#### Under-construction transmission lines (in ckm)

Sl. No.	FY	WR	SR	NR	ER	NER	Total
1.	2023-24	980	320	354	-	371	2,025
2.	2024-25	3,479	1,611	7,742	185	340	13,357
3.	2025-26	1,642	940	178	3	150	2,913
4.	2026-27	-	-	-	-	-	-
5.	2027-28	-	-	-	-	-	-
6.	2028-29	-	-	2,028	-	-	2,028
<b>Total</b>		<b>6,101</b>	<b>2,871</b>	<b>10,302</b>	<b>188</b>	<b>861</b>	<b>20,322</b>

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region  
Source: CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

#### Under-construction transformation capacity (in MVA)

Sl. No.	FY	WR	SR	NR	ER	NER	Total
1.	2023-24	5,000	5,000	7,135	-	-	17,135
2.	2024-25	41,500	18,000	49,185	1,250	320	110,255
3.	2025-26	20,500	24,000	3,715	1,500	320	50,035
4.	2026-27	1,000	-	-	-	-	1,000
5.	2027-28	-	-	-	-	-	-
6.	2028-29	-	-	6,630	-	-	6,630
<b>Total</b>		<b>68,000</b>	<b>47,000</b>	<b>66,665</b>	<b>2,750</b>	<b>640</b>	<b>185,055</b>

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region  
Source: CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

#### Under planning/ approval/ bidding transmission lines (in ckm)

Sl. No.	FY	WR	SR	NR	ER	NER	Total
1.	2024-25	-	-	-	-	-	-
2.	2025-26	1,670	320	6,652	850	120	9,612
3.	2026-27	3,870	3,013	4,835	-	-	11,718
4.	2027-28	-	1,960	-	50	75	2,085
5.	2028-29	2,558	360	1,964	-	-	4,882
<b>Total</b>		<b>8,098</b>	<b>5,653</b>	<b>13,451</b>	<b>900</b>	<b>195</b>	<b>28,927</b>

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region  
Source: CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

#### Under planning/ approval/ bidding transformation capacity (in MVA)

Sl. No.	FY	WR	SR	NR	ER	NER	Total
1.	2024-25	-	500	5,000	-	-	5,500
2.	2025-26	26,100	12,500	46,390	6,000	1,400	92,390
3.	2026-27	39,500	37,000	35,700	-	-	112,200
4.	2027-28	-	28,000	-	-	-	28,000
5.	2028-29	22,630	-	7,500	-	-	32,980
<b>Total</b>		<b>88,230</b>	<b>80,760</b>	<b>94,590</b>	<b>6,000</b>	<b>1,400</b>	<b>270,980</b>

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region  
Source: CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting



### 3.6. Major upcoming transmission lines and substation projects

Some of the key transmission lines and substation projects upcoming as per the ISTS Rolling Plan include the following:

#### Region-wise upcoming transmission lines up to 2028-29

Sl. No.	FY	Region	Transmission line	Length (ckm)
1.	2024-25	WR	Navsari (New) (South Gujarat) (GIS) – Padghe (GIS)	400
2.	2024-25	SR	Narendra New (GIS) - Pune (GIS) 765 kV D/c line	680
3.	2024-25	NR	Bhadla II - Sikar II 765 kV D/C line	612
4.	2024-25	ER	NKSTPP – Gaya 400kV D/c (quad) line	185
5.	2024-25	NER	Bongaigaon (POWERGRID) – Nangalbibra 400kV D/c line	280
6.				
7.	2025-26	WR	Mandsaur PS – Indore(PG) 765 kV D/c Line	400
8.	2025-26	SR	Anantapuram PS - Cuddapah 400 kV D/c line	300
9.	2025-26	NR	Bikaner-III – Neemrana-II 765 kV 2xD/c line	1,400
10.	2025-26	ER	Angul - Paradeep 765 kV D/c line	380
11.	2025-26	NER	Kathalguri (NEEPCO) – Namsai (POWERGRID) 220kV D/c line	150
12.				
13.	2026-27	WR	Halvad – Jamnagar 765kV D/c line	340
14.	2026-27	SR	Rangareddy PS - Nizamabad-II 400kV D/c line	310
15.	2026-27	NR	Bikaner-IV PS – Siwani 765 kV 2xD/c line	1,040
16.				
17.	2027-28	SR	Kurnool-IV - Bidar PS 765kV D/c line	560
18.	2027-28	ER	LILO of circuits of Angul – Sundargarh (Jharsuguda) 765kV 2xS/c lines	50
19.	2027-28	NER	Extension of Alipurduar – Bongaigaon 400kV D/c line	70
20.				
21.	2028-29	WR	±800 kV HVDC Bipole line between KPS2 (HVDC) and Nagpur (HVDC)	1200
22.	2028-29	SR	Avaraikulam Onshore PS – Tuticorin PS 400 kV D/c quad line	200
23.	2028-29	NR	±800KV HVDC line (Hexa lapwing) between Bhadla-3 & Fatehpur	1,900

Source: CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

#### Region-wise upcoming substations up to 2028-29

Sl. No.	FY	Region	Substations	Transformation capacity (MVA)
1.	2024-25	WR	Establishment of 765/400 kV, 4x1500MVA, KPS2 (GIS)	6,000
2.	2024-25	SR	Establishment of 2x1500 MVA, 765/400 KV Pooling station at suitable location in Kurnool Distt. (Kurnool-III)	3,000
3.	2024-25	NR	Establishment of 765/400 kV, 3X1500 MVA GIS substation at Narela	4,500
4.	2024-25	ER	400/220kV, 2x500MVA ICTs along with associated bays (220kV bays in GIS and 400kV bays in AIS) at Banka	1,000
5.	2024-25	NER	Establishment of new 220/132kV, 2x160MVA substation at Nangalbibra	320
6.	2025-26	WR	Establishment of 765/400 kV, 2x1500 MVA	3,000
7.	2025-26	SR	Establishment of 3x1500MVA (765/400kV) Bidar PS	4,500
8.	2025-26	NR	Establishment of 6x1500 MVA, 765/400kV & 5x500 MVA 400/220kV Bikaner-III Pooling Station	9,000
9.	2025-26	ER	Establishment of Paradeep 765/400kV, 2x1500MVA GIS substation	3,000
10.	2025-26	NER	400/220kV, 2x500MVA ICTs at Gogamukh	1,000
11.	2026-27	WR	Establishment of 4x1500 MVA, 765/400 kV & 2x500 MVA, 400/220 kV Boisar-II	6,000
12.	2026-27	SR	Establishment of 765/400kV 4x1500 MVA Pooling Station near Nizamabad	6,000
13.	2026-27	NR	Establishment of 765/400 kV, 6x1500 MVA S/s at suitable location near Siwan	9,000
14.	2027-28	SR	Augmentation of transformation capacity at 765/400 kV Nizamabad-II by 2X1500 MVA	3,000
15.	2028-29	WR	Establishment of 6x1500MVA, 765/400 kV ICT at Nagpur SS	9,000
16.	2028-29	SR	Establishment of 3x500 MVA, 400/230 kV Onshore Pooling Station near Avaraikulam	1,500
17.	2028-29	NR	Establishment of 5x1500MVA, 765/400KV ICTs at	7,500

Sl. No.	FY	Region	Substations	Transformation capacity (MVA)
			Fatehpur(HVDC)	

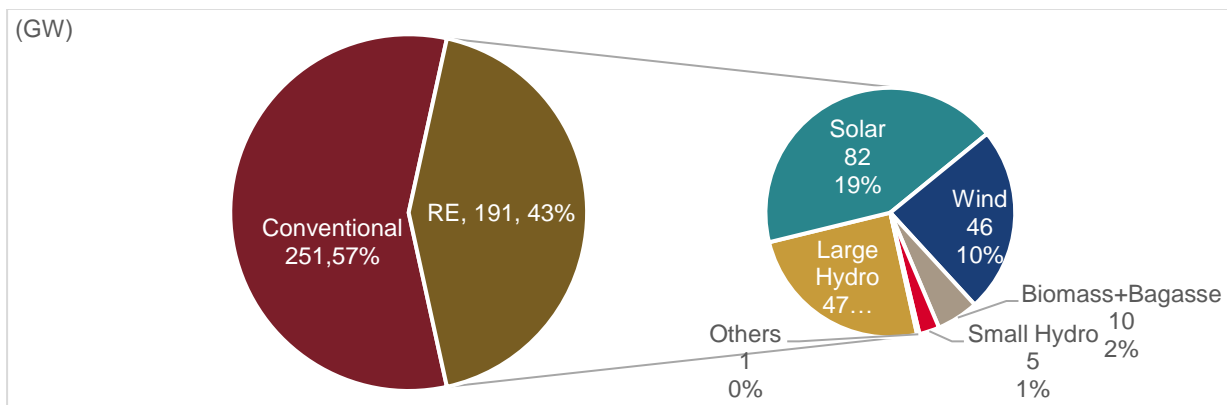
Source: CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

#### 4. OVERVIEW OF INDIAN RENEWABLE ENERGY SECTOR

##### 4.1. Overview of RE sector in India

Renewable energy installations (incl. large hydro) have increased fivefold to ~191 GW as of March 2024, as compared with ~63 GW as of March 2012 (source: MNRE), led by various central and state-level incentives. As of March-2024, installed grid connected RE generation capacity (incl. large hydro) in India constituted ~43% of the total installed generation base in India. This growth has been led by solar power, which has grown to ~82 GW from merely ~0.09 GW over the discussed time period (i.e. from March 2012).

##### India's RE (incl. large hydro) capacity was 43% at the end of March-2024



Conventional: Coal, Gas, Lignite, and Nuclear  
Source: MNRE; CEA, CRISIL MI&A-Consulting

##### 4.2. Outlook on RE capacity additions

###### 4.2.1. Outlook on solar capacity additions

Solar sector growth in India primarily spurred by robust government backing, demonstrated through an aggressive tendering strategy. Some of the key catalysts include technological advancements, affordable financing, supportive policies, thrust on go-green initiatives/sustainability targets, cost optimisation due to increased grid electricity tariffs, subsidy initiative (specially in rooftop solar) and various incentives such as ISTS charge waiver.

CRISIL MI&A-Consulting expects 175-180 GW of solar capacity additions over fiscal 2025-2030. This will be driven by additions under:

- **NSM:** The entire NSM Phase II Batch II Tranche I of 3,000 MW has been commissioned. Under NSM Phase II, Batch III, and Batch IV, SECI through its state specific VGF has tendered out ~7 GW of capacities, most of which has been completed.
- **Other central schemes:** SECI has also started tendering projects outside the JNNSM Batch programme. It has initiated the ISTS scheme, wherein projects are planned for connection with the ISTS grid directly. Under this, SECI has already allocated ~23 GW (including hybrid) while 6 GW is tendered.
- **State solar policies:** ~25 GW of projects are under construction and are expected to be commissioned over the fiscal 2025-2029. Based on tendered capacities by states at the end of March 2024, a further ~9.5 GW capacity of solar projects is expected to be up for bidding over the coming months.
- **PSUs:** The CPSU programme under JNNSM has been extended to 12 GW in February 2019. The government is also encouraging cash-rich PSUs to set up renewable energy projects. NTPC has already commissioned a total of over ~2,120 MW of capacities, allocated ~4 GW, and tendered a further ~1 GW, under various schemes. It has a target of installing ~35 GW of renewable energy capacities by fiscal 2028. Similarly, NHPC had allocated 2 GW of projects in 2020, while the Indian Railways has committed

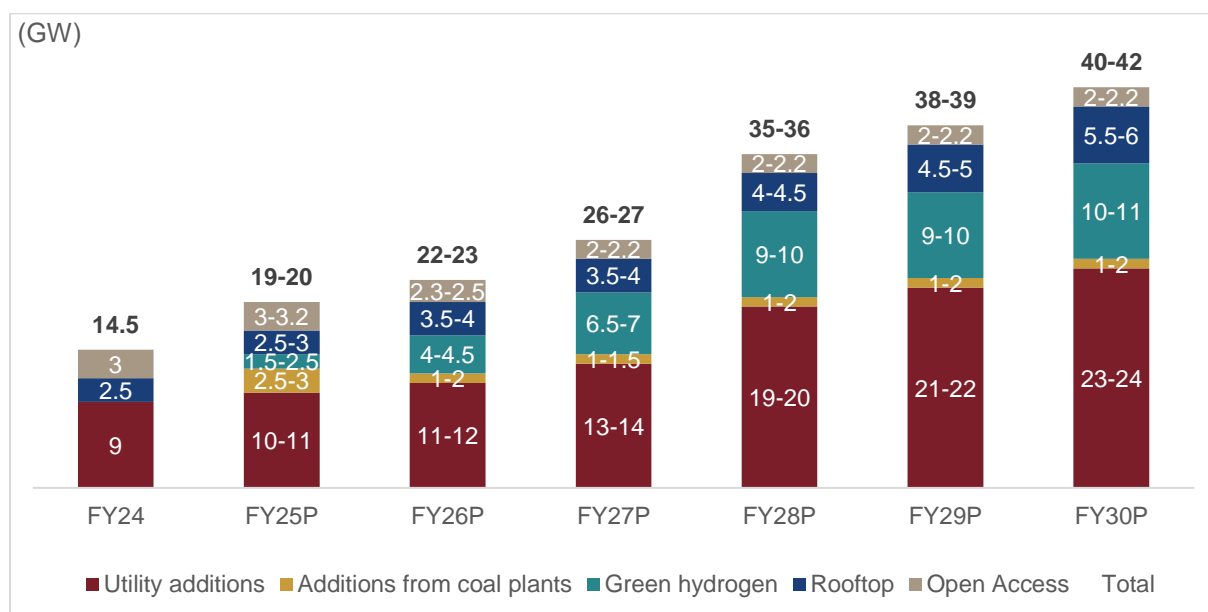
to 20 GW of solar power by 2030. Other PSUs such as NLC, defence organizations, and governmental establishments are also expected to contribute to this addition.

- **Rooftop solar projects:** CRISIL MI&A-Consulting expects 21-23 GW of rooftop solar projects (under the capex and opex mode) to be commissioned by fiscal 2030, led by industrial and commercial consumers under net/gross metering schemes of various states and by the residential consumers through the Surya Yojana scheme.
- **Open-access solar projects:** CRISIL MI&A-Consulting expects 12-14 GW of open-access solar projects (under the capex and opex mode) to be commissioned by fiscal 2030, led by green energy open access rules 2022, sustainability initiatives/RE 100 targets of the corporate consumers, better tariff structures and policies of states such as Uttar Pradesh and Karnataka, which are more long term in nature.

Data centers also emerging as an attractive infrastructure asset class in India. The Data Centers primarily focus on an optimization of grid energy and renewable energy due to the nature of energy requirements (continuous/uninterrupted supply) and about 40-50% of operating expenses come from electricity consumption. Due to rising demand for data, the energy requirement for data centers is expected to increase to ~1500-1700 MW in 2026 from an estimated 700-750 MW in 2023.

- **Push for Green hydrogen:** Production for green hydrogen is expected to start from fiscal 2026 with expected production of 0.5-1 million tonnes of production which will see solar capacities coming from fiscal 2024. As the government pushes towards the target production of 5 million tonnes of green hydrogen by 2030 more solar capacities are expected to commission totaling 38-40 GW by fiscal 2030 to cater to the demand of producing 2-2.5 million tonnes of green hydrogen. However, since developers may tie-up via grid / open access and not go to the captive route generation under this segment will remain a monitorable.

#### Year wise expected solar capacity addition



Source: CRISIL MI&A-Consulting

Also, the global conglomerate such as Amazon, Microsoft has set their sustainability goals and procuring more and more renewable energy in India to set off their global GHG emission. This also provides a lucrative opportunity for IPPs to sign PPAs for RE capacity.

CRISIL MI&A-Consulting's outlook factors in the prevailing market dynamics, where regulatory/policy support is key. The renewable energy domain is highly dependent on policy support, and any uncertainty surrounding this could restrict capacity additions.

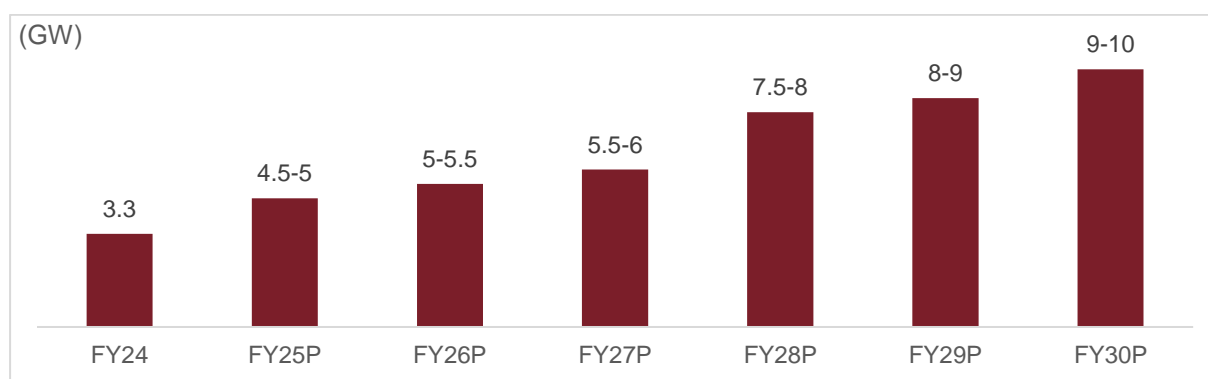
#### 4.2.2. Outlook on Wind capacity additions

CRISIL MI&A-Consulting expects capacity additions to grow over the next five years led by pipeline build-up under existing schemes and new tendering schemes, improvement in technology, and mixed resource models (RTC, hybrid, FDRE etc.). However, incremental challenges pertaining to wind-site/land availability, grid connectivity, and viability at low tariffs due to elevated capital cost pose challenges for the sector.

CRISIL MI&A Consulting expects capacity additions of 24-26 GW over fiscals 2025-30, with further upside of 11-13 GW from green hydrogen. CRISIL MI&A Consulting expects ~13.4 GW in the existing pipeline to be commissioned by fiscal 2029, factoring in delays due to cost escalation, evacuation infrastructure, etc.

Owing to India's ambitious clean energy targets declared under NDC, focus on clean segments such as wind is expected to continue coupled with a large pipeline existing in the segment. Capacity additions over the long term will also be driven by increased hybrid tenders, storage and new business model-based tenders, and central government allocations under relatively strong off-takers such as SECI, NTPC, SJVN and NHPC which also reduces risk compared with direct exposure to state discoms. State allocation, on the other hand, has slowed as several states have instead signed power sale agreements (PSAs) with PTC and SECI for procurement of wind power to help fulfil their non-renewable purchase obligation targets.

### Expected annual wind power capacity additions



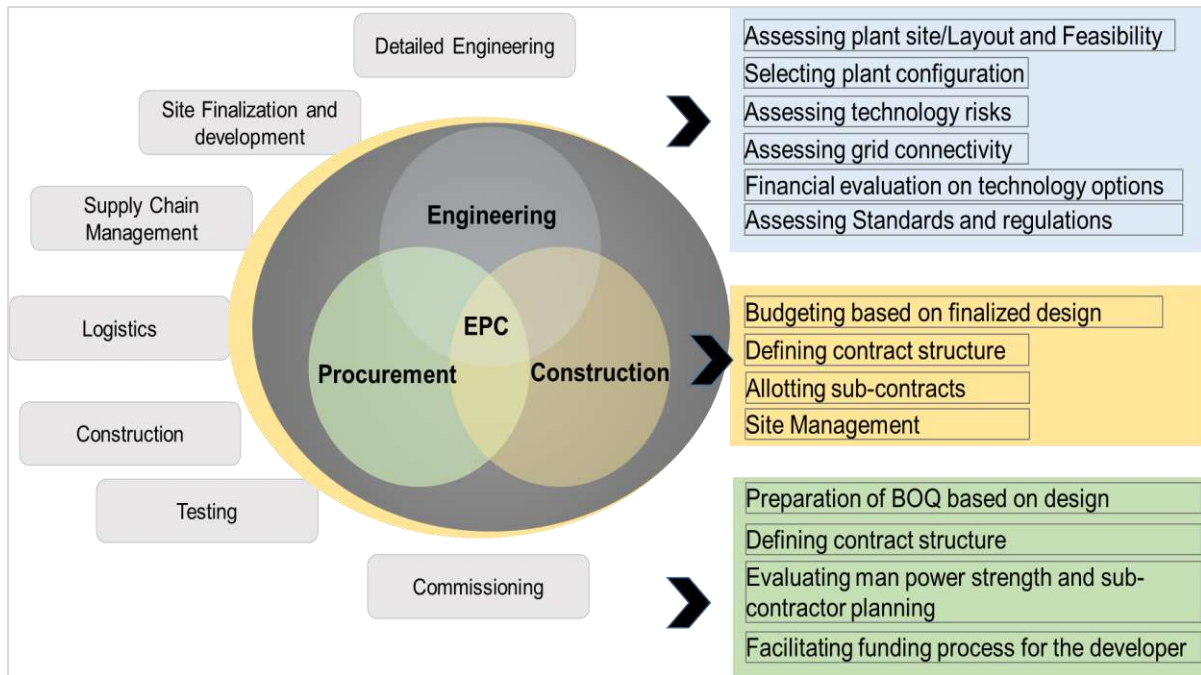
Source: CRISIL MI&A-Consulting

## 5. OVERVIEW OF POWER EPC MARKET IN INDIA

### 5.1. EPC project: Turnkey versus balance of plant

Nations, majorly developing ones, have been investing heavily on large infrastructure projects through public as well as private investments. To ensure efficient and timely construction, it is imperative to have an effective model which ensures timely project execution, minimise construction delays and improve transparency. The EPC model is primarily used in construction and O&M of coal base thermal, solar plants.

#### Checklist of an EPC model



Source: CRISIL MI&A Consulting

Under turnkey project structure, the contractor holds full responsibility of design and execution of the works, including EPC. Therefore, the contractor makes the facility ready to be used at the turn of a key. The project must be delivered at a pre-determined time and pre-determined cost and the contractor must adhere to project specifications. In case of deviations, the contractor is liable to pay monetary compensation.

In case of balance of plant (BoP) structure, the entire project is broken into multiple packages with a major chunk contracted through EPC route and the rest through BoP. For coal based thermal plants, main plant equipment BTG (Boiler-Turbine-Generator) can be sourced singularly and BoP comprising of all Mechanical, Electrical, Instrumentation & Control systems and equipment as well as entire civil works along with system engineering & plant interfacing can be procured from various manufacturers.

For a solar plant, solar modules and inverters constitute the maximum cost and may be contracted singularly whereas the supporting components and systems (wiring, switches, battery banks, power conditioners, mounting structures) may be procured from various manufacturers. Additionally, for the BoP project structure, the owner would have to appoint an external consultant or appoint the principal contractor for holistic project management and act as an interface between subcontractors.

Similarly for wind projects, wind turbine generators may be contracted singularly whereas balance of system package can be procured from various manufacturers or singularly.

## 5.2. FGD Installation

Installation of an FGD unit for a 500 MW power plant typically requires 2-3 years, excluding the preceding 0.5-1 year required for a feasibility study. The FGD installation process involves the following stages:

- Tendering - Feasibility study, notice inviting tender (NIT), bidding, letter of award (LoA), basic and detailed engineering and design
- Ordering - Procurement of materials and equipment for construction, procurement of reagent
- Construction - Civil foundation, civil works, electrical works, control, and instrumentation (C&I) works, equipment erection, slurry piping installation
- Commissioning - Trial operation of individual equipment, combined trial run, performance guarantee testing, start operation and synchronisation, handover

Wet limestone FGD (WLFGD), in which sulphur dioxide is reduced by reacting it with limestone ( $\text{CaCO}_3$ ) to produce carbon dioxide ( $\text{CO}_2$ ) and gypsum ( $\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$ ), is most preferred globally due to high  $\text{SO}_2$  removal efficiency of 90-95%, as well as wide availability, low cost and ease of handling of limestone, the primary reagent used in the method. Gypsum, the by-product of WLFGD, can be used in cement and board manufacturing, and as a soil additive to improve moisture receptivity, thereby making it the most feasible FGD process for  $\text{SO}_2$  emission reduction.

However, FGD installation also involves certain challenges:

- **Land availability:** The developer could face land acquisition issues if additional land is not readily available in the plant premises
- **Nascent and expensive technology:** The technology, barring the ample availability of limestone, is expensive to implement as a one-time cost, and will only become cheaper with further technological advancements.
- **Additional capital expenditure:** The FGD installation would require additional capex, and the spending progress would be subject to the financial health of the developer.
- **Additional increase in water consumption, auxiliary power consumption and station heat rate** leading to increased O&M expenses and coal consumption
- **Difficulty in cost pass-through:** Although the Ministry of Power has allowed cost pass-through of the capex incurred for FGD installation, it is expected to face resistance from distribution utilities, which would find it difficult to pass on the cost further to their end-consumers through tariff revision.

FGD installations of 150-160 GW expected over fiscal 2025-2030 out of 194 GW of capacity considered for FGD installation. FGD execution has progressed at a slow pace due to the challenges mentioned above, as well as uncertainty around translation of FGD capex into revenue through cost pass-through. As of December 2023, 194 GW coal-based capacity was considered for FGD installation by the CEA, out of which 10.6 GW was commissioned.

### 5.3. Key drivers for EPC Market

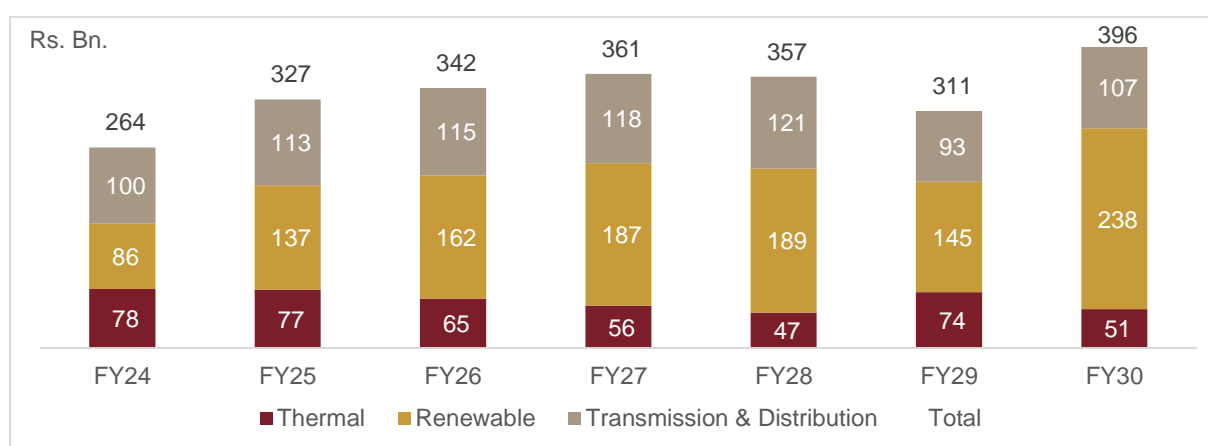
- **Government push for meeting energy demand on its own:** AT present, large portion (75-80%) of oil and coal requirements are being imported by India. Indian government is committed to make India energy independent by 2047. There have been various initiative in the areas of renewable energy, battery storage, EVs and green hydrogen. The infrastructure growth and economic growth will boost the EPC segment.
- **Increasing focus on sustainability and RE capacity additions:** Government has made commitments for sustainability under different international agreements. India has set a goal of 500 GW of non-fossil fuel-based capacity by 2030. India has made a significant shift in its energy landscape towards RE with more than 70% of new capacity addition came from RE in fiscal 2024. Government has also set an annual trajectory of 50 GW of RE capacity till 2030.
- **Base load requirements to come from coal-based capacity:** In order to meet the estimated electricity demand by the year 2031-32, generation planning studies has been carried out by Central Electricity Authority (CEA) considering stressed scenario. As per the study results, it is envisaged that to meet the base load requirement of the country in 2032, the required coal & lignite based installed capacity is 283 GW against the present installed capacity of 214 GW. Considering this, Government of India proposes to set up an additional minimum 80 GW coal-based capacity by 2031-32.
- **T&D infrastructure requirements:** India's T&D segment has undergone a significant transformation over the years. While transmission sector has moved from a fragmented network to a well-integrated and interconnected grid, distribution segment has been critical in achieving last mile connectivity. CEA has notified the draft National Electricity Plan (Volume II) for transmission which is under finalisation. The tentative transmission line and capacity addition as per the draft NEP is estimated at 105,000 ckt. km and 595,000 MVA during 2027-32. Previously, transmission plan for integration of about 537 GW RE Capacity by 2030 has been prepared considering the identified RE potential zones in the country.

Overall, the power EPC market will thrive due to burgeoning demand for energy and power, various helpful initiatives by Central Government for power for all, increased push for sustainable energy and requirement of transmission/evacuation capacities for improved RE capacity.

#### 5.4. Outlook for Indian power EPC market

The power EPC market covers the engineering, procurement, and construction (EPC) of power generation, transmission, and distribution infrastructure. EPC includes concept to commissioning activities for power infrastructure namely planning, design, procurement of equipment and materials, and the construction of power plants, electrical grids, and related facilities etc. EPC market can be grouped into various technologies as well as sources of power generation such as conventional (coal/gas), renewable energy sources, transmission, and distribution segment of power sector. The growing need for energy, coupled with the government's encouraging measures, is expected to drive the growth of the EPC market. The Power EPC market is expected to grow at a CAGR of 7.00% during the fiscals 2025-2030 from Rs. 264 billion to Rs. 396 billion. Increased industrial activities, burgeoning electrical demand, focus on 24X7 electricity for all, thrust on renewable energy and associated infrastructure requirements are some of the key drivers for power EPC market in India.

#### Indian power EPC Market



Source: CRISIL MI&A Consulting

## 6. OVERVIEW OF SMART METERING MARKET IN INDIA

### 6.1. Regulatory landscape

The government has taken several reform measures in the power sector and has also focused on implementation of smart meters through National Electricity Policy (NTP), 2016.

The recent RDSS, an ambitious DISCOM reform initiative launched in 2019, with proposed budget of Rs 3.04 lakh crore, aims to reduce AT&C losses and eliminate ACoS - ARR gap by FY2025 at a pan-India level through large-scale smart meter deployment. While previous initiatives to stimulate smart meter adoption have made little progress due to cost related and other challenges, RDSS is gaining momentum.

Additionally, MNRE has ordered installation of smart meters by corporate and other consumers by the end of FY24 and FY25, respectively – a necessary pre-requisite for implementation of time-of-day tariffs. The central government directive is being echoed by state governments - Karnataka, for example, has notified that green open access would only be available to consumers subject to installation of smart meters.

### 6.2. Revamped Distribution Sector Scheme (RDSS)

The RDSS, aims to reduce pan-India AT&C losses to 12-15% and eliminate gap between ACoS and ARR by FY 2025. The scheme has an outlay of Rs 3.04 lakh crore funding over five years (FY22 to FY26) including budgetary support of Rs 97,600 crore. The scheme is divided into two parts – first part involves providing financial assistance to DISCOMs for migration to smart meter infrastructure and upgradation of distribution infrastructure while the second part involves providing training and capacity building for support activities. REC and PFC have been appointed as nodal agencies for scheme implementation. Salient features of RDSS:



- **Addressal of state specific needs**

RDSS is the first DISCOM reform scheme addressing state-specific requirements as opposed to a common top-down solution. Migration to pre-paid smart meters has been prioritised for all union territories, corporate consumers, 500 cities under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme with AT&C losses over 15% and other areas with high AT&C losses.

- **Subsidy amount for metering**

States with relatively high AT&C losses have been classified as *special category states* shall be granted subsidy of Rs 1,350 or 22.5% of smart meter cost, whichever is lower. All other states shall be granted subsidy of Rs 900 or 15% of smart meter cost, whichever is lower. To accelerate progress, an additional incentive has been offered for installations completed by December 2023 – lower of Rs 675 or 11.25% of smart meter cost for *special category states* and lower of Rs 450 or 7.5% of smart meter cost for all other states.

Development of applications related to the use of advanced ICT like Artificial Intelligence, machine Learning and Blockchain Technology in the Distribution Sector and the unified billing and collection system will be funded 100% through the government budgetary support for the scheme.

- **Subsidy disbursement**

The subsidy disbursement process under RDSS is result-linked and therefore, an evaluation matrix has been incorporated in the action plan. Data including AT&C losses, ACoS-ARR gap and other parameters in the base year shall be disclosed by the DISCOM. In subsequent years, subsidy payments shall be disbursed based on progress made in relevant parameters relative to base year standing.

- **Eligibility criteria**

Some pre-qualification criteria have been laid out for DISCOMs to participate in RDSS including timely publication of quarterly and annual accounts, no new regulatory asset creation in subsequent tariff appraisals and reduction of accounts payable days in line with trajectory proposed in evaluation matrix (see previous point). In addition, participating DISCOM must ensure all dues including subsidy payments from the state government and unpaid power bills from government and corporate consumers have been collected.

### **6.3. AMI Implementation and bidding requirements**

#### **6.3.1. Introduction**

- **Objective**

The AMI initiative, a key component under the RDSS, aims to catalyse large-scale migration from analogue energy meters to smart meters to enable real-time data exchange and improved communication between consumers and DISCOMs.

- **Selection process**

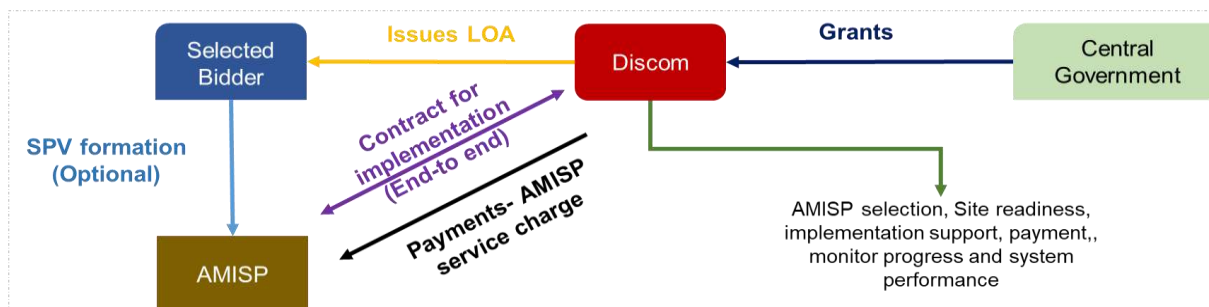
AMI service providers are selected through a competitive bidding process conducted independently by each DISCOM. Bidders are required to quote a fixed annual charge (AMI service charge) with a project to be allocated to the bidder quoting lowest price.

- **Scope of work**

Selected bidders are responsible for manufacturing, installing, operating, and maintaining smart meters during the contract period (typically 8-10 years) and receive Advanced Metering Infrastructure Service Provider (AMISP) charge in the form of fixed annual payments from the contracting DISCOM. Following the end of the contract period, ownership of smart meters shall be transferred to the DISCOM.

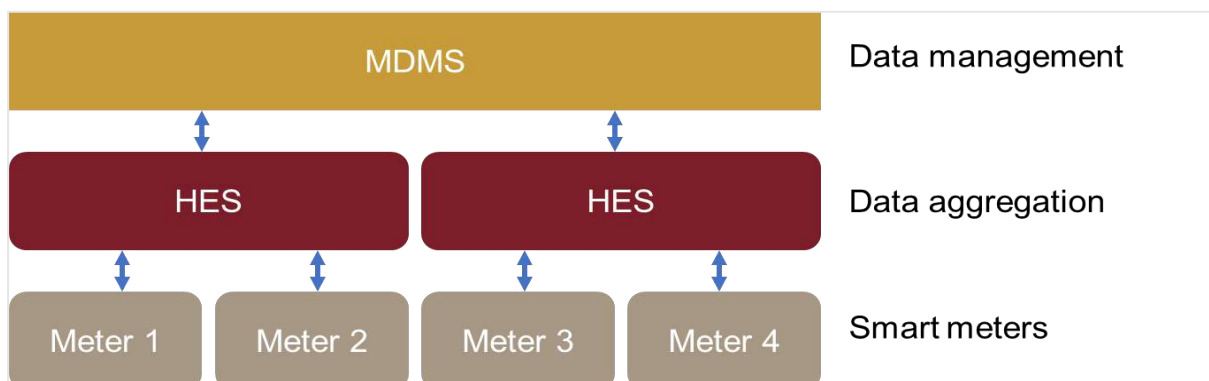
#### **AMI operational structure**





Source: Industry, RDSS, CRISIL MI&A Consulting

## AMI technical architecture



Source: Industry, RDSS, CRISIL MI&A Consulting

**Smart meters** are power measurement instruments equipped with advanced sensors and communication modules to provide real-time bilateral data exchange between DISCOMs and consumers, time-of-day metering, net metering & billing, automatic load control and many other functionalities.

- **HES** is the primary hub for data collection and interacts directly with smart meters providing the first layer of data aggregation. Main functions include data collection, validation, and aggregation across multiple smart meters. Following this, HES relays the data to the MDMS for analysis.
- **MDMS** is used for storing, managing, and analysing large volumes of data relayed from HES. Primary functions include data analysis to generate insights on consumption patterns, demand & forecasting and other material metrics. MDMS is also used for generating power bills.
- **Communication systems** are used for interconnecting all AMI components and ensuring efficient data transfer. Technologies used are cellular networks (3G, 4G, 5G) for widespread coverage and high data transmission speeds, and radio frequency for short-range communication.

## 6.4. Key drivers and challenges in smart meter implementation

### 6.4.1. Key drivers

- Government initiatives:** The Indian government has played a crucial role in promoting smart meter adoption through various initiatives, including the National Smart Grid Mission and the RDSS. Under these initiatives, financial incentives are provided to DISCOMs to install smart meters, accelerating market growth.
- Increasing Demand for Energy Efficiency:** With burgeoning energy costs, consumers as well as corporates are actively seeking ways to reduce their energy consumption. With the help of smart meters, consumers can get real-time energy consumption data which enables them to identify areas of improvement and enhance their energy efficiency efforts.
- Technological Advancements:** Advancements in technology are making smart meters more affordable and easier to install, making them more attractive to DISCOMs. The AMI and AMR technologies with their enhanced capabilities are getting more and more adoption by DISCOMs.

The Indian smart meter market is poised for significant expansion, fueled by the aforementioned factors. The government's solid support for smart grid development, coupled with the growing demand for energy efficiency solutions and continuous technological advancements, will serve as catalysts for the market's continued growth.

#### 6.4.2. Key challenges in implementing smart meters

Some of the challenges faced by smart meter implementation include:

- a). **Shorter lifespan:** Smart meters have a lifespan of 8-10 years compared to 20-25 years lifespan of traditional meters leading to increased costs for equipment, and associated infrastructure due to regular replacement cycles.
- b). **High initial investment:** Implementing AMI requires significant upfront investments in infrastructure and technology, which can be a challenge for financially constrained DISCOMs.
- c). **Cybersecurity concerns:** AMI systems are vulnerable to cyberattacks, which could compromise data privacy and disrupt grid operations.
- d). **Data Privacy and Security:** Since Smart meters collect and transmit large amounts of energy consumption data, there are concerns that the data may be leaked, and security may be compromised. robust data security measures are crucial for consumer trust and acceptance.
- e). **Infrastructure and Integration:** Integrating AMI with existing billing and grid management systems can be complex and expensive. For seamless transition, these integration challenges need to be overcome.
- f). **Lack of consumer awareness:** Consumers may not be aware of the benefits of AMI or may be hesitant to adopt the technology due to privacy concerns. Increasing consumer awareness and acceptance of smart meters are critical for successful market penetration. To promote wider adoption, educating consumers about benefits and addressing privacy concerns need to be prioritised.

#### 6.5. Smart meter market assessment

In recent years, India has witnessed a transformative shift in its energy landscape, marked by a growing emphasis on sustainability and efficiency. The Indian smart meter market is undergoing rapid expansion, driven by a combination of government initiatives, increasing demand for energy efficiency, offering a technologically advanced solution to monitor and manage energy consumption.

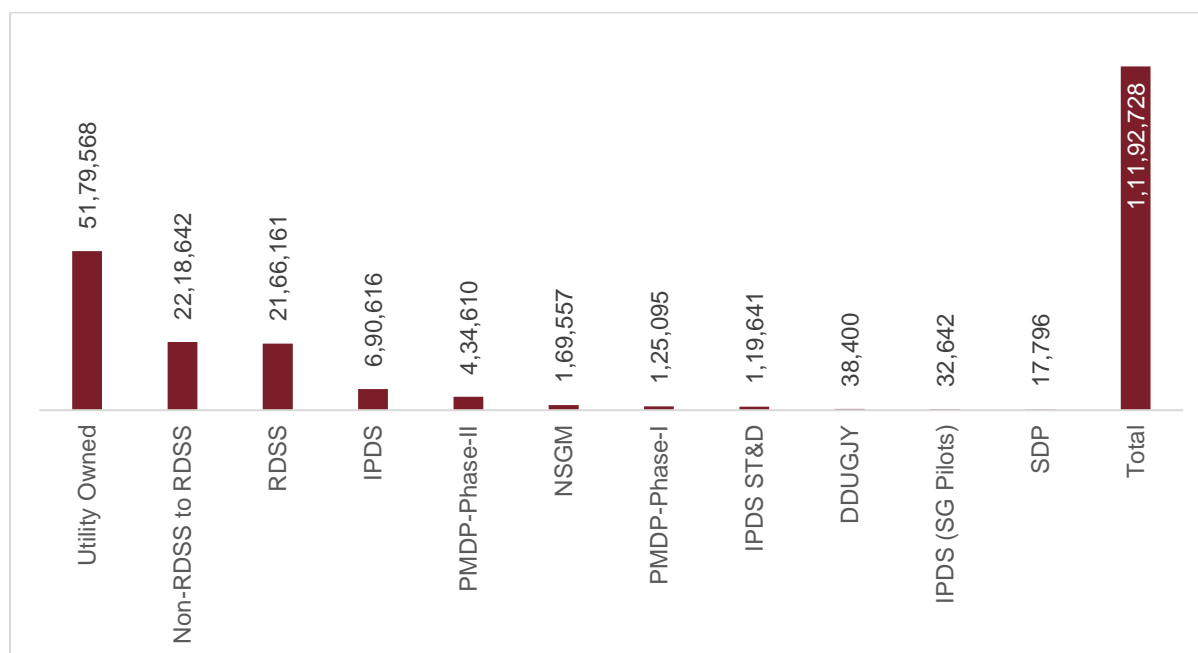
One noteworthy initiative catalyzing this evolution is the RDSS scheme which mandates the establishment of a smart metering ecosystem in ~25 crore households by FY26 and proposes to install ~10 crore Smart Meters across 500 AMRUT cities, MSME's by during the first phase of the scheme.

As of May 2024, ~112 lakh electricity smart meters have been installed representing only ~4.5% of the targeted deployment of 25 crore electricity smart meters nationwide, according to data published by the National Smart Grid Mission portal.

Despite the current installation figures, the potential for growth in the electricity smart meter market remains substantial. The total electricity smart metering infrastructure market is estimated at Rs 2.2 – 2.5 lakh crore by FY26 as per the government estimates.

Around 88% of the total sanctioned smart meters are from RDSS scheme whereas remaining 12% from various other schemes. Schemes like Integrated Power Development Scheme (IPDS), Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), National Smart Grid Mission (NSGM), Prime Minister's Development Package (PMDP) etc. have achieved significant deployment. RDSS being the recent one and resistance in certain areas to mandatory deployment making it difficult to achieve the desired deployment.

## Scheme wise smart consumer metering status (nos.)



Source: National Solar Mission; Data as on 28-May-2024; CRISIL MI&A Consulting

## 7. OVERVIEW OF DATA CENTER MARKET IN INDIA

### 7.1. Overview of data center market in India

The rapid expansion of India's digital population and the burgeoning digital economy have led to strong growth in data centers to meet increasing demands. Over the past decade, the Indian data center market has experienced significant growth driven by the surge in data generated through smartphones, social networking sites, e-commerce, digital entertainment, education, payments, and various other digital services. This data proliferation is further accelerated by the adoption of emerging technologies such as quantum computing, artificial intelligence (AI), and the Internet of Things.

The data center industry in India is evolving to meet the diverse needs of enterprises, government agencies, and cloud service providers. Various business models illustrate this diversity, catering to a wide range of customers and technological needs in an increasingly digital economy.

- **Colocation Services:** Colocation data centers provide physical space, power, cooling, and network connectivity for businesses to house their servers and IT infrastructure. Under this model, the data center operators lease space and infrastructure to multiple tenants, charging rent based on the space and power consumed.
- **Cloud Services:** Cloud data centers are operated by cloud service providers (CSPs) offering on-demand access to computing resources and services such as Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS). CSPs typically charge customers based on usage, providing scalability, flexibility, and cost-efficiency without upfront investments in hardware.
- **Enterprise-Owned Data Centers:** Large corporations, financial institutions, and government agencies build and operate their own data centers to manage and control their IT infrastructure and sensitive data. This model follows a capital expenditure (Capex) approach where organizations invest in constructing and maintaining their facilities and IT equipment.
- **Managed Services Providers (MSPs):** Managed service providers offer comprehensive IT management and support services, including hosting and managing IT infrastructure within their data centers. They operate on subscription-based, or service-level agreement (SLA) driven models, handling everything from infrastructure deployment to maintenance and support.

- **Hybrid Data Centers:** Hybrid data centers combine elements of colocation, cloud, and on-premises infrastructure to create a flexible and scalable IT environment. Hybrid cloud providers offer seamless integration between on-premises infrastructure, private cloud, and public cloud services, allowing businesses to optimize workload placement based on performance, cost, and regulatory requirements.
- **Edge Data Centers:** Edge data centers are located close to end-users or IoT devices to reduce latency and improve application performance. They are typically operated by telecom providers, content delivery networks (CDNs), or cloud service providers to support edge computing and IoT applications.
- **Specialized Data Centers:** These cater to industries or applications requiring unique infrastructure and compliance requirements. They offer customized solutions and services tailored to industry-specific regulations, security standards, and operational needs.

The market size is estimated to be ~ USD 1.9-2.2 billion, with a market volume of ~2 GW in 2024. It is expected to reach USD 4.5-5.5 billion by 2029, with a market volume of ~4.8-5.2 GW, growing at a CAGR of ~18-20%.

## 7.2. Policy and regulatory environment

The Ministry of Electronics & Information Technology (MeitY) of the Indian government introduced a draft Data Centre Policy in 2020. The policy focuses on building a supportive, competitive, and sustainable environment for data centre businesses in India. This includes measures such as uninterrupted and cost-effective power supply with a focus on clean energy, granting data centers "essential service" status for uninterrupted operations during emergencies, and developing a specialized code within the National Building Code for simplified construction and safety approvals for data centers.

The policy proposes formulating incentive schemes (fiscal and non-fiscal) to attract investment in data centre development. These schemes may prioritize companies that use domestically manufactured IT hardware and equipment, aligning with the "Make in India" initiative. The policy acknowledges the need for sustainable data centre operations. Measures to promote energy efficiency and use of renewable energy sources are likely to be included.

Data Centres was granted "infrastructure" status and included in the Harmonized Master List of Infrastructure sub-sectors in October 2022, which should ease bank financing for such projects.

Moreover, several states including Karnataka, Tamil Nadu, Uttar Pradesh, Odisha, Telangana, Maharashtra, and West Bengal have introduced data center policies in recent years to attract investments recognizing the growth opportunities in this sector. The state policies provide incentives aimed to reduce the upfront and operational costs to be borne by the data centre operators along with easing the compliance procedures to ensure a conducive investment atmosphere.

- **Financial Incentives**
  - **Land and Infrastructure:** The state policies offer various relaxations or concessional rates or reimbursement of fees paid in respect of transactions involving land for setting up of data centres.
  - **Power:** The financial incentives typically offered across the states include waiver or exemption from electricity duty, electricity tax and/or wheeling or transmission charges for specified periods after operationalisation of the data centre. Further, certain states such as Telangana and Odisha have also offered a subsidy on the fuel required for generators, given the requirement for generator back up in the event of a power outage. States of Karnataka and Odisha have incentivised the usage of renewable energy in the form of subsidies.
- **Non-Financial Incentives**
  - **Building Norms Relaxations:** Some states such as Haryana, Karnataka, Uttar Pradesh, and West Bengal have provided or contemplated special provisions for data centre-related infrastructure, which include exemptions or relaxations from municipal building norms such as floor area ratio, maximum floor height and car parking spaces.

- **Compliances:** State policies have further sought to reduce the compliance costs for a potential DC operator by allowing them to self-certify compliance under various labour legislations such as the Factories Act of the respective states.
- Further, data centres have been categorised as ‘essential service’ under the relevant state Essential Services Maintenance Act by the states of Haryana, Odisha, Telangana, and Uttar Pradesh.
- **Approvals Process:** The state policies of Haryana, Karnataka and Tamil Nadu seek to provide a single window clearance mechanism for an expedited and timely approvals process.

### 7.3. Key growth drivers

With the increasing digital transformation, the Indian data center market is experiencing strong growth. The rising adoption of cloud infrastructure, the widespread availability of cost-effective internet services, the increasing deployment of innovative digital tools, and the introduction of 5G services all contribute to the growth of data centers. Furthermore, many leading companies are opening new data centers to meet the growing demand for localized data and cyber-defense requirements. The growth of the data center industry is driven by several key trends:

- ***Telecom operator expansion and affordable Internet service***

Telecom operators have significantly expanded their networks offering affordable smartphone and Internet service that has led to a surge in data consumption and heightened demand for data center infrastructures. The surging demand for high-speed data with low latency is also prompting telecom operators to adopt data centers.

- ***Rapid growth in smartphone users***

The number of smartphone users is expected to grow from 794.4 million in 2022 to 1.2 billion by 2029 with a CAGR of 5.52%. Also, government initiatives in the smartphone industry is resulting in affordable smartphones capable of running diverse applications seamlessly.

- ***5G network rollout and increased data consumption***

The launch of 5G networks in India has triggered a substantial increase in data consumption. This growth is fueled by the expansion of e-commerce and popularity of online OTT content, gaming, ecommerce, smart home automation, and digital payments enhancing the need for robust data center infrastructure.

- ***Government Initiatives***

Initiatives like Digital India and Make in India enhance the nation's digital infrastructure, attracting investments across sectors and foster the development of data center parks. Financial incentives by the state government for data center operators further stimulate market demand.

- ***Growing use of cloud services***

The rising adoption of cloud services by various sectors along with the vast amount of data necessitates scalable data center solutions capable of storing processing and analyzing data efficiently.

- ***Adoption of edge data Centers for IoT and AI***

The deployment of edge data centers is gaining attraction particularly with the expansion of 5G technology. Edge data centers play a crucial role in supporting IoT devices, AI applications and real time data processing catering to diverse industry needs across urban and rural areas.

- ***Policy support and infrastructure development***

Government efforts in building infrastructure and establishing regulatory frameworks for data centers also foster industry growth. Addressing challenges such as complex clearance processes and high operational costs will be pivotal in sustaining momentum and attracting investments.

The cities of Mumbai, Chennai, Noida, Bengaluru, Pune, Hyderabad, and Kolkata are the major data center hubs in India; these cities offer a favorable business environment abundant power availability and robust connectivity

making them attractive destinations for data center investments. However, Tier 2 and Tier 3 cities are expected to see the construction of data centers in the next few years. It is expected to support low-latency requirements of 5G and support AI applications, due to proximity to the users.

#### **7.4. Key risks and challenges**

##### **7.4.1. Key risks**

Potential risks in the data center industry impacts the availability, security and performance of hosted data and applications.

- Attacks targeting data center infrastructure components (compute, storage, and network) can disrupt availability performance and security. Redundancy measures help mitigate single points of failure and enhance resilience against infrastructure exploits.
- Data Centers are vulnerable to natural disasters and physical security breaches. Infrastructure defenses like uninterruptible power supplies, fire suppression systems, climate control and robust building security systems mitigate risks associated with natural events and physical breaches.
- Cyber threats against hosted services web and application attacks also compromise data integrity and availability.
- Data centers hosting Domain Name System (DNS) infrastructure are susceptible to DNS related threats such as distributed denial of service (DDoS) attacks and cache poisoning.
- Vulnerable applications - insecure code in both in-house developed and third-party applications poses risks to data center security.
- Remote access tools - increased reliance on remote access solutions like RDP and VPN's introduces vulnerabilities if not properly secured. Implementing secure configurations, regular updates and monitoring for suspicious activities is crucial to mitigate risks associated with remote access tools.
- Supply Chain Risks - dependencies on third-party applications and services make the data centers vulnerable to security risks.

##### **7.4.2. Key challenges**

The data center industry in India faces several challenges that hinder its growth and operational efficiency. It includes:

- **High Operational Costs**

Data centers face significant operational expenses including energy costs, cooling systems, and staffing. High operational costs reduce profitability and may deter smaller enterprises from entering the market. Efficient energy management and cost saving technologies are thus essential to mitigate these expenses.

- **Data Redundancy and Backup**

Implementing effective data redundancy and backup is necessary to prevent data loss. Establishing redundant systems, however, increases costs and complexity but is essential for maintaining data integrity and reliability.

- **Volatile availability of electric power**

Power issues including unreliable electricity supply and high costs pose significant constraints. Inadequate power infrastructure can lead to frequent outages compromising data center operations and causing potential data loss or service disrupts. High costs for backup solutions further strain financial viability. Investments in reliable and sustainable energy solutions are crucial.

- **Scalability**

As demand for data storage and processing increases data centers must scale their infrastructure rapidly. Ensuring scalability requires substantial investment in both physical infrastructure and advanced technologies which can strain financial resources and operational capabilities.

- **Security and Compliance**

Ensuring data security and compliance with regulations is a major concern for data centers. Security breaches and non-compliance with data protection laws results in severe financial penalties and damage to reputation.

- **Performance and Latency**

Maintaining high performance and low latency is crucial for the functionality of data centers. Performance issues and latency can affect service quality and user satisfaction. Thus, continuous upgrades and performance monitoring is required.

- **Flexibility and Agility**

Data centers need to be flexible and agile to adapt to changing technological and market demand. Inflexibility hinders the ability to incorporate new technologies and respond to market shifts.

- **Hardware Maintenance**

Regular maintenance of hardware is also critical to prevent failures and ensure optimal performance. Maintenance also involves substantial costs and technical expertise which can be challenging to manage particularly as the data centers expand.

- **Geopolitical tensions**

Geopolitical tensions can introduce significant risks and uncertainties for data center operations. Disruptions in international trade and investment flows affects the availability of critical infrastructure components. Regulatory challenges and geopolitical risks necessitate enhanced risk management strategies, diversification of supply chains and investment in resilient infrastructure to safeguard operations.

## **7.5. Outlook on demand for data centres**

The data center sector in India is expected to reach USD 4.5-5.5 billion by 2029, with a market volume of ~4.8-5.2 GW.

The need for expansion of the current data capacity is apparent considering that India has ~14-15% of the global internet users but has only ~6% of the global data center capacity. The number of internet users will increase with rapid digitization propelled by the expansion of e-commerce, online streaming, and cloud storage. The Indian e-commerce market the public cloud services market is expected to witness massive growth in the next 4-5 years. This growth will lead to a strong demand for data centers to support the burgeoning digital ecosystem. Further, the size of the digital economy is expected to grow to ~USD 1 trillion dollars by 2025-26, which will further boost the investment in the data center industry.

## **7.6. Competitive landscape**

India's data centre market is undergoing a significant surge, driven by the rapid pace of digitalization and the expanding reach of the internet. This heightened demand has sparked the interest of a diverse array of industry players, resulting in a dynamic and competitive landscape. Established Indian companies such as CtrlS Datacentres, Sify Technologies, and Netmagic Solutions are catering to a wide range of customer segments by offering colocation, cloud, and managed services. In addition, key industry players like Reliance Industries (through Reliance Jio), Adani Group (AdaniConnex), and Bharti Airtel (Nextra Data) are harnessing their existing resources and infrastructure to establish expansive data centers.

Furthermore, multinational corporations such as Equinix, NTT Ltd., and ST Telemedia Global Data Centers (STT GDC) are bringing their global expertise, state-of-the-art technology, and extensive client base to the Indian market.

Leading tech-giants such as Amazon Web Services (AWS), Microsoft Azure, and Google Cloud Platform (GCP) are rapidly deploying data centers in India to meet the surging demand for cloud services. Moreover, the smaller regional players have created niches in tier 2 and tier 3 cities in India, catering to the specific needs of local businesses and government agencies.

## **8. COMPETITION ASSESSMENT**

The power sector in India plays a pivotal role in meeting the increasing electricity demand, which is expected to rise further in the coming years. Schemes such as DDUGJY, UDAY, and IPDS have contributed to the electrification drive across the nation. In order to reduce sulphur dioxide (SO<sub>2</sub>) emissions, Central government has focused on the implementation of FGD systems in India's thermal power sector. As of December 2023, 194 GW coal-based capacity was considered for FGD installation by the CEA, out of which 10.6 GW was commissioned. Out of the considered capacity, 51% is under construction with varying degrees of on-ground progress and balance 49% is at different stages of planning. FGD installations of 150-160 GW is expected over fiscal 2025-2030 out of 194 GW of capacity considered for FGD installation. To control SO<sub>2</sub> emissions and meet emission norms set by the Ministry of Environment, Forest & Climate Change (MoEF&CC), FGD installation will have a key role to play in reducing the environmental impact of thermal power plants.

For comparison of Techno Electric & Engineering Company Limited with large comparable EPC companies in India, CRISIL has considered Tata Projects Ltd., KEC International Ltd., Genus Power Infrastructure Ltd., Bajaj Electricals Ltd., and Kalpataru Projects International Ltd. The competitors are indicative and not an exhaustive list for comparison.

Various financial parameters, such as operating income, EBITDA, profitability margins, return ratios, gearing ratio etc. have been considered for the comparison.

### Operational overview of the large comparable EPC companies in India

Company	Headquarters	About the company	Operational segments
Techno Electric & Engineering Company Ltd. (TEECL)	Kolkata, India	<ul style="list-style-type: none"> <li>TEECL has been set up by the promoter, Mr. PP Gupta, who oversees operations along with a team of professionals</li> <li>The company undertakes turnkey EPC projects, predominantly in the power sector, across generation, transmission, and distribution segments.</li> <li>TEECL has leveraged recent policy developments in generation reforms (FGD) and distribution reforms (RDSS) to bid for large projects, thereby capitalising on its experience in EPC projects.</li> <li>TEECL has a vintage of around four decades and has set up around 50% of India's national power grid.</li> </ul>	EPC in Transmission and Distribution, FGD Installation, AMI, Data Centre, RE
Tata Projects Limited (Tata Projects)	Hyderabad, India	<ul style="list-style-type: none"> <li>TPL was founded in 1979 is one of the leading EPC in the country operates in energy &amp; industrial infrastructure, urban Infrastructure and services groups while providing turnkey end-to-end project implementing services for complex infrastructure projects under these verticals.</li> <li>The company has commissioned over 13,000 ckm of transmission lines across multiple voltage levels, in addition to various substations across the country.</li> <li>TPL has a global presence in over 40 countries, along with more than 220 projects sites across Asia Pacific and Africa.</li> </ul>	Power generation T&D, urban infrastructure, oil & gas, space & nuclear, transportation, metals & minerals, and water
KEC International Limited (KEC)	Mumbai, India	<ul style="list-style-type: none"> <li>KEC was founded in 1945 with ~52% of the company's shareholding lying with the promoters as on fiscal 2023.</li> <li>It is a major player in power T&amp;D EPC with a diversified presence in over 70 countries. KEC provides integrated solutions on a turnkey basis for transmission lines up to 1,200 kV, large size substations, and underground cabling up to 220 kV. It has three manufacturing plants in India located in Maharashtra, Madhya Pradesh, and Rajasthan, along with international facilities in Brazil, Dubai, and Mexico.</li> <li>The company has executed 2,624 km of transmission lines and built 268 substation bays as of March 2023.</li> </ul>	Power transmission & distribution, railways, civil, urban infrastructure, solar, oil & gas pipelines, and cables.



Company	Headquarters	About the company	Operational segments
Kalpataru Projects International Limited (Kalpataru)	Mumbai, India	<ul style="list-style-type: none"> <li>Established in 1981 by Mr. Mofatraj P Munot, KPIL undertakes turnkey contracts for setting up transmission lines and substations for extra high voltage power transmission, providing end-to-end solutions from in-house designs, testing, procurement, fabrication, erection, installation, and commissioning of power transmission lines. It has diversified into civil contracts, railways, and oil &amp; gas pipeline construction.</li> <li>The company has an annual production capacity of ~240,000 MT of transmission towers at its manufacturing facilities in India in addition to an ultra-modern tower testing facility.</li> <li>KPIL has a presence in 63 countries across 5 continents</li> </ul>	EPC for power transmission & distribution, buildings & factories, water supply & irrigation, railways, oil & gas pipelines, urban mobility, highways, and airports
Genus Power Infrastructure (Genus)	Jaipur, India	<ul style="list-style-type: none"> <li>Genus is amongst the largest players in India's electricity metering solutions industry.</li> <li>The Company is market leader in various kinds of meters and has developed 'smart metering solutions', with its in-house R&amp;D centre.</li> <li>The Company also has an EPC division which complements the existing meters business.</li> <li>The Company has manufacturing plants across Jaipur, Haridwar and Guwahati with a total installed capacity of over 10 million meters.</li> </ul>	Electricity solutions, power Advanced Infrastructure Provider Meters and Turnkey projects, Metering Service
Bajaj Electricals	Mumbai, India	<ul style="list-style-type: none"> <li>BEL is a renowned Indian Consumer Appliances and Lighting Solutions company.</li> <li>Its Power Transmission and Distribution projects business has been demerged to form Bajel Projects Limited.</li> <li>It is a part of the multinational conglomerate Bajaj Group founded by Shri Jamnalal Bajaj.</li> <li>The Company was established in 1938 and has been in the business for almost 85 years.</li> </ul>	Consumer products, Lighting, T&D EPC

Source: Company websites, CRISIL MI&A Consulting

### Financial information on large comparable EPC companies in India (Standalone FY22 to FY24)

*(in INR Rs Mn)*

Parameter	TEECL			KEC			Kalpataru		
	FY24	FY23	FY22	FY24	FY23	FY22	FY24	FY23	FY22
Revenue	16,809	9,666	9,992	173,834	154,132	125,733	167,597	143,368	124,071
Revenue growth	73.9%	-3.3%	12.4%	12.8%	22.6%	6.1%	16.9%	15.6%	61.7%
EBITDA	2,269	1,184	1,583	8,478	8,499	11,293	13,653	11,615	8,527
EBITDA margin	13.5%	12.3%	15.8%	4.9%	5.5%	9.0%	8.1%	8.1%	6.9%
PAT	2,723	1,281	2,395	1,475	1,803	4,344	5,330	5,320	3,504
PAT margin	16.2%	13.3%	24.0%	0.8%	1.2%	3.5%	3.2%	3.7%	2.8%
ROE	12.6%	6.6%	13.1%	3.6%	4.5%	11.3%	9.3%	10.0%	7.1%
ROCE	9.7%	5.6%	8.3%	9.5%	10.8%	16.0%	11.1%	10.5%	7.6%
Debt/Equity ratio	NA	NA	NA	0.8	0.7	0.6	0.6	0.6	0.5
Net Debt/EBITDA	NA	NA	NA	3.7	3.0	2.0	1.8	1.8	2.0

*(in INR Rs Mn)*

Parameter	Genus			Tata Projects			Bajaj Electricals		
	FY24	FY23	FY22	FY24	FY23	FY22	FY24	FY23	FY22
Revenue	12,006	8,084	6,851	172,475	167,547	134,711	46,413	48,892	47,703

Parameter	Genus			Tata Projects			Bajaj Electricals		
Revenue growth	48.5%	18.0%	-88.7%	2.9%	24.4%	-88.8%	-5.1%	2.5%	4.3%
EBITDA	1,350	788	596	5,957	-4,039	-1,415	2,597	3,748	2,271
EBITDA margin	11.2%	9.8%	8.7%	3.5%	-2.4%	-1.1%	5.6%	7.7%	4.8%
PAT	752	350	258	1,391	-8,599	-6,314	1,359	2,154	1,535
PAT margin	6.3%	4.3%	3.8%	0.8%	-5.1%	-4.7%	2.9%	4.4%	3.2%
ROE	4.8%	3.6%	2.7%	4.8%	-30.7%	-31.1%	9.4%	11.3%	8.6%
ROCE	5.3%	4.5%	3.2%	4.5%	-9.9%	-6.7%	10.4%	15.8%	9.4%
Debt/Equity ratio	0.4	0.4	0.3	1.8	1.2	1.6	NA	NA	0.0
Net Debt/EBITDA	-0.6	1.8	3.1	7.6	-5.4	-13.6	NA	NA	-0.5

Note: NA – Not applicable since there is no debt

Revenue: Revenue from operations

EBITDA: Profit from continuing operations before tax + Finance cost + Depreciation and amortization expense – Other income

EBITDA margin: EBITDA / Revenue

PAT: Profit from continuing operations after tax

PAT margin: PAT / Revenue

ROE: Return on equity – PAT / Equity

ROCE: (Profit from continuing operations before tax + Finance cost) / (Equity + Long term borrowing + Short term borrowing)

Debt/Equity ratio: (Long term borrowing + Short term borrowing) / Equity

Net Debt/EBITDA: (Long term borrowing + Short term borrowing – Cash and cash equivalents – Other Bank balances) / EBITDA

Source: Company website, company annual reports, CRISIL MI&A Consulting

- From the above comparison, it can be observed that:
  - The company's revenues are primarily driven from the EPC/ Engineering services which account for ~99% of its total revenues.
  - In FY24, the company enjoyed the highest revenue growth and return on capital employed and return on equity as compared to large comparable EPC companies in India analysed by CRISIL.
  - Among the large comparable EPC companies in India analysed by CRISIL, the company has earned higher EBITDA margins and PAT margins in the last 3 fiscals.
  - TEECL is operating in a zero-debt position and has funded its operations through equity and internal accruals.
- The Company has recently been awarded a contract by RailTel Corporation of India Limited to develop, operate and maintain the largest deployment of edge data centres over the next five years in 102 cities across India.

## BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “**Forward-Looking Statements**” on page 21, for a discussion of the risks and uncertainties related to those statements, and also “**Risk Factors**”, “**Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 21, 238 and 87, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information as of and for the Fiscals 2024, 2023 and 2022, included herein is derived from the Audited Consolidated Financial Information, included in this Preliminary Placement Document. For further information, see “**Financial Information**” on page 238. Our financial year ends on March 31 of each year, and references to a particular year are to the 12 months ended March 31 of that year. Unless the context otherwise requires, in this section, references to ‘we’, ‘us’, ‘our’ refers to Techno Electric & Engineering Company Limited along with its Subsidiaries, as applicable and ‘the Company’, ‘our Company’ or ‘Techno’ refers to Techno Electric & Engineering Company Limited.

The amounts in relation to the Fiscal Year 2022 as reproduced in the Preliminary Placement Document are the restated corresponding amounts as reported in the Fiscal 2023 Audited Consolidated Financial Statements, and accordingly the same is not in agreement with the Fiscal 2022 Audited Consolidated Financial Statements. The corresponding amounts of Fiscal 2022 have been restated in the Fiscal 2023 Audited Consolidated Financial Statements, being impact of non-current assets classified as ‘held for sale’ and classification of wind business in Tamil Nadu as ‘discontinued operations’.

Unless stated otherwise, industry and market data used in this Preliminary Placement Document is derived from the report titled, “Strategic assessment of Indian power sector” released in July 2024 (“**CRISIL Report**”) prepared by CRISIL MI&A, appointed by our Company pursuant to an engagement letter dated June 7, 2024 and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. For further information, see “**Risk Factors – This Preliminary Placement Document contains information from an industry report prepared by CRISIL which we have commissioned and paid for**” on page 66. Also see, “**Presentation of Financial Information and Other Conventions**” on page 66. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

## OVERVIEW

We are one of the leading engineering, procurement and construction (“**EPC**”) service providers, having workforce capabilities and technical know-how of providing EPC services across all aspects of conventional energy and renewable energy, including power generation, transmission and distribution (*Source: CRISIL Report*). Our services encompass the entire project lifecycle, from conceptualization and design to procurement, construction and commissioning. As of March 31, 2024, we have 30 active projects, aggregating to an order book of ₹9,21,897.40 lakh.

Our business operations include three principal business lines: (i) EPC services; (ii) transmission and distribution infrastructure assets; and (iii) data centres.

**EPC services:** Our EPC business includes engineering, procurement and construction across the entire lifecycle of power generation, transmission and distribution for conventional energy.

- **Power generation:** We undertake engineering, procurement and construction of balance of plant (“**BOP**”) works for thermal power and air quality control projects for thermal power plants for our public sector and private sector clients. We can deploy advanced technologies such as flue gas de-sulphurisation (“**FGD**”) systems for reducing sulphur dioxide emissions, optimize power plant operations with comprehensive BOP services, and enhance power transmission with efficient step-up power evacuation solutions. We also deliver turnkey captive power plants using waste heat recovery and up to 200 MW of conventional power plant on turnkey basis to maximize energy efficiency and reduce operational costs for industrial clients. For instance, we are currently undertaking projects in relation to FGD systems for a 500MW thermal power station at Bokaro, Jharkhand and two 600 MW thermal power station in Jhalawar, Rajasthan and one 210 MW plus two 195 MW thermal power station in Kota, Rajasthan.

- **Transmission:** We undertake engineering, procurement and construction for sub-stations for transmission projects for capacities ranging from 220 KV KVA up to 765 KV KVA for our public sector and private sector clients. We specialise in designing and implementing extra high voltage sub-stations (up to 765 kV sub-stations), utilizing both air insulated switchgear and gas insulated switchgear technologies and in installing static synchronous compensators up to 300 MVar and enhancing grid stability and efficiency.
- **Distribution:** We undertake rural electrification projects and provide digitisation solutions for distribution companies and advanced metering infrastructure solutions. our expertise extends to managing distribution systems through digitization, enabling real-time monitoring and optimization and are capable of advanced metering infrastructure (“AMI”) deployment, integrating smart metering solutions for enhanced energy management and billing accuracy. As of March 31, 2024, set forth below are the projects awarded to us for the deployment of smart meters:

Sr. No.	Particulars	Total number of smart meters awarded (in lakhs)
1.	Smart meters for a discom in Ranchi	5.33
2.	Smart meters for a discom in Tripura	4.27
3.	Smart meters for a discom in Indore	5.53
4.	Smart meters for a discom in Jammu & Kashmir	9.79

**Transmission and distribution infrastructure assets:** We routinely evaluate opportunities for partnering with government entities and strategic partners to develop assets in the transmission and distribution infrastructure sector on a design, build, finance, own, operate and transfer (“DBFOOT”) basis.

In the past we have leveraged our execution experience in the transmission sector to bid for transmission projects under tariff based competitive bidding (“TBCB”) process. As on date of this preliminary placement document, we have developed three transmission projects on a DBFOOT basis in Haryana, Punjab and Nagaland and have secured successful bids for two transmission projects located in Assam, with a capacity of 400 KVA each. In April 2024, we successfully bid for a transmission project under the North-Eastern Region Generation Expansion Scheme-I through TBCB and in June 2024, we successfully bid for the establishment of a new 400kV switching station and a 400kV D/c line at Bokajan, Assam.

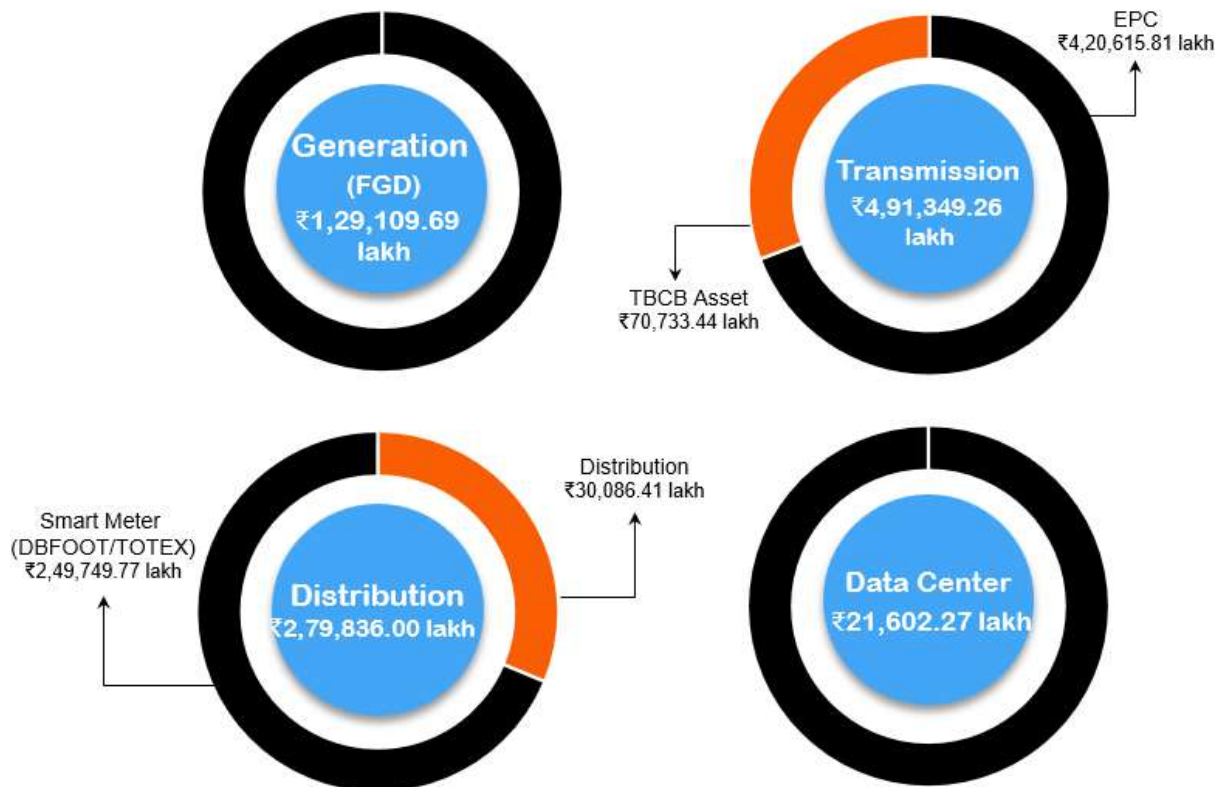
We forayed into advanced metering in 2019 to participate in the initiative undertaken by the government of India to transform the energy distribution infrastructure in India. As of May 2024, 112 lakh electricity smart meters have been installed representing only 4.5% of the targeted deployment of 25 crore electricity smart meters nationwide, according to data published by the National Smart Grid Mission portal. Despite the current installation figures, the potential for growth in the electricity smart meter market remains substantial. The total electricity smart metering infrastructure market is estimated at Rs 2.2 – 2.5 lakh crore by Fiscal 2026 as per the government estimates (*Source: CRISIL Report*). We believe that we can leverage our expertise and experience to participate in the government’s vision by developing and deploying advanced metering solutions and technologies. We have secured orders for 9.79 lakh smart meters in Jammu & Kashmir. As of March 31, 2024, our order book of smart meters was ₹ 2,49,749.77 lakh.

**Data centres:** In order to diversify our business, we ventured into data centre solutions in 2021 with our first hyperscale data centre in Chennai, Tamil Nadu, with a load capacity of 40 MW. We have acquired 4 acres of land for our upcoming data centre in Kolkata. Further, we have recently been awarded a contract by RailTel Corporation of India Limited to develop, operate and maintain the largest deployment of edge data centres over the next five years in 102 cities across India (*Source: CRISIL Report*). Our approach includes innovative cooling technologies such as water-cooled chiller plants paired with adiabatic cooling towers, reducing water usage by up to 75%. This significantly lowers the energy needed to maintain optimal temperatures, reducing operational costs and promoting sustainability. Automated systems in our data centres enable real-time monitoring and management, ensuring optimal performance and maximizing uptime. These systems allocate resources effectively, predict maintenance needs, and support seamless scalability while enhancing security measures. This automation represents a substantial advancement in data centre management, driving efficiencies and enhancing service reliability.

With almost two decades of industry experience, we believe that we possess the expertise and technical know-how to implement large-scale projects effectively, driving revenue growth and profitability. Our extensive experience has allowed us to develop technical and engineering know-how and gain in-depth knowledge of the regulatory framework governing the power and energy sector in India, which has resulted in developing a strong

reputation among our public and private sector clients which include reputed players in the power and energy sector.

Over the years, we have established a strong track record of successful project execution, delivering quality engineering solutions within (and in certain cases earlier than) the scheduled project timelines. We have a track record for early completion of projects, which has helped us in building a strong reputation among our clients and allowed us to build a robust order book. Our aggregate order book as of March 31, 2024 was ₹9,21,897.40 lakh. The breakup of our order book is set forth below:



Our experience and focus in the power and energy sector has allowed us to develop a comprehensive understanding of the regulatory landscape governing the power and energy sector in India. This allows us to ensure that projects executed by us are compliant with the extant regulatory framework and standards. Through continuous engagement with regulatory bodies and industry stakeholders, we stay abreast with evolving changes and transformation in the power and energy sector in India, primarily driven by regulatory changes aimed at reducing emissions and promoting cleaner energy sources. We aim to capitalise on these opportunities and position ourselves to meet the growing demand for environmental compliance in the power and energy sector.

As the EPC industry is primarily dependent on skilled workforce, our growth and execution capabilities are primarily attributable to the strength and experience of our skilled engineers and other employees. As of March 31, 2024, we had 450 full time employees, of which 296 were qualified engineers. Our technically qualified and experienced employees enable us to effectively manage execution of projects. We aim to upskill our employees through regular training and recognise their excellence at work through various incentive-based programmes.

We are committed to following stringent health, safety and environmental policies and practices in the execution of our projects. We conduct comprehensive mandatory workshops and training to impart safety training to make plants, work sites and our offices safe. We have also received several awards and certifications for our operations and projects from our clients, including completion of 400kV bay extension works at Madakathara from Kerala State Electricity Board in 2021. We have also been awarded a certificate of appreciation for 100% electrification in Ramgarh district from Jharkhand Bijli Vitran Nigam Limited. Additionally, we were conferred with best performance award in the safety (substation) category by Power Grid Corporation in 2017. In addition, we have implemented the SAP ERP system at our corporate office and all our project sites enabling strong system control and real time monitoring of projects.

Our revenue from operations for the Fiscals 2024, 2023 and 2022 was ₹1,50,237.93 lakhs, ₹90,796.08 lakhs and ₹1,07,386.65 lakhs, respectively (this includes revenue from discontinued operations for Fiscals 2024, 2023 and 2022: ₹(0.16) lakhs, ₹7,846.23 lakhs and ₹7,649.85 lakhs), growing at a CAGR of 18.28% between Fiscal 2022 to Fiscal 2024. Our profit for the year for Fiscals 2024, 2023 and 2022 was ₹26,845.51 lakhs, ₹18,685.78 lakhs and ₹26,389.20 lakhs, respectively, while our EBITDA was ₹20,515.86 lakh, ₹14,903.39 lakh and ₹21,904.96 lakh, respectively and EBITDA Margin was 13.66%, 16.41% and 20.40%, respectively, for the same period.

### ***Brief history of the schemes of amalgamation***

We were incorporated in 2005 pursuant to the certificate of incorporation issued by the Registrar of Companies, Maharashtra on October 26, 2005, as a wholly owned subsidiary of “Techno Electric & Engineering Company Limited” (“**TECHNO-I**”). TECHNO-I merged with us in the year 2018, pursuant to a scheme of arrangement approved by the National Company Law Tribunal, Allahabad, vide its order dated July 20, 2018 (“**Scheme**”). Pursuant to the Scheme, all the undertakings including assets, liabilities, duties and obligations of TECHNO-I were transferred and vested in our Company as a going concern.

Prior to the Scheme a scheme of arrangement was entered into between Super Wind Project Limited (“**Super Wind**”) and Techno Electric & Engineering Company Limited dated May 21, 2010, issued by High Court at Calcutta, whereby Techno Electric & Engineering Company Limited merged with its subsidiary Super Wind.

## **STRENGTHS**

### ***One of the leading integrated turnkey solution providers in the power and energy sector***

We provide EPC services for power plants, for various sizes and scales. We have about two decades of experience and expertise in engineering, procurement and construction in the power sector across various states in India. We have a strong track record of providing comprehensive solutions on a turnkey basis and executing various complex and challenging EPC projects both within India and internationally. Our primary focus is on undertaking EPC projects, and it has helped us in gaining technical expertise in undertaking projects of different sizes and involving varying degree of complexity.

As of March 31, 2024, our order book stood at ₹9,21,897.40 lakh, reflecting the trust and confidence our clients place in our capabilities. We have cultivated a strong reputation among public and private sector clients, including renowned entities in the power and energy sector. We believe that over the years, we have made good relationship with our clients, we ensure their needs are met and expectations exceeded. Our proactive approach, transparency, and consistent communication foster trust and deliver exceptional value, solidifying our position as a preferred partner in the industry. We believe that our long-term relationships with various public sector and private sector clients in India and internationally enable us to better understand our clients’ requirements and better evaluate the scope of work and risks involved in a project we bid for, as well as address changing demands in our target markets.

We provide integrated industrial EPC services including offsite works and power distribution systems power intensive industries such as aluminum, refineries and petrochemicals, plant piping systems, plant electrical and illumination systems, fire protection systems, gas-based power projects, waste heat recovery system, and BOP packages, including fuel oil systems, flue gas desulfurization. Our Company has a successful track record of executing over 450 projects across the power and energy sector.

Our credentials and pre-qualifications in terms of executing a range of construction projects that involve varying degrees of complexity, including undertaking specialized structures, have allowed us to increase our target market size and order book. We have developed a long-standing relationship with one of the major power suppliers in India with seven ongoing projects. We have completed certain key projects such as design and construction of 765/400KV substations in Chittorgarh and Bikaner, Rajasthan.

### ***Strong track record of timely execution of large-scale and complex power projects***

We focus on large and complex projects and have a strong track record in efficient project management, execution and on-time delivery of projects across verticals and geographies, with some of our projects being executed ahead of or on schedule. We were awarded with ‘IEI Industry Excellence Award’ for demonstrating the highest order of business excellence the Institution of Engineers in 2016.

Our track record showcases our technical and engineering capabilities, management expertise, and robust internal systems. Our skilled workforce, complemented by an execution-driven culture, contributes to our success. Our

ability to achieve successful and timely delivery of projects is a result of several factors. We have implemented a system of operational excellence that governs our project management practices. This ensures standardized processes, efficient resource allocation, and a pursuit of continuous improvement in project design and execution. This enables us to meet project requirements efficiently and effectively, optimizing resource utilization and improving productivity. For instance, in September, 2019, we were awarded an order for construction of 765/400kV Bhadla-II PS (Jodhpur) under the Transmission Scheme for Solar Energy Zones in Rajasthan with a completion schedule of 24 months.

By consistently demonstrating our ability to handle large-scale projects and leveraging our project management and execution capabilities, we are well-positioned to pursue new opportunities across geographies and maintain our position in the industry.

#### ***Technical know-how and innovation driven approach***

Our technical and engineering teams, which comprise of highly skilled engineers, project managers, and technical specialists, are critical to our success. We invest in continuous training and professional development to ensure that our employees remain updated with new industry developments and meet the evolving needs of the power sector.

We leverage our innovation-driven approach to develop and implement advanced engineering solutions that address key challenges such as energy efficiency, emission reduction, and renewable energy integration. For instance, we forayed into FGD systems to mitigate sulphur dioxide emissions, highlighting our commitment to sustainability and regulatory compliance. In 2018, we collaborated with global major South Korean company for introducing emission control and FGD technology.

Similarly, our Advanced Metering Infrastructure solutions facilitate real-time data collection, two-way communication, and enhanced energy management. By deploying smart meters and robust communication networks, we enable state utilities to optimize load management, reduce operational costs, and enhance customer engagement through detailed consumption insights. These innovations improve grid reliability and empower consumers with tools to monitor and manage their energy usage effectively.

We have implemented advanced energy-efficient design and cooling technologies in our data centres, recognizing that cooling is a major energy consumer. Our approach includes innovative cooling technologies such as water-cooled chiller plants paired with adiabatic cooling towers, reducing water usage by up to 75%. This significantly lowers the energy needed to maintain optimal temperatures, reducing operational costs and promoting sustainability. Automated systems in our data centres enable real-time monitoring and management, ensuring optimal performance and maximizing uptime. These systems allocate resources effectively, predict maintenance needs, and support seamless scalability while enhancing security measures. This automation represents a substantial advancement in data centre management, driving efficiencies and enhancing service reliability.

#### ***Healthy orderbook giving long term revenue visibility***

Our order book represents the estimated contract value of the unexecuted portion of a company's existing assigned EPC contracts and provides visibility on future revenues. Over the last three years, we have expanded and diversified our order book, to high growth segments like Advanced Metering Infrastructure and data centres. Our order book has grown from ₹1,44,135.00 lakh as of March 31, 2022 to ₹3,77,187.42 lakh as of March 31, 2023 and ₹9,21,897.40 lakh as of March 31, 2024. Our order book is diversified across business verticals. The tables below set out details of our order book by business verticals, and types of clients, as of the dates mentioned:

(₹ in lakh, except percentages)

Sr. No.	Business	Order book					
		Amount as of March 31, 2024	Percentage as of March 31, 2024	Amount as of March 31, 2023	Percentage as of March 31, 2023	Amount as of March 31, 2022	Percentage as of March 31, 2022
1.	Generation	1,29,109.69	14.00%	1,45,922.40	38.69%	9,983.94	6.93%
2.	Transmission	4,91,349.26	53.30%	1,43,342.80	38.00%	98,954.60	68.65%
3.	Distribution	2,79,836.18	30.36%	45,677.14	12.11%	35,196.46	24.42%
4.	Data centre	21,602.27	2.34%	42,245.08	11.20%	0.00	0.00%
	<b>Total</b>	<b>9,21,897.40</b>	<b>100.00%</b>	<b>3,77,187.42</b>	<b>100.00%</b>	<b>1,44,135.00</b>	<b>100.00%</b>

(₹ in lakh, except percentages)

Sr. No.	Type of clients	Order book					
		Amount as of March 31, 2024	Percentage as of March 31, 2024	Amount as of March 31, 2023	Percentage as of March 31, 2023	Amount as of March 31, 2022	Percentage as of March 31, 2022
1.	Government <sup>(1)</sup>	5,94,822.66	64.52%	2,77,645.40	73.61%	79,241.58	54.98%
2.	Government outside India	80,866.63	8.77%	6,165.35	1.63%	10,546.92	7.32%
3.	Private sector	2,46,208.11	26.71%	93,376.67	24.76%	54,346.50	37.70%
	<b>Total</b>	<b>9,21,897.40</b>	<b>100.00%</b>	<b>3,77,187.42</b>	<b>100.00%</b>	<b>1,44,135.00</b>	<b>100.00%</b>

<sup>(1)</sup> Comprises state and central governments, government agencies and government-owned enterprises in India.

We believe that the consistent growth in our order book is a result of our experience, our focus on maintaining quality standards in our construction and project execution skills. Diversifying our skill set and order book across different business and geographical regions, enables us to pursue a broader range of project tenders and therefore maximize our business volume and profit margins.

### ***Efficient customer approach and strong financial performance***

We believe that our growth is attributable to our customer centric approach which involves careful identification of our projects and cost optimisation, which is a result of executing our projects with optimum planning and strategy. This model has facilitated us in maximising our efficiency and increasing our profit margins. Our Company follows a strategic approach during the pre-bidding stage, which involves undertaking technical surveys and feasibility studies and analysing the technical and design parameters and the cost involved in undertaking the project. We believe that our strategic approach during the pre-bidding stage enables us to bid at competitive prices and helps us to successfully win projects. Once we win a bid, our focus is to ensure high quality of construction during the execution stage of the project. On account of efficient utilisation of resources and low working capital cycle, effective control over operational expenses, low emphasis on fixed assets, and high external credit rating leading to low finance cost, our Company has been able to generate RoCE of 9.16%, 9.96% and 9.68% and RoE of 13.12%, 9.92% and 15.28%, for the Fiscals 2024, 2023 and 2022, respectively.

In addition, we continue to seek cost effective funding at commercially acceptable terms. We avail non-fund-based facilities in the ordinary course of our business for purposes such as meeting our working capital requirements or business requirements. We are also required to provide bank guarantees pursuant to bids awarded by government authorities. We can access borrowings at a competitive cost due to our stable credit history.

Our financial strength is underscored by a strong balance sheet and efficient capital management, characterized by substantial total equity of ₹2,16,323.12 lakh as of March 31, 2024, and disciplined financial practices. Our credit ratings and relationships with our lenders enable us to raise financing in a timely manner, which helps us to maintain the requisite leverage for our operations. Our balance sheet coupled with low levels of debt enable us to pursue opportunities for growth and better manage unanticipated cash flow variations. Driven by our execution track record, we have exhibited strong financial performance and credit profile over the last few years. Our financial performance and substantial assets, helps us present a strong credit profile to our lenders and keeps alternatives sources of financing available to us.

The growth in our order book has also contributed to our strong financial performance. For Fiscals 2024, 2023 and 2022, our revenue from operations (from continuing and discontinued operations) amounted to ₹1,50,237.93 lakh, ₹90,796.08 lakh and ₹1,07,386.65 lakh, respectively, and our EBITDA amounted to ₹20,515.86 lakh, ₹14,903.39 lakh and ₹21,904.96 lakh respectively. Among large comparable EPC companies in India analysed in the CRISIL Report, we had the highest RoCE and RoE margins for the Financial Year 2024 and have earned higher EBITDA and PAT margins in the last three fiscals (*Source: CRISIL Report*).

We have diversified our revenue mix with four high-growth segments including transmission, Flue Gas Desulphurisation, Advanced Metering Infrastructure and the expanding Data Centres market, position us for accelerated growth in the future. List of operating and financial metrics for Fiscals 2024, 2023 and 2022, are set out below:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Order book (₹ in lakh) <sup>(1)</sup>	9,21,897.40	3,77,187.42	1,44,135.00
Revenue from operations (₹ in lakh)	1,50,237.93	90,796.08	1,07,386.65
Profit for the year (₹ in lakh)	26,845.51	18,685.78	26,389.20
EBITDA (₹ in lakh) <sup>(2)</sup>	20,515.86	14,903.39	21,904.96



Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
EBITDA Margin (%) <sup>(3)</sup>	13.66%	16.41%	20.40%
RoE (%) <sup>(4)</sup>	13.12%	9.92%	15.28%
RoCE (%) <sup>(5)</sup>	9.16%	9.96%	9.68%

<sup>(1)</sup> Order Book represents the estimated contract value of the unexecuted portion of our existing assigned EPC contracts and is an indicator of our future revenue.

<sup>(2)</sup> EBITDA is calculated as profit before tax from continuing operations and discontinued operations minus other income plus depreciation and amortization expenses plus finance cost.

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by revenue from operations from continuing operations and discontinued operations.

<sup>(4)</sup> RoE is calculated as profit for the year divided by average total equity (net worth).

<sup>(5)</sup> RoCE is calculated as EBIT (Earnings before interest and tax) divided by average capital employed where capital employed refers to total equity (net worth) plus net debt.

### **Strong management team**

We benefit from a strong management team with extensive experience in the EPC market, an in-depth understanding of EPC projects and a proven track record of performance. Our senior management consisting of the Padam Prakash Gupta, Pradeep Kumar Lohia and Ramesh Chandra Agarwal who bring with them extensive experience in the EPC industry, finance and compliance. Our senior management oversees project execution, finance, business development at a domestic and international level and quality assurance.

Padam Prakash Gupta, our Chairperson and Managing Director, has an in depth understanding of the industry we operate in. He has been instrumental in the establishment and growth of our business, and we are guided by his vision. Our management team is complemented by our highly experienced board of directors, which includes senior industry veterans. Our leadership team has a combination of skills, attributes, behaviours and determination. We believe that the strength and experience of our senior leadership team has contributed to us being one of leaders in the EPC industry. Our experienced management team with our strong governance mechanism enables us to manage the risks associated with our industry in an effective manner. Our Company has been certified with 'Great Place to Work' for the time period from February, 2024 to February, 2025. As at March 31, 2024, we had a team of 450 employees. We believe that we will continue to benefit from the experience, leadership and vision of our management team.

## **STRATEGIES**

### ***Expand leadership position as an EPC service provider in the power and energy sector in India***

We intend to draw on our experience in the power sector, effectively use our assets, market position and our ability to execute and manage multiple projects across geographies to grow our portfolio in other sectors like data centres. Our primary focus is on development and execution of EPC projects involving specialized techniques, and strategically target higher margin opportunities. The scale and complexity of our projects have increased in recent years and we intend to continue to focus on projects with higher contract values. Our previous experience in completing projects will enable us to bid and win more projects in the future.

We also continue to focus on our health, safety and environmental management and quality management standards as these elements of performance measurement have become important competition differentiators and key criteria for pre-qualification of contractors. To mitigate the risk of over-diversification, we seek to expand in businesses that require execution skills that are like our EPC business and allow us to leverage our experience and maximize the use of our labour, equipment and new materials in our expansion. This strategy will enable us to be capable of undertaking projects in varied sectors while adhering to financial discipline and mitigating associated risks.

### ***Strategically expand and diversify into allied power sectors***

The rapid expansion of India's digital population and the burgeoning digital economy have led to strong growth in data centers to meet increasing demands. Over the past decade, the Indian data center market has experienced significant growth driven by the surge in data generated through smartphones, social networking sites, e-commerce, digital entertainment, education, payments, and various other digital services. This data proliferation is further accelerated by the adoption of emerging technologies such as quantum computing, artificial intelligence ("AI"), and the Internet of Things. The market size is estimated to be USD 1.9-2.2 billion, with a market volume of 2 GW in 2024. It is expected to reach USD 4.5-5.5 billion by 2029, with a market volume of 4.8-5.2 GW, growing at a CAGR of 18-20%. Also, the need for expansion of the current data capacity is apparent considering that India has 14-15% of the global internet users but has only 6% of the global data center capacity. The number of internet users will increase with rapid digitization propelled by the expansion of e-commerce, online streaming, and cloud storage. The Indian e-commerce market the public cloud services market is expected to witness massive

growth in the next 4-5 years. This growth will lead to a strong demand for data centers to support the burgeoning digital ecosystem. Further, the size of the digital economy is expected to grow to USD 1 trillion dollars by 2025-26, which will further boost the investment in the data center industry (*Source: CRISIL Report*)

We have strategically ventured into the data centre infrastructure development business, leveraging our in-house expertise to capitalise on the rapidly increasing data centre market in India. Our vision is centred around creating multiple ultra-scalable, hyper-density data centres, leveraging our robust EPC capabilities, and extensive infrastructure asset development and ownership experience.

To leverage this growing opportunity, we have taken proactive steps to capitalise on the expanding data centre market.

Continuing our growth trajectory, we are actively exploring opportunities to expand our data centre portfolio across the country. We have identified Kolkata as a potential location for similar-sized projects. Leveraging our in-house capabilities and market positioning, we are dedicated to driving our data centre business forward, contributing to India's dynamic data centre industry.

### ***Transition to IT layered power solutions***

As of May 2024, 112 lakh electricity smart meters have been installed representing only 4.5% of the targeted deployment of 25 crore electricity smart meters nationwide, according to data published by the National Smart Grid Mission portal. Despite the current installation figures, the potential for growth in the electricity smart meter market remains substantial. The total electricity smart metering infrastructure market is estimated at Rs 2.2 – 2.5 lakh crore by Fiscal 2026 as per the government estimates (*Source: CRISIL Report*). We have secured orders for 9.79 lakh smart meters in Jammu & Kashmir, further solidifying our position as a key player in the smart meter deployment market.

We plan to allocate significant resources for developing next-generation AMI technologies, including advanced communication protocols, real-time data analytics, and enhanced cybersecurity measures. By innovating in smart meter technology to offer features like remote connect/disconnect, real-time usage monitoring, and predictive maintenance capabilities, we believe we can enhance our AMI solutions' efficiency and reliability. Strategic partnerships with leading technology providers and collaborations with utilities will further bolster our technological capabilities and market reach.

### ***Focus on sustainable technologies***

The power sector in India plays a pivotal role in meeting the increasing electricity demand, which is expected to rise further in the coming years. Schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (“**DDUGJY**”), Ujwal DISCOM Assurance Yojana (“**UDAY**”), and Scheme on Integrated Power Development (“**IPDS**”) have contributed to the electrification drive across the nation. In order to reduce sulphur dioxide (“**SO<sub>2</sub>**”) emissions, central government has focused on the implementation of FGD systems in India's thermal power sector. As of December 2023, 194 GW coal-based capacity was considered for FGD installation by the CEA, out of which 10.6 GW was commissioned. Out of the considered capacity, 51% is under construction with varying degrees of on-ground progress and balance 49% is at different stages of planning. FGD installations of 150-160 GW is expected over fiscal 2025-2030 out of 194 GW of capacity considered for FGD installation. To control SO<sub>2</sub> emissions and meet emission norms set by the Ministry of Environment, Forest & Climate Change, FGD installation will have a key role to play in reducing the environmental impact of thermal power plants (*Source: CRISIL Report*).

We intend to leverage our extensive experience in undertaking EPC projects within the power and energy sector to expand our focus on sustainable technologies like FGD. Since 2021, we have forayed into FGD systems into our power generation projects to mitigate sulphur dioxide emissions and ensure compliance with stringent environmental regulations. By utilizing wet limestone, our FGD systems achieve high removal efficiency, converting sulphur dioxide into marketable by-products like gypsum, thereby offsetting operational costs. This commitment to FGD underscores our dedication to environmental sustainability, enhancing air quality and public health while supporting the transition to cleaner energy solutions in India. We have been completed 500 MW FGD project for ₹31,228.80 lakh and a total of 1,800 MW FGD project worth ₹145,500 lakh has been awarded to us from one of the major power suppliers in Rajasthan which is currently under execution.

Health, safety, environmental management, and quality management standards are vital performance metrics and competitive differentiators. These elements have become key criteria for pre-qualification in undertaking EPC projects. By integrating sustainable technologies and adhering to stringent management standards, we aim to not

only enhance our project portfolio but also contribute positively to environmental conservation and industry innovation and reinforce our commitment to excellence and sustainability.

### ***Growing a highly skilled and motivated workforce***

We aim to steadily grow our talent pool to enhance our project execution capabilities. Our total number of permanent employees increased from 379 as of March 31, 2022, to 387 as of March 31, 2023 and 450 as of March 31, 2024. We are also focussed on ensuring that our employees are trained in the latest construction methods and technologies. We do this by providing a range of training opportunities, such as civil, mechanical and electrical training, along with extensive safety training at sites.

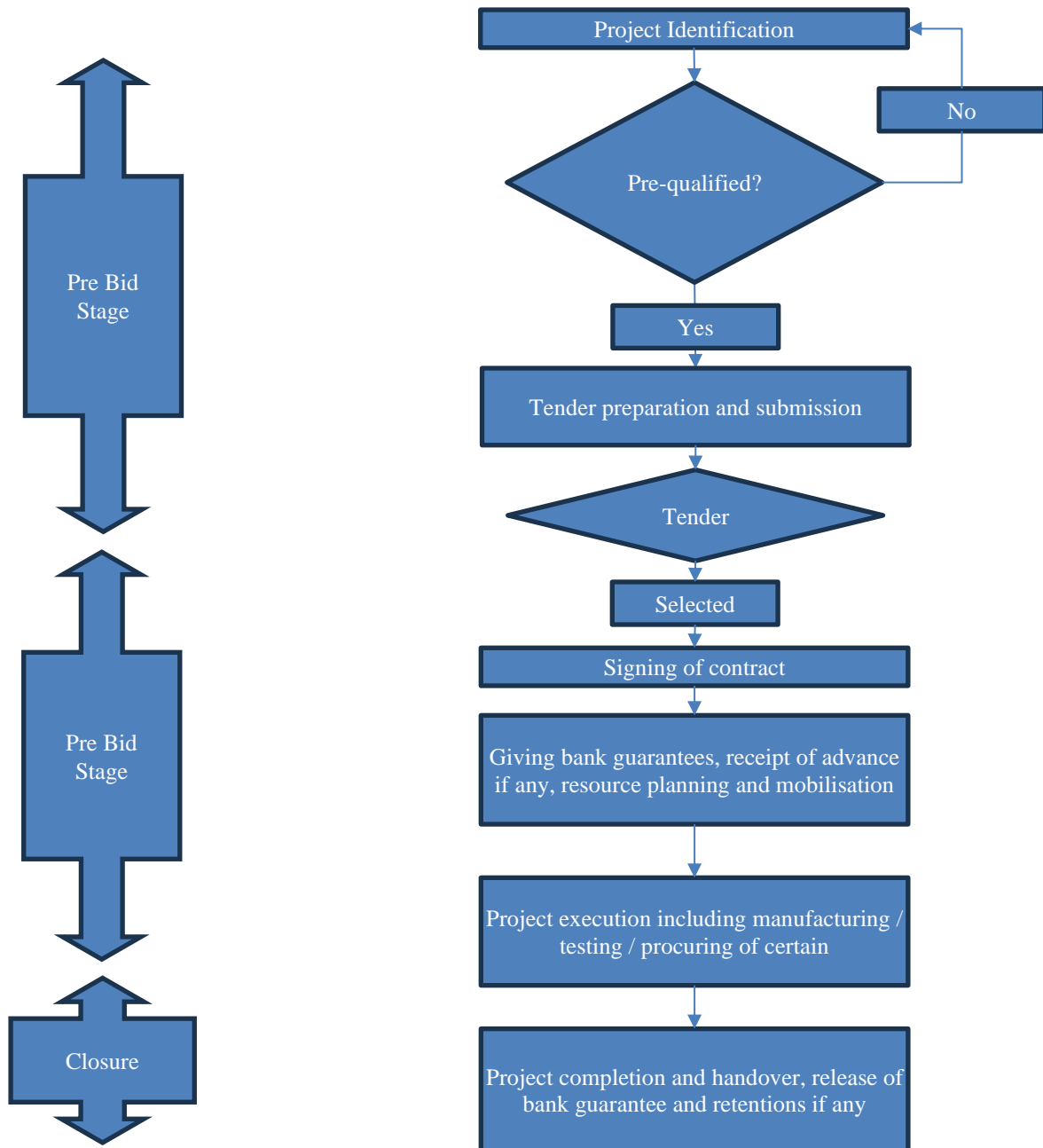
Further, executing technologically complex projects exposes us to several novel challenges, compelling our employees to devise innovative solutions, which are driven by collaborative efforts between our project-level and senior management teams. We actively endorse and facilitate these innovations, offering essential support to our teams. We aim to build a culture that appreciates technical innovations, which will improve our ability to successfully deliver complex projects in the future.

As part of our commitment to fostering a unique organizational culture, we are actively developing a framework that reinforces our core values and strengthens our organizational culture. This includes codifying employee expectations to create a cohesive and aligned workforce. We are committed to the development of our employees and have taken several initiatives towards employee training and development including partnering with third parties to provide technical training along with negotiation skills, business communication, claims settlement and dispute resolution mechanisms.

To support the expansion of our operations, we place great importance on investing in and owning the latest equipment. By procuring equipment from both domestic and foreign manufacturers, we aim to enhance our capabilities and ensure continuous and timely availability of equipment.

### **Project cycle**

The various steps involved in the life cycle of a typical project is described below:



Pre-bid stage

Initial evaluation	Initial survey and design	Technical and financial bid
<ul style="list-style-type: none"> <li>• Study of the tender documents</li> <li>• Country risk assessment</li> <li>• Size of the project</li> <li>• Potential bottlenecks</li> <li>• Past experience</li> <li>• Cash flow assessment</li> <li>• Qualification criteria</li> </ul>	Site visit to assess: <ul style="list-style-type: none"> <li>• Terrain</li> <li>• Soil strata</li> <li>• Resource availability</li> <li>• Statutory compliances</li> <li>• Pre-bid meetings</li> </ul>	Technical proposal as per the site survey and design team's inputs and considering the tender requirements  Financial bid preparation including assessment of: <ul style="list-style-type: none"> <li>• Manufacturing cost</li> <li>• Procurement cost</li> <li>• Logistics costs</li> <li>• Construction costs</li> <li>• Overhead costs</li> <li>• Financial costs etc</li> </ul> Total bid price assessment after accounting for profitability, contingency buffer and anticipation of competition

Our Company has a dedicated and focused tender department that is responsible for bidding and pre-qualifications. The tender department is responsible for evaluating our Company's credentials considering the stipulated eligibility criteria. While we endeavour to meet eligibility criteria for projects on our own, in the event we are unable to meet the criteria, we look to form project specific consortiums/ joint venture with other qualified contractors in some cases and strengthen our chances of pre-qualifying and winning the bid for the project.

We secure our EPC projects primarily through a competitive bidding process. Our prospective clients typically publish tenders/advertise for potential projects. Accordingly, our tender department regularly reviews and scans the request for proposals released by our potential clients, to identify projects that could be viable for us. After such projects are identified, the tender department seeks necessary approvals of the respective business heads of our Company for the same, which is dependent upon various factors such as the funding quality of the project, geographic location and the degree of complexity in executing the project in such location, the likelihood of additional work, the project cost and profitability estimates and our competitive advantage relative to other likely bidders. Thereafter, we submit bids for the projects that have been identified and approved by our business heads. Post award and during execution, the enforcing of the contract terms and all the variations involved are also addressed by this team so that the claim part of work is done to ensure that the interests of our Company is well protected in covering all variations.

#### Post-bid stage

Site survey, design and budgeting	Procurement plan and mobilization	Project execution and monitoring
<ul style="list-style-type: none"> <li>Detailed site survey is undertaken which gives inputs for design and engineering of the project</li> <li>Detailed execution plan is made for various activities and accordingly resource planning is done</li> <li>Budgeting is done based on costing of raw material, sub-contractor requirement, labour and overhead costs</li> </ul>	<ul style="list-style-type: none"> <li>Detailed procurement plan is made</li> <li>Key site team is mobilized</li> <li>In case of new foreign sites, required statutory registrations are completed and bank accounts are opened</li> <li>Hiring of sub-contractors is planned and negotiated</li> <li>Equipment requirement is assessed and mobilized or new assets are purchased as per the plan</li> </ul>	<ul style="list-style-type: none"> <li>Based on construction methodology, the on-ground project team initiates the project execution</li> <li>We have a central team based at respective business headquarters to report and monitor and course correct</li> <li>The senior management follows a hands-on approach during the entire project execution reviews the projects extensively including site visits</li> </ul>

#### **Completed key projects**

As on the date of this Preliminary Placement Document, the key projects undertaken and completed by us are set forth below:

Sr. No.	Description of the project
1.	Service contract for substation package-SS02 for 400/200 kV Mathura new sub-station (including transformer and reactor) (for element -I) associated with transmission system for evacuation of power from Lalitpur TPP
2.	Service contract for substation package-SS02 for 765/400 kV Ajmer (New) substation and extension of 400 kV Ajmer (RVPN) substation associated with Green Energy Corridors: Inter-state Transmission Scheme (ISTS)
3.	Service contract for substation package SS01 for 765/400 kV Chittorgarh (New) substation and extension of 400 kV Chittorgarh (RVPN) substation associated with Green Energy Corridors: Inter-state Transmission Scheme (ISTS)
4.	On-shore service contract for substation package for STATCOM installations at 400kV Solapur, 400kV Satna & 400kV Aurangabad substations under installations of STATCOMs in Western Region
5.	Contract for providing services for Switchyard Package for Tanda Thermal Power Project, Stage-II
6.	GIS substation package-SS01 for (i) 765kV & 400kV GIS S/S at Jharsuguda S/S; (ii) 765kV outdoor GIS (bus-section) at Jharsuguda S/S; (iii) Extn. Of 400kV Jharsuguda GIS S/S in Odisha
7.	Substation package for STATCOM installations at 400kV Lucknow and 400kV Nalagarh substations under installation of STATCOMs in Northern Region and (ii) 400kV Gwalior substation under installation of STATCOMs in Western Region
8.	Extension of 765/400 kV Raigarh (Kotra) pooling station
9.	Extension of 400kV Hissar substation under scheme to control fault level in Northern Region (Phase-II) under substation package SS-34
10.	Ex-works supply contract for substation package – SS01 for construction of 765/400kV Bikaner (new) substation

### ***Ongoing projects***

As on the date of this Preliminary Placement Document, the key ongoing projects being undertaken by us are set forth below:

<b>Sr. No.</b>	<b>Description of the project</b>
1.	Construction of 400/200 kV substation at Dhardehi (Bilaspur)
2.	Supply of services contract for 220kV GIS substation package SS-75 for (i) extension of 220kV Drass (GIS) substation & extension of 220kV Alusteng (AIS) substation under transmission system strengthening of Srinagar Leh Transmission System and (ii) extension of Drass and 66/11kV New Zoji la East (GIS) S/S under consultancy services
3.	Supply and installation of FGD system for Kalisindh Thermal Power Project
4.	Supply and installation of FGD system for Kota Super Thermal Power Project
5.	Supply of goods contract for GIS substation extension package SS-107 for (i) extension of 400/220kV Rajgarh substation under transmission system for providing connectivity (ii) extension of 765/400kV Pune, Shikrapur substation under Western Region Expansion Scheme and (iii) extension of 132/66kV Gangtok SS under Eastern Region Expansion Schemes
6.	Establishment of new 2x500 MVA, 400/200kV substation at Xeldem
7.	Civil work for 400/230kV Karur Pooling Station
8.	Establishment of 765/400kV GIS substation at Khavda and remote bay extension of 765kV AIS at Bhuj substation in the state of Gujarat
9.	Supply and construction of new/augmentation of 33kV/ 11kV/ LT lines in Tripura – Package III – Lot 1
10.	Supply and construction of new/augmentation of 33kV/ 11kV/ LT lines in Tripura – Package III- Lot 2

### **Risk management**

For the business to sustain in project execution, identifying and managing risks becomes imperative to sustain project execution over a range of EPC services from conceptualization and design to procurement, construction, commissioning and post commissioning activity across customers and geographical spread. These needs identifying individual risk mitigation areas for each project.

A robust review mechanism is established right from the tendering stage to identify the project and contract risks involved in terms of meeting the contract needs, ability to meet schedules, quality and safety benchmarks. This also covers up operational risks involved in soil conditions, site conditions, local conditions, labour availability, site access, commodity input costs understanding of the payment terms and impact of project delays and the reliability of project cash flows etc. Our Company also established a strong organization base to cover proper manning and positioning of domain experts. Cost to complete workings are continuously updated to control project costs. Risk management also has to identify the local conditions, various statutory clearances and the overall commitment of the customer in ensuring timely execution of the project.

### **Raw materials**

Our procurement team handles the procurement of major raw materials and engineering items such as fuel, cement, steel and bitumen. Our project sites have procurement managers who understand and oversee the local material requirement and report the same to specific project managers, thereby ensuring a personalized understanding of material requirement from a project-to-project basis.

### ***Employees and contract labour***

As of March 31, 2024, we had 450 full time employees, including a large number of qualified engineers in all the segments. In addition, we employ a large number of specialized contract labour depending on the requirements of our various projects. We ensure the safety and well-being of our employees by providing them with a safe and secure work environment. We conduct various safety training programmes to educate and equip our employees with the knowledge and skills to follow workplace safety practices. Additionally, we organize comprehensive training programmes to enhance their competencies and help them grow and thrive in their career.

Our employee policies are aimed towards recruiting the talent that we need, facilitating the integration of our employees into our Company and encouraging the development of skills to support our performance and the growth of our operations.

### **Information Technology**

Our resources, personnel, equipment and finances are efficiently and optimally utilized with management information systems and tools. We use various engineering software packages for design and engineering applications related to our projects. We use sophisticated software for project management, document management, commercials, accounts and financial management, payroll and databases. We have successfully implemented ERP system i.e. Oracle EBS at our head office and project sites which enables us to maintain effective system controls and real time monitoring of project status. These management information system reports provide updates on progress of ongoing projects for the seamless flow of data and enable us to achieve optimal planning and utilization of resources.

### **Competition**

We operate in competitive markets. The principal factors affecting competition include customer relationships, technical excellence or differentiation, price, service delivery including the availability of qualified personnel and skilled manpower, ability to deliver processes as required including local content and presence, service quality, health, safety and environmental standards and practices, financial strength, breadth of technical sophistication and risk management awareness and processes. The level of competition varies depending on the sector or business vertical, as well as the size, nature and complexity of the project and the geographical region in which the project is to be implemented.

We compete against both international and domestic companies operating in our industry. Some of our international competitors have greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively for large scale project awards. However, depending on various factors, including our prior experience on such projects and the extent of our presence in the relevant geographical region, we are able to leverage our local experience, established contacts with local clients, and familiarity with local working conditions to provide more cost-effective services than our competitors or offer a better value proposition.

### **Health, Safety and Environment**

We are committed to following stringent health, safety and environmental policies and practices in the execution of our projects and have received several awards and certifications for our operations and projects from our clients. We have received quality certifications including, ISO 9001:2015 for quality management systems, ISO 45001:2018 for occupational health and safety management system and ISO 14001:2015 for environmental management system.

### **Corporate Social Responsibility**




We demonstrate our commitment towards our community by committing our resources and energies to social development and have aligned our CSR programs with the legal requirements. We provided necessary facilities to schools in rural and tribal areas of Purulia, West Bengal, collaborating with the Bhalo Pahar Society. Addressing gender justice and mental health, we focused on bridging gaps in sports in Bihar's Bodhgaya through the Jan Manas Foundation.

### **Insurance**

Our operations are subject to various risks inherent to the EPC industry, as well as natural disasters, spread of communicable diseases, fire, burglary, acts of terrorism and other unforeseen events. We maintain a number of insurance policies to cover different risks related to our projects in accordance with the terms of our agreements and best industry practices. Our insurance policies include fire insurance policies, motor policies, group mediclaim policies, general liability policies, group personal accident policies, risk, general liability, workers compensation and public liability policies. Furthermore, these insurance policies insure us against all foreseen hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. However, our insurance coverage may not adequately protect us against all material hazards as the policies may not be sufficient to cover all our economic losses. For further details, see “*Risk Factors – Our insurance may be insufficient to cover all losses associated with our business operations*” on page 63.

### **Intellectual Property**

Our Company has registered 3 trademarks, for which we have obtained valid registration certificates under various classes from the Trade Marks Registry, Government of India under the Trademarks Act. The details of our registered trademarks are as follows:

Registered trademark	Class of trademark under the Trademarks Act	Registering authority
	37	Trade Marks Registry, Kolkata
	40	Trade Marks Registry, Kolkata
	37	Trade Marks Registry, Mumbai

### Property

Our registered office is located at C-218, Ground Floor (GR-2) Sector-63, Gautam Buddha Nagar, Noida 201 307, Uttar Pradesh, India. Our corporate office is located at 1B, Park Plaza, South Block, 71, Park Street, Kolkata 700 016, West Bengal, India. We have also established a regional office in Gurugram. We either own or lease various commercial premises in connection with our corporate, administrative or project-related functions. We typically lease various premises across India to facilitate our work at various project sites. These leases usually expire upon the completion of the relevant project



## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

### Board of Directors

In accordance with our Articles of Association, our Company is authorised to have a minimum of three Directors. As on the date of this Preliminary Placement Memorandum, we have ten Directors on our Board, comprising two Executive Directors, three Non-Executive Directors and five Independent Directors), including one-woman Independent Director.

Our Board composition is in compliance with Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth the profile of our Board as of the date of this Preliminary Placement Document:

Name, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Designation
<b>Padam Prakash Gupta</b>	74	Chairperson and Managing Director
<b>Date of birth:</b> September 21, 1949		
<b>Address:</b> 2/B, Ronaldshay Road, Alipore, Kolkata 700 027, West Bengal, India		
<b>Occupation:</b> Business		
<b>Term:</b> Five years with effect from August 10, 2023		
<b>Period of directorship:</b> Since incorporation		
<b>DIN:</b> 00055954		
<b>Ankit Saraiya</b>	38	Whole -time Director
<b>Date of birth:</b> February 14, 1986		
<b>Address:</b> 2/B, Ronaldshay Road, Alipore, Kolkata 700 027, West Bengal, India		
<b>Occupation:</b> Service		
<b>Term:</b> Five years with effect from April 2, 2022		
<b>Period of directorship:</b> Since April 2, 2012		
<b>DIN:</b> 02771647		
<b>Avantika Gupta</b>	34	Non-Executive Director
<b>Date of birth:</b> April 11, 1990		
<b>Address:</b> 34, Raja Santosh Road, Alipore, Kolkata 700 027, West Bengal, India		
<b>Occupation:</b> Business		
<b>Term:</b> Liable to retire by rotation		
<b>Period of directorship:</b> March 25, 2015		
<b>DIN:</b> 03149138		
<b>Shailesh Kumar Mishra</b>	55	Non- Executive Director
<b>Date of birth:</b> July 28, 1964		
<b>Address:</b> Flat No. A- 702, Time Residency, Sector- 63, Gurgaon Sector 56, Gurgaon 122 011, Haryana, India		

<b>Name, date of birth, address, occupation, term, period of directorship and DIN</b>	<b>Age (years)</b>	<b>Designation</b>
<p><b>Occupation:</b> Retired</p> <p><b>Term:</b> From November 10, 2023 till conclusion of ensuing annual general meeting</p> <p><b>Period of directorship:</b> Since November 10, 2023</p> <p><b>DIN:</b> 08068256</p>		
<p><b>James Raymond Trout</b></p> <p><b>Date of birth:</b> March 6, 1963</p> <p><b>Address:</b> 6728, Zorya Rise Ave, Las Vegas, NV-NV89139, United States</p> <p><b>Occupation:</b> Private employment</p> <p><b>Term:</b> From March 29, 2024 till conclusion of ensuing annual general meeting</p> <p><b>Period of directorship:</b> Since March 29, 2024</p> <p><b>DIN:</b> 10566465</p>	61	Additional Non- Executive Director
<p><b>Krishna Murari Poddar</b></p> <p><b>Date of birth:</b> June 20, 1945</p> <p><b>Address:</b> 10D, Alipore Park Place, Alipore H.O., Kolkata 700 027, West Bengal, India</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> 5 years with effect from September 26, 2023</p> <p><b>Period of directorship:</b> Since July 25, 2018</p> <p><b>DIN:</b> 00028012</p>	79	Independent Director
<p><b>Samarendra Nath Roy</b></p> <p><b>Date of birth:</b> June 21, 1943</p> <p><b>Address:</b> Green Tawer, C-4/9, 18/2 Uday Sankar Sarani, Golf Green, Kolkata 700 095, West Bengal, India</p> <p><b>Occupation:</b> Service</p> <p><b>Term:</b> 5 years with effect from September 26, 2023</p> <p><b>Period of directorship:</b> Since November 18, 2009</p> <p><b>DIN:</b> 00408742</p>	81	Independent Director
<p><b>Kadenja Krishna Rai</b></p> <p><b>Date of birth:</b> June 4, 1944</p> <p><b>Address:</b> #1053 Sobha Aster, 5th Main, S. R. S. Nagar, Banneragatta Road, Bangalore 560 076, Karnataka, India</p> <p><b>Occupation:</b> Professional Director</p> <p><b>Term:</b> 2 years with effect from September 26. 2023</p>	80	Independent Director

Name, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Designation
<b>Period of directorship:</b> Since September 28, 2019		
<b>DIN:</b> 00629937		
<b>Anjan Dasgupta</b>	70	Independent Director
<b>Date of birth:</b> August 14, 1953		
<b>Address:</b> Flat No. W2C – 5/7, Phase 2, Golf Green Complex, Kolkata 700 095, West Bengal, India		
<b>Occupation:</b> Retired		
<b>Term:</b> 5 years with effect from September 26, 2023		
<b>Period of directorship:</b> Since August 14, 2023		
<b>DIN:</b> 08064739		
<b>Dipali Khanna</b>	71	Independent Director
<b>Date of birth:</b> October 23, 1952		
<b>Address:</b> B-2/2079, Vasant Kunj, Vasant Vihar, South West Delhi 110 070, India		
<b>Occupation:</b> Retired civil servant		
<b>Term:</b> 5 years with effect from September 26, 2023		
<b>Period of directorship:</b> Since September 30, 2019		
<b>DIN:</b> 03395440		

### **Borrowing Powers of the Board**

Pursuant to the provisions of the Companies Act, 2013 and the rules framed thereunder, our Board is authorized to borrow such monies which together with the money already borrowed does not exceed the paid-up share capital and free reserves of our Company. Our Board and Shareholders have pursuant to their resolutions, dated February 13, 2024 and April 22, 2024, respectively, have approved the borrowing powers up to ₹3,00,000 lakhs notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.

### **Interests of our Directors**

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board and committees thereof.

Our Directors may be interested to the extent of Equity Shares, if any, held by them, their relatives (together with other distributions in respect of Equity Shares), or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue and any dividend and other distributions payable in respect of such Equity Shares. For details, please see "*Shareholding of our Directors*" below.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

### *Loans from Directors*

No loans have been availed by our Directors from our Company.

### *Interest in land and property*

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company.

### *Interest in promotion or formation of our Company*

Except Padam Prakash Gupta, Ankit Saraiya and Avantika Gupta, who are the Promoters of our Company and Padam Prakash Gupta being an initial subscriber to our Memorandum of Association, none of our Directors have any interest in the promotion and formation of our Company as on the date of this Preliminary Placement Document.

### *Business interest*

Except as stated in the “**Related Party Transactions**” on page 46, our Directors do not have any other business interest in our Company.

### **Relationship between Directors, Key Managerial Personnel and Senior Management**

Except for Ankit Saraiya who is the son of Padam Prakash Gupta, Avantika Gupta who is the daughter of Padam Prakash Gupta, and Ankit Saraiya who is the brother of Avantika Gupta, none of our Directors, Key Managerial Personnel or Senior Management are related to each other.

### **Shareholding of Directors in our Company**

As per the Articles of Association of our Company, our Directors are not required to hold any qualification shares.

The following table sets forth details of shareholding of our Directors in our Company as of July 12, 2024:

<b>Particulars</b>	<b>No. of Equity Shares</b>	<b>Percentage (%)</b>
Padam Prakash Gupta	6,000	0.01
Ankit Saraiya	2,16,000	0.20
Avantika Gupta	72,000	0.07
<b>Total</b>	<b>2,94,000</b>	<b>0.28</b>

### **Terms of appointment and remuneration of our Executive Directors**

#### *Terms of appointment and remuneration payable to Padam Prakash Gupta*

Pursuant to the resolution passed by our Board and shareholders on August 30, 2023 and September 26, 2023, respectively, Padam Prakash Gupta was appointed as the Managing Director of our Company for a term of five years with effect from August 10, 2023. His appointment is governed by the terms of the employment agreement dated September 27, 2023 (“**MD Employment Agreement**”). In terms of the MD Employment Agreement, he is entitled to receive remuneration by way of salary and annual bonuses as detailed below:

- (i) Base salary: ₹3.00 lakhs per month. The base salary shall be increased by 0.15 lakhs on an annual basis for the next five years;
- (ii) Housing I: The expenditure by the Company on hiring an unfurnished accommodation shall be subject to a ceiling of 60% of the salary, over and above the amount payable by Padam Prakash Gupta. However, the amount payable by Padam Prakash Gupta shall be 15% of the basic salary or the actual amount payable by the Company for such accommodation, whichever is lower;
- (iii) Housing II: In case the accommodation is owned by the Company, 15% of the basic salary of Padam Prakash Gupta to be deducted by the Company;
- (iv) Housing III: In case no accommodation is provided by the Company, Padam Prakash Gupta will be entitled to house rent allowance;
- (v) Medical reimbursement: One months’ salary or three months’ salary over a period of five years;

- (vi) Leave travel concession: An annual concession for travel is allowed for Padam Prakash Gupta and his family;
- (vii) Club fees: Fees for a maximum of two clubs, with admission and life membership fees not allowed;
- (viii) Personal accident insurance: Premium not to exceed ₹0.15 lakhs per annum; and
- (ix) Commission: up to 1% of net profits of the Company per financial year.

Padam Prakash Gupta voluntarily waived his remuneration for the financial year 2024 vide his letters to the Board dated September 27, 2023 and May 17, 2024. He did not receive any remuneration in Fiscal 2024 from our Company. The following table sets forth the remuneration paid by our Company to our Managing Director during Fiscals 2024, 2022 and 2023.

Fiscal/ Period	Fixed Salary	Performance linked bonus	Total
Fiscal 2024	Nil	Nil	Nil
Fiscal 2023	Nil	Nil	Nil
Fiscal 2022	Nil	Nil	Nil

#### ***Terms of appointment and remuneration payable to Ankit Saraiya***

Pursuant to the resolution passed by our Board and shareholders on March 28, 2022 and May 30, 2022, respectively, Ankit Saraiya was appointed as the Whole-time Director of our Company for a term of five years with effect from April 2, 2022. His appointment is governed by the terms of employment agreement dated July 25, 2022 and the shareholders resolution dated May 30, 2022. In terms of his employment agreement, he is entitled to receive remuneration by way of salary and annual bonuses as detailed below:

- (a) Basic salary: ₹1.18 lakhs per month;
- (b) House rent allowance: ₹0.59 lakhs, i.e. 50% of basic salary per month;
- (c) Uniform allowance: ₹3,000 per month;
- (d) Ex-gratia: ₹19,700 per month as per rules and regulations of the Company;
- (e) Gratuity: As per rules and regulations of the Company read with the Payment of Gratuity Act, 1972, as amended; and
- (f) Annual leaves: As per rules and regulations of the Company.

He received a gross remuneration of ₹ 24.00 lakhs in Fiscal 2024 from our Company. The following table sets forth the remuneration paid by our Company to Ankit Saraiya during Fiscals 2024, 2023 and 2022:

Fiscal/ Period	Fixed Salary	Performance linked bonus	Total
Fiscal 2024	24.00	Nil	24.00
Fiscal 2023	24.00	Nil	24.00
Fiscal 2022	24.00	Nil	24.00

For further details of remuneration paid to our Executive Directors for Fiscals 2024, 2023 and 2022, see “***Related Party Transactions***” on page 46.

#### **Remuneration of Non-Executive and Independent Directors**

Details of the sitting fees paid by our Company to our Non-Executive Directors during Fiscals 2024, 2023 and 2022 and the three-month period up to June 30, 2024 is set forth below:

Name of the Director	Total remuneration			
	April 1, 2024 to June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Avantika Gupta	0.50	3.00	2.75	1.25
Shailesh Kumar Mishra	0.50	1.50	Nil	Nil

Name of the Director	Total remuneration			
	April 1, 2024 to June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
James Raymond Trout*	NIL	NIL	NIL	NIL

\* Appointed with effect from March 29, 2024

Pursuant to a resolution passed by our Board at its meeting held on June 29, 2021, our Independent Directors are each entitled to a sitting fee of ₹ 0.50 lakhs for each meeting of our Board and for each meeting of the committees of our Board w.e.f April 1, 2022. Further, it was also resolved that any remuneration payable to the Independent Directors, excluding remuneration for attending meetings, shall be subject to the ceilings as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force, as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or Shareholders, as applicable.

The following table sets forth the sitting fees paid by our Company to our Independent Directors during Fiscals 2024, 2023 and 2022 and the three-month period up to June 30, 2024:

Name of the Director	Total sitting fees			
	April 1, 2024 to June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Krishna Murari Poddar	0.50	1.50	2.75	0.75
Samarendra Nath Roy	1.50	6.00	5.25	2.75
Kadenja Krishna Rai	1.50	6.00	4.50	2.75
Anjan Dasgupta*	1.50	2.50	-	-
Dipali Khanna	0.50	3.00	2.00	1.50

(in ₹ lakhs)

\* Appointed with effect from September 26, 2023.

## Corporate Governance

As on the date of this Preliminary Placement Document, we have 10 Directors on our Board, comprising of two Executive Directors, three Non-Executive Directors and five Independent Directors, including one woman Independent Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations.

### Committees of our Board of Directors

Our Company has constituted the following six committees in terms of the SEBI Listing Regulations and the Companies Act, 2013 each of which functions in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as applicable:

- (i) Audit Committee;
- (ii) Nomination and Remuneration Committee;
- (iii) Stakeholders' Relationship Committee;
- (iv) Corporate Social Responsibility Committee; and
- (v) Risk Management Committee.

The details of these committees are as follows:

#### A. Audit Committee

The members of the Audit Committee are:

Name of the Member	Position on the Board	Position in the Committee
Kadenja Krishna Rai	Independent Director	Chairperson
Samarendra Nath Roy	Independent Director	Member
Ankit Saraiya	Executive Director	Member
Anjan Dasgupta	Independent Director	Member

**B. Nomination and Remuneration Committee**

The members of the Nomination and Remuneration Committee are:

<b>Name of the Member</b>	<b>Position on the Board</b>	<b>Position in the Committee</b>
Samarendra Nath Roy	Independent Director	Chairperson
Avantika Gupta	Non-Executive Director	Member
Krishna Murari Poddar	Independent Director	Member

**C. Stakeholders' Relationship Committee**

The members of the Stakeholders' Relationship Committee are:

<b>Name of the Member</b>	<b>Position on the Board</b>	<b>Position in the Committee</b>
Anjan Dasgupta	Independent Director	Chairperson
Ankit Saraiya	Executive Director	Member
Avantika Gupta	Non- Executive Director	Member

**D. Corporate Social Responsibility Committee**

The members of the Corporate Social Responsibility Committee are:

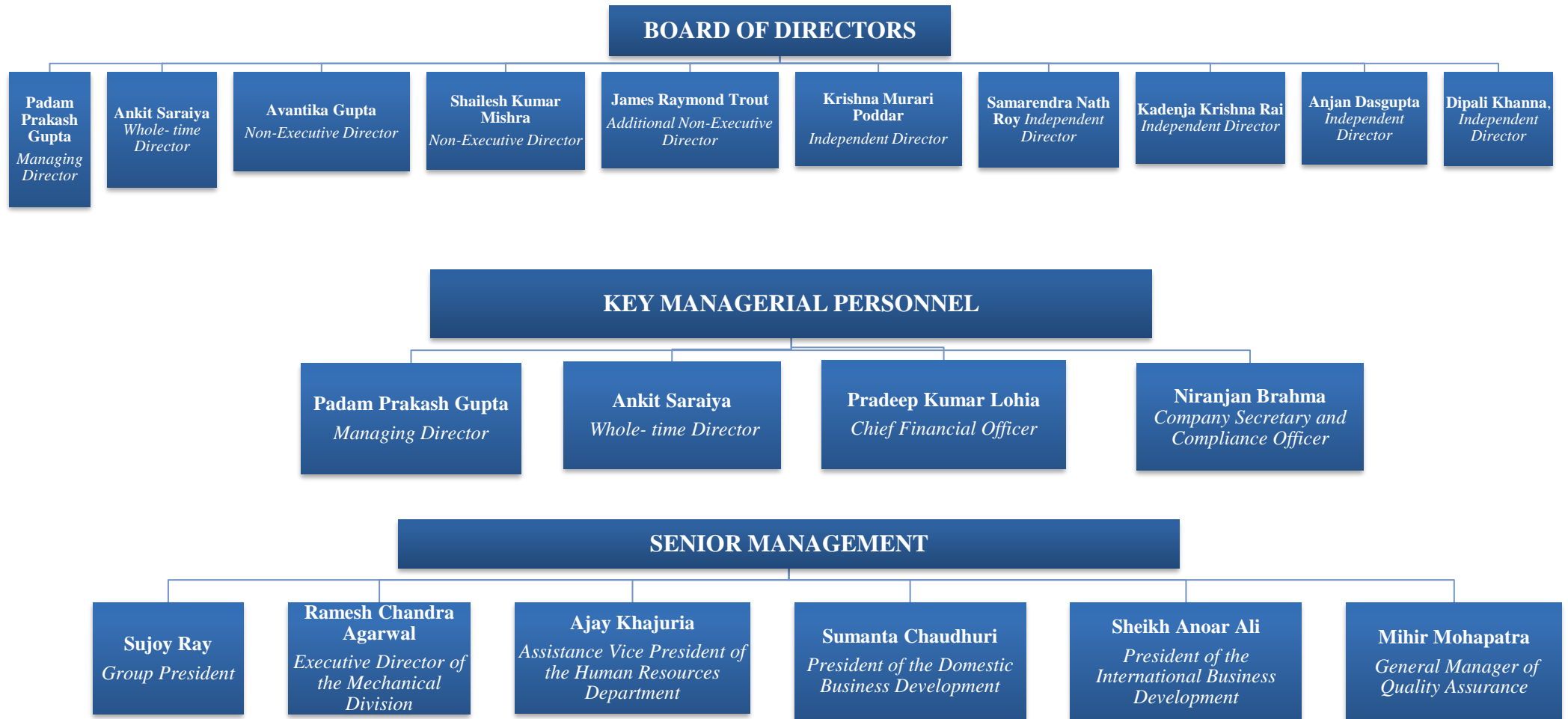
<b>Name of the Member</b>	<b>Position on the Board</b>	<b>Position in the Committee</b>
Krishna Murari Poddar	Independent Director	Chairperson
Samarendra Nath Roy	Independent Director	Member
Avantika Gupta	Non- Executive Director	Member
Dipali Khanna	Independent Director	Member

**E. Risk Management Committee**

The members of the Risk Management Committee are:

<b>Name of the Member</b>	<b>Position on the Board</b>	<b>Position in the Committee</b>
Padam Prakash Gupta	Executive Director	Chairperson
Samarendra Nath Roy	Independent Director	Member
Ankit Saraiya	Executive Director	Member

## Management Organisation Chart





## Key Managerial Personnel and Senior Management

The following table sets forth the details of our Key Managerial Personnel and Senior Management, other than Padam Prakash Gupta and Ankit Saraiya, our Chairperson and Managing Director and Whole-time Director, respectively:

### Key Managerial Personnel

S. No.	Name	Designation
1.	Pradeep Kumar Lohia	Chief Financial Officer
2.	Niranjan Brahma	Company Secretary and Compliance Officer

### Senior Management

S. No.	Name	Designation
1.	Sujoy Ray	Group President
2.	Ramesh Chandra Agarwal	Executive Director of the Mechanical Division
3.	Ajay Khajuria	Assistance Vice President of the Human Resources Department
4.	Sumanta Chaudhuri	President of the Domestic Business Development
5.	Sheikh Anoar Ali	President of the International Business Development
6.	Mihir Mohapatra	General Manager of Quality Assurance

## Shareholding of Key Managerial Personnel and Senior Management

Other than Padam Prakash Gupta and Ankit Saraiya, our Managing Director and Whole-time Director, respectively, who hold Equity Shares of our Company, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company.

## Interest of Key Managerial Personnel and Senior Management

Except to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel and Senior Management are not interested in our Company from time to time.

None of the Key Managerial Personnel and Senior Management are party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to the Key Managerial Personnel.

## Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company has implemented a code of conduct for regulating, monitoring and reporting of trades and prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Company Secretary, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

## Other confirmations

Except as otherwise stated above in “– *Interests of our Directors*” and “– *Interest of Key Managerial Personnel and Senior Management*”, none of our Promoters or Directors or Key Managerial Personnel and Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company nor our Promoters or Directors have been identified as Wilful Defaulters or Fraudulent Borrowers.

None of our Promoters or Directors have been declared as Fugitive Economic Offenders.

Neither our Company, nor our Directors or Promoters have been debarred from accessing capital markets under any order or direction made by SEBI.

None of the Directors, Promoters or Key Managerial Personnel and Senior Management of our Company intends to subscribe to the Issue.

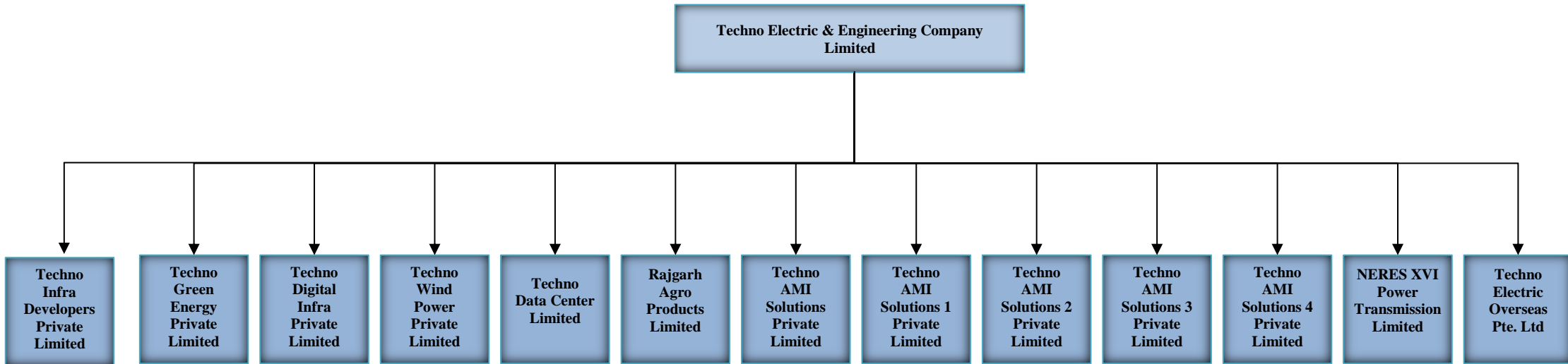
## ORGANIZATIONAL STRUCTURE

### Corporate History

Our Company was originally incorporated as ‘Simran Wind Project Private Limited’ as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 26, 2005 issued by the Registrar of Companies, Maharashtra at Pune. Subsequently, the registered office of our Company was changed from Maharashtra to West Bengal, pursuant to a certificate of registration of company law board order for change in state dated August 8, 2011 by Registrar of Companies, West Bengal (“**RoC Bengal**”). Pursuant to shareholders resolution dated May 30, 2013 our Company converted from private to public and a fresh certificate of incorporation dated June 14, 2013 consequent upon change of name from ‘Simran Wind Project Private Limited’ to ‘Simran Wind Project Limited’ was issued by RoC Bengal. Thereafter pursuant to the shareholders resolution dated December 29, 2016 our Company changed its registered office from West Bengal to Uttar Pradesh, pursuant to which a certificate of incorporation dated June 23, 2017 was issued by the Registrar of Companies, Uttar Pradesh at Kanpur (“**RoC**”). Subsequently, the name of our Company was changed to ‘Techno Electric & Engineering Company Limited’ pursuant to an order by the National Company Law Tribunal, Allahabad dated July 20, 2018 and a letter from the dated September 6, 2018, issued by the RoC. Pursuant to resolutions passed by our Board and shareholders on August 14, 2023 and September 26, 2023 respectively, we are in the process of shifting our registered office from the State of Uttar Pradesh to the State of Haryana.

At present our Company’s Registered Office is located at C-218 Ground Floor (GR-2) Sector-63, Gautam Buddha Nagar, Noida 201 30, Uttar Pradesh, India. The CIN of our Company is: L40108UP2005PLC094368.

## Organizational Structure



**Subsidiaries**

As on the date of this Preliminary Placement Document, our Company has 13 Subsidiaries, which are also our SPVs which undertake our projects, as set forth below:

- (i) Techno Infra Developers Private Limited;
- (ii) Techno Green Energy Private Limited;
- (iii) Techno Digital Infra Private Limited;
- (iv) Techno Wind Power Private Limited;
- (v) Techno Data Center Limited;
- (vi) Rajgarh Agro Products Limited;
- (vii) Techno AMI Solutions Private Limited;
- (viii) Techno AMI Solutions 1 Private Limited;
- (ix) Techno AMI Solutions 2 Private Limited;
- (x) Techno AMI Solutions 3 Private Limited;
- (xi) Techno AMI Solutions 4 Private Limited;
- (xii) NERES XVI Power Transmission Limited; and
- (xiii) Techno Electric Overseas Pte. Ltd.

**Associate Companies**

As of the date of this Preliminary Placement Document, our Company does not have any associate companies.

**Joint ventures**

As on the date of this Preliminary Placement Document, our Company does not have any joint venture.

### SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on March 31, 2024 is set forth below:

#### Summary Statement holding of Specified securities:

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	11	6,62,01,276	6,62,01,276	61.51	6,62,01,276	61.51	6,62,01,276
(B) Public	53,285	4,14,17,743	4,14,17,743	38.49	4,14,17,743	38.49	4,13,50,148
(C1) Shares underlying DRs	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>53,296</b>	<b>10,76,19,019</b>	<b>10,76,19,019</b>	<b>100.00</b>	<b>10,76,19,019</b>	<b>100.00</b>	<b>10,75,51,424</b>

**Statement showing shareholding pattern of our Promoters and Promoter Group:**

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						Class eg: X	Total	
<b>A1) Indian</b>								
<b>Individuals/Hindu undivided Family</b>		<b>4</b>	<b>9,85,240</b>	<b>9,85,240</b>	<b>0.92</b>	<b>9,85,240</b>	<b>0.92</b>	<b>9,85,240</b>
Ankit Saraiya	Promoter	1	2,16,000	2,16,000	0.20	2,16,000	0.20	2,16,000
Avantika Gupta	Promoter	1	72,000	72,000	0.07	72,000	0.07	72,000
Padam Prakash Gupta	Promoter	1	6,000	6,000	0.01	6,000	0.01	6,000
Raj Prabha Gupta	Promoter	1	6,91,240	6,91,240	0.64	6,91,240	0.64	6,91,240
<b>Any Other (specify)</b>		<b>7</b>	<b>6,52,16,036</b>	<b>6,52,16,036</b>	<b>60.60</b>	<b>6,52,16,036</b>	<b>60.60</b>	<b>6,52,16,036</b>
Checons Limited	Promoter Group	1	23,53,806	23,53,806	2.19	23,53,806	2.19	23,53,806
Kusum Industrial Gases Ltd	Promoter Group	1	1,45,91,000	1,45,91,000	13.56	1,45,91,000	13.56	1,45,91,000
Pragya Commerce Private Limited	Promoter Group	1	14,35,506	14,35,506	1.33	14,35,506	1.33	14,35,506
Techno Leasing and Finance Co. Pvt. Ltd.	Promoter Group	1	1,37,88,000	1,37,88,000	12.81	1,37,88,000	12.81	1,37,88,000
Techno Power Projects Ltd.	Promoter Group	1	64,08,000	64,08,000	5.95	64,08,000	5.95	64,08,000
Trimurti Associates Private Limited	Promoter Group	1	20,34,924	20,34,924	1.89	20,34,924	1.89	20,34,924
Varanasi Commercial Ltd.	Promoter Group	1	2,46,04,800	2,46,04,800	22.86	2,46,04,800	22.86	2,46,04,800
<b>Sub Total A1</b>		<b>11</b>	<b>6,62,01,276</b>	<b>6,62,01,276</b>	<b>61.51</b>	<b>6,62,01,276</b>	<b>61.51</b>	<b>6,62,01,276</b>
<b>A2) Foreign</b>								
<b>A=A1+A2</b>		<b>11</b>	<b>6,62,01,276</b>	<b>6,62,01,276</b>	<b>61.51</b>	<b>6,62,01,276</b>	<b>61.51</b>	<b>6,62,01,276</b>

**Statement showing Shareholding Pattern of the Public Shareholder:**

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form(Not Applicable)
<b>B1) Institutions</b>	-	-	-	-	-	-	-
<b>B2) Institutions (Domestic)</b>	-	-	-	-	-	-	-
<b>Mutual Funds/</b>	<b>10</b>	<b>2,54,78,704</b>	<b>2,54,78,704</b>	<b>23.67</b>	<b>2,54,78,704</b>	<b>23.67</b>	<b>2,54,78,704</b>
Kotak Equity Hybrid	1	50,80,886	50,80,886	4.72	50,80,886	4.72	50,80,886
HSBC Small Cap Fund	1	25,73,042	25,73,042	2.39	25,73,042	2.39	25,73,042
HDFC Mutual Fund - HDFC Defence Fund	1	60,49,000	60,49,000	5.62	60,49,000	5.62	60,49,000
Franklin Build India fund	1	26,74,672	26,74,672	2.49	26,74,672	2.49	26,74,672
DSP India T.I.G.E.R. Fund	1	78,44,785	78,44,785	7.29	78,44,785	7.29	78,44,785
<b>Alternate Investment Funds</b>	<b>1</b>	<b>31,784</b>	<b>31,784</b>	<b>0.03</b>	<b>31,784</b>	<b>0.03</b>	<b>31,784</b>
<b>Other Financial Institutions</b>	<b>1</b>	<b>69,813</b>	<b>69,813</b>	<b>0.06</b>	<b>69,813</b>	<b>0.06</b>	<b>69,813</b>
<b>Sub Total B1</b>	<b>12</b>	<b>2,55,80,301</b>	<b>2,55,80,301</b>	<b>23.77</b>	<b>2,55,80,301</b>	<b>23.77</b>	<b>2,55,80,301</b>
<b>B3) Institutions (Foreign)</b>							
Foreign Portfolio Investors Category I	81	39,38,611	39,38,611	3.66	39,38,611	3.66	39,38,611
Foreign Portfolio Investors Category II	9	2,08,643	2,08,643	0.19	2,08,643	0.19	2,08,643
<b>Sub Total B2</b>	<b>90</b>	<b>41,47,254</b>	<b>41,47,254</b>	<b>3.85</b>	<b>41,47,254</b>	<b>3.85</b>	<b>41,47,254</b>
<b>B4) Central Government/ State Government(s)/ President of India</b>							
<b>B5) Non-Institutions</b>							
Investor Education and Protection Fund (IEPF)	2	94,461	94,461	0.09	94,461	0.09	94,461
Resident Individuals holding nominal share capital up to Rs. 2 lakhs	51,652	69,98,366	69,98,366	6.50	69,98,366	6.50	69,30,771
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	5	17,52,338	17,52,338	1.63	17,52,338	1.63	17,52,338
Non Resident Indians (NRIs)	1,177	2,43,713	2,43,713	0.23	2,43,713	0.23	2,43,713
Bodies Corporate	340	25,75,837	25,75,837	2.39	25,75,837	2.39	25,75,837
Any Other (specify)	7	25,473	25,473	0.02	25,473	0.02	25,473
Clearing Members	7	25,473	25,473	0.02	25,473	0.02	25,473
<b>Sub Total B4</b>	<b>53,183</b>	<b>1,16,90,188</b>	<b>1,16,90,188</b>	<b>10.86</b>	<b>1,16,90,188</b>	<b>10.86</b>	<b>1,16,22,593</b>
<b>B=B1+B2+B3+B4</b>	<b>53,285</b>	<b>4,14,17,743</b>	<b>4,14,17,743</b>	<b>38.49</b>	<b>4,14,17,743</b>	<b>38.49</b>	<b>4,13,50,148</b>



**Statement showing shareholding pattern of the Non Promoter- Non Public shareholder:**

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR
C1) Custodian/DR Holder	-	-	-	-
C2) Employee Benefit Trust	-	-	-	-

**Details of Disclosure by Trading Members (TM) holding 1% or more of the Total No. of Shares.**

Name of trading member	Name of beneficial owner	No. of shares held	% of total no. of shares	Date of reporting by the trading member
-	-	-	-	-

**Statement showing foreign ownership limits:**

Timing of holding	Approved Limits %	Limits Utilized %
As on shareholding date (March 31, 2024)	100.00	4.08
As on end of previous 1 <sup>st</sup> quarter (December 31, 2023)	100.00	3.46
As on end of previous 2 <sup>nd</sup> quarter (September 30, 2023)	100.00	2.59
As on end of previous 3 <sup>rd</sup> quarter (June 30, 2023)	100.00	2.56
As on end of previous 4 <sup>th</sup> quarter (March 31, 2023)	100.00	2.48

## ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the bidding application, payment of Application Amount, Allocation and Allotment of the Equity Shares pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Lead Manager. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and its respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see “Selling Restrictions” and “Transfer Restrictions” on pages 210 and 218, respectively.*

*Our Company, the Lead Manager and its respective directors, shareholders, employees, counsels, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not ultimately result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.*

### Qualified Institutions Placement

**THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.**

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a Qualified Institutions Placement (“QIP”). Under Chapter VI of the SEBI ICDR Regulations and Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;
- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the Issue, including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of the Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the QIP, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;
- the Issue must be made through a private placement offer cum application letter (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made;

- either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law, our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;
- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of this Issue;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;
- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;
- In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees;
- the individual Promoters and Directors of our Company are not Fugitive Economic Offenders.
- the Promoter or Directors are not declared as Wilful Defaulters; and
- the Promoter or Directors are not declared as ‘Fraudulent Borrower’ by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued to Eligible QIBs shall be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The “Relevant Date” referred to above means the date of the meeting in which the Board or the Fund Raise Committee decides to open the Issue and “stock exchange” means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the approval of the Shareholders accorded through a special resolution passed through a postal ballot dated April 22, 2024 our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders’ resolution approving the QIP and within 60 days from the date of receipt of Application Amount from the Successful Bidders failing which our Company shall refund the Application Amount in accordance with applicable laws. For details of Allotment, see “– **Pricing and Allocation – Designated Date and Allotment of Equity Shares**” below.

The Equity Shares issued pursuant to the QIP must be issued on the basis of this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under the PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company

for making an application to subscribe to Equity Shares pursuant to this Issue. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

This Issue was authorized and approved by our Board of Directors on February 13, 2024 and approved by our Shareholders by way of a special resolution passed through a postal ballot dated on April 22, 2024.

The minimum number of allottees with respect to a QIP shall be atleast:

- two, where the issue size is less than or equal to ₹ 25,000 lakhs; and
- five, where the issue size is greater than ₹ 25,000 lakhs.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes “same group” or “common control”, see “*Bid Process – Application Form*” below.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on floor of a recognised stock exchange. In addition, purchasers of the Equity Shares Allotted pursuant to the Issue shall comply with the resale restrictions set forth in the sections titled, “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 210 and 218, respectively.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in and in reliance on Regulations S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 210 and 218, respectively.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Our Company has also filed a copy of this Preliminary Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on BSE and NSE, each dated [●].

#### **Issue Procedure**

1. On the Issue Opening Date, our Company in consultation with the Lead Manager shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with Lead Manager, at its sole discretion.
2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular QIB, no invitation to make an offer to subscribe**

**shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Lead Manager.
4. Bidders will be required to indicate the following in the Application Form:
  - Full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;
  - number of Equity Shares Bid for;
  - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;
  - details of the beneficiary account maintained with a depository participant to which the Equity Shares should be credited pursuant to this Issue; and
  - Equity Shares held by the Bidder in our Company prior to the Issue;
  - a representation that it is outside the United States acquiring the Equity Shares in an “offshore transaction” under Regulation S and the applicable laws of the jurisdiction where those offers and sales are made, and it has agreed to certain other representations set forth in “**Representations by Investors**” on page 9, “**Transfer Restrictions**” on page 218 and in the Application Form.

***Note:** Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.*

5. Each Bidder shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment and the filing of return of Allotment by our Company with the RoC or receipt of final listing and trading approval from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “– **Refunds**” below.

6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.
7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, the Bank will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.
8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.
9. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Lead Manager will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price, refund details in case of partial refunds and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company in consultation with the Lead Manager.**
10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Lead Manager, shall, on our behalf, send a serially numbered Placement Document, either in electronic form or through physical delivery, to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.
11. Upon dispatch of serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.
12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.
13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
14. Our Company will then apply for the final trading approvals from the Stock Exchanges.
15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

### **Qualified Institutional Buyers**

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- mutual funds, venture capital funds and alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹ 2,500 lakhs registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹ 2,500 lakhs;
- public financial institutions as defined under section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

**Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules. FVCIs are not permitted to participate in this Issue.**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI including its investor group shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post- Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, within the above prescribed time period, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. The existing aggregate investment limit for FPIs in our Company is 100% of the paid up capital of the Company.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as an FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

### **Restriction on Allotment**

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, Promoter, or any person related to the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

**Our Company and the Lead Manager and any of their respective shareholders, employees, counsels, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not ultimately result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.**

**A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.**



*Note: Affiliates or associates of the Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

## **Bid Process**

### ***Application Form***

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under the sections “**Notice to Investors**”, “**Representations by Investors**”, “**Selling Restrictions**” and “**Transfer Restrictions**” on pages 6, 9, 210 and 218, respectively:

- The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;
- The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter;
- The Eligible QIB confirms and consents to its name and percentage of post-Issue shareholding (assuming full subscription in the Issue) will be included as a ‘proposed allottee’ in the Issue in the Placement Document;
- The Eligible QIB confirms that it has no rights under a shareholders’ agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;
- The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;
- The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;
- The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;
- The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;
- The Eligible QIB confirms that its Bids would not ultimately result in triggering an open offer under the SEBI Takeover Regulations;

- The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by it, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;
- The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;
- The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names of proposed Allotees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in the Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Lead Manager;
- The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allotees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:
  - a. QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and
  - b. ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;
- The Eligible QIB confirms that it is outside the United States, is purchasing the Equity Shares in an ‘offshore transaction’ as defined in and in reliance on Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form;
- The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations;
- The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in this Issue is lower than the Issue Price; and
- The QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

**ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.**

**IF SO REQUIRED BY THE LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S)**

**TO THE LEAD MANAGER TO EVIDENCE THEIR STATUS AS A “QIB” AS DEFINED HEREINABOVE.**

**IF SO REQUIRED BY THE LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.**

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire amounts for the Equity Shares that may be Allotted to such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the Lead Manager) in favour of the Successful Bidder.

#### ***Submission of Application Form***

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the Escrow Account into which the Application Amount will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Lead Manager either through electronic form or through physical delivery at either of the following addresses:

#### **ICICI Securities Limited**

ICICI Venture House

Appasaheb Marathe Marg

Prabhadevi Mumbai 400 025,

Maharashtra, India

**Contact Person:** Rupesh Khant / Gaurav Mittal

**E-mail:** projectflash@icicisecurities.com

**Tel:** +91 22 6807 7100

The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

The Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders submitting a Bid in the Issue, shall pay the entire Application Amount along with the submission of the Application Form within the Issue Period.

#### **Payment of Application Amount**

Our Company has opened the Escrow Account in the name of “TECHNO ELECTRIC AND ENGINEERING COMPANY LIMITED QIP ESCROW ACCOUNT” with ICICI Bank Limited, our Escrow Bank, in terms of the

Escrow Agreement. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

**Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be cancelled and rejected.**

If the payment is not made favouring the “TECHNO ELECTRIC AND ENGINEERING COMPANY LIMITED QIP ESCROW ACCOUNT” within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in “TECHNO ELECTRIC AND ENGINEERING COMPANY LIMITED QIP ESCROW ACCOUNT” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in “– *Refunds*” below.

#### ***Permanent Account Number or PAN***

Each Bidder should mention its PAN allotted under the Income Tax Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

#### ***Bank Account Details***

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

#### ***Pricing and Allocation***

##### ***Build-up of the Book***

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Lead Manager.

##### ***Price Discovery and Allocation***

Our Company, in consultation with the Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to a special resolution passed through a postal ballot dated April 22, 2024.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

##### ***Method of Allocation***

Our Company shall determine the Allocation in consultation with the Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with the Lead Manager has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

**THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE LEAD MANAGER AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.**

#### **Confirmation of Allotment Notice or CAN**

Based on receipt of the Application Forms and Application Amount, our Company, in consultation with the Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price, the Application Amount paid and Refund Amount, if any, shall be notified to such Successful Bidders.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. Subsequently, our Board (or a duly constituted committee thereof) will approve the Allotment of the Equity Shares to the Allottees.

**Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.**

By submitting the Application Form, the Eligible QIB would have deemed to have made the representations and warranties as specified in “*Notice to Investors*” on page 6 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

#### ***Designated Date and Allotment of Equity Shares***

Our Company will ensure that the Allotment of Equity Shares is completed by the Designated Date provided in the respective CANs. The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIBs’ beneficiary accounts maintained with the Depository Participant, our Company will apply for final listing and trading approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Lead Manager and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company.

## **Refunds**

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or a Bidder withdraws the Application Form prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, the excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation/CAN (as applicable). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the date of issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue within 60 days from the date of receipt of the Application Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Application Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever. Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

## **Other Instructions**

### ***Right to Reject Applications***

Our Company, in consultation with the Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details see – “*Bid Process*” and – “*Refund*” above.

### ***Equity Shares in Dematerialised form with NSDL or CDSL***

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a successful QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the QIB, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Lead Manager will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the QIBs.

**Release of Funds to our Company**

The Escrow Bank shall not release the monies lying to the credit of the “TECHNO ELECTRIC AND ENGINEERING COMPANY LIMITED QIP ESCROW ACCOUNT” to our Company until receipt of notice from the Lead Manager, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

## PLACEMENT AND LOCK-UP

### Placement Agreement

The Lead Manager and our Company have entered into the Placement Agreement dated July 16, 2024 (“**Placement Agreement**”), pursuant to which the Lead Manager has agreed, subject to certain conditions, to use its reasonable efforts to place the Equity Shares with Eligible QIBs to subscribe to such number of our Equity Shares as may be agreed among our Company and the Lead Manager, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions”, as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further details, see “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 210 and 218, respectively.

This Preliminary Placement Document has not been and will not be filed as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

### Relationship with the Lead Manager

In connection with the Issue, the Lead Manager (or its affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the Lead Manager may hold long or short positions in the Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Lead Manager may purchase Equity Shares. See “*Offshore Derivative Instruments*” and “*Representations by Investors*” on pages 15 and 9 respectively.

From time to time, the Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company or its affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking, investment banking and other banking transactions with our Company, its affiliates or shareholders, for which they have received compensation and may in the future receive compensation.

### Lock-up

Under the Placement Agreement, our Company has undertaken that it will not for a period of 60 days from the date of Allotment under the Issue, without the prior written consent of the Lead Manager, directly or indirectly:

- (i) offer, issue, contract to issue, or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise approve the transfer or dispose of, any Equity Shares or any securities convertible into, or exercisable for Equity Shares (including, without limitation, securities convertible into, or exercisable or exchangeable for Equity Shares), or file any registration statement under the U.S. Securities Act with respect to any of the foregoing, or
- (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into, or exercisable or exchangeable for Equity Shares (regardless of whether



any of the transactions described in (i) or (ii) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or

- (iii) publicly announce any intention to enter into any transaction falling within (i) to (iii) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depository receipt facility or publicly announce any intention to enter into any transaction falling within (i) to (iii) above.

However, the foregoing restrictions shall not be applicable to any transaction (including a transfer, transmission or disposition of Equity Shares) which is required by applicable law or an order of a court of law or a statutory authority.

### **Promoter's Lock-up**

Under the Placement Agreement, our Promoters will not, during the period commencing on the date hereof and ending 60 days after the date of Allotment of the Equity Shares pursuant to the QIP (the "**Lock-up Period**"), directly or indirectly:

- a) sell, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Promoter and Promoter Group Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing (regardless of whether any of the transactions described in this paragraph (a) is to be settled by the delivery of the Promoter and Promoter Group Shares or such other securities, in cash or otherwise);
- b) enter into any swap or other agreement or any transaction that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Promoter and Promoter Group Equity Shares or any securities convertible into or exercisable or exchangeable for any of the Promoter and Promoter Group Equity Shares (regardless of whether any of the transactions described in this paragraph (b) is to be settled by the delivery of the Promoter and Promoter Group Shares or such other securities, in cash or otherwise); or
- c) deposit any of the Promoter and Promoter Group Equity Shares or any securities convertible into or exercisable or exchangeable for the Promoter and Promoter Group Equity Shares or which carry the right to subscribe to or purchase the Promoter and Promoter Group Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or
- d) publicly announce any intention to enter into any transaction whether any such transaction described in a), b) or c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise;

Provided however that the foregoing restrictions will not be applicable to:

- (i) pledge or mortgage of the Equity Shares already existing on the date of the Placement Agreement or transfer of such existing pledge or mortgage;
- (ii) any inter group transfer made to any member of Promoter Group, subject to compliance with applicable laws and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of Promoter Shares until the expiry of the Lock-up Period; and
- (iii) any sale, transfer or disposition of any of the lock-up shares by the undersigned in consultation with and prior written notice to all the Lead Managers to the extent such sale, transfer or disposition is required by applicable law.

As used in the lock-up letter, the term "Promoter and Promoter Group Equity Shares" shall mean the Equity Shares owned by the Promoters and Promoter Group together with any and all Equity Shares that may be acquired by the Promoters and Promoter Group during the Lock-up Period.

## SELLING RESTRICTIONS

*The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.*

### General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under the section entitled “**Transfer Restrictions**” on page 218.

### Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

### Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) (“Australian Corporations Act”) and does not purport to include the information required of a prospectus or disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission (“ASIC”) and no steps have been taken to lodge it with ASIC. No offer will be made under this Preliminary Placement Document to any person to whom disclosure is required to be made under Chapter 6D of the Australian Corporations Act. Any offer in Australia of the Equity Shares under this Preliminary Placement Document may only be made to persons who are “sophisticated investors” (within the meaning of section 708(8) of the Australian Corporations Act), “professional investors” (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act which permit the offer of the Equity Shares without disclosure under Part 6D.2 of the Australian Corporations Act.

As any offer of Equity Shares under this Preliminary Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Australian Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Australian Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to the Company that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to any person in Australia except in circumstances where disclosure to such person is not required under Chapter 6D.2 of the Australian Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

### Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain (“CBB”), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism (“MOICT”) or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

### **Cayman Islands**

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the “SIBL”), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

### **Dubai International Financial Centre**

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority (“DFSA”) Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

### **European Economic Area**

In relation to each Member State of the European Economic Area (each a “Member State”), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an “offer of Equity Shares to the public” in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Lead Manager of such fact in writing and has received the consent of the Lead Manager in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a “qualified investor” as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Lead Manager has been obtained to each such proposed offer or resale.

Our Company, the Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

### **Hong Kong**

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

### **Japan**

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). The Preliminary Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Preliminary Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

### **Republic of Korea**

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the “**FSCMA**”), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the “**FETL**”). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

### **Kuwait**

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

### **Malaysia**

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

### **Mauritius**

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. No regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

### **Qatar (excluding the Qatar Financial Centre)**

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Manager is authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Manager is, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

### **Qatar and Qatar Financial Centre**

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

#### **Saudi Arabia**

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("CMA"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

#### **Singapore**

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

**Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### **Sultanate of Oman**

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the “Executive Regulations”) by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

### **Switzerland**

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

## **United Arab Emirates (excluding the Dubai International Financial Centre)**

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, “Promotion”) of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the “UAE”) unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the “SCA”) and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors’ Chairman Decision no. (3/R.M.) of 2017 (the “**Promotion and Introduction Regulations**”), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to “Qualified Investors” (excluding “**High Net Worth Individuals**”) (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

## **United Kingdom**

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any Lead Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as “relevant persons”). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

## **United States of America**

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘*offshore transactions*’, as defined in and in reliance on Regulations S and the applicable laws of the jurisdiction where such offers and sales are made. For further information, see “**Transfer Restrictions**” on page 218.

## **Other Jurisdictions**



The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

## TRANSFER RESTRICTIONS

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares Allotted in the Issue, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see “*Selling Restrictions*” on page 210.

### Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any “directed selling efforts” as defined in Regulation S.
- It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any “directed selling efforts” as defined in Regulation S.
- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the Lead Manager for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or

distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.
- It agrees to indemnify and hold the Company and each of the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the Lead Manager. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

## THE SECURITIES MARKET OF INDIA

*The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Lead Manager or any of their respective affiliates or advisors. Investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.*

### **The Indian Securities Market**

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

### **Indian Stock Exchanges**

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government of India acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“**SCR (SECC) Regulations**”), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, protect the interests of investors in securities, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

### **BSE**

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

### **NSE**

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

### **Listing and Delisting of Securities**

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognized stock exchange.

Further, SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

### **Minimum Level of Public Shareholding**

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time, such company shall increase its public shareholding to at least 25%, within a period of twelve months from the date of such fall, respectively, in the manner specified by SEBI. Further, every listed public sector company whose public shareholding falls below 25% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

### **Index-Based Market-Wide Circuit Breaker System**

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 5%, 10% and 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

### **Internet-based Securities Trading and Services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI and other applicable laws. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

### **Trading Hours**

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

### **Trading Procedure**

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE on-line trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation fully automated BSE on-line trading platform ("BOLT+") through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“NEAT”), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

### **SEBI Listing Regulations**

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management’s discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

### **SEBI Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company’s shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. These relaxations have been given on account of implementation of the System Driven Disclosures (“SDD”).

### **Prohibition of SEBI Insider Trading Regulations**

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information (“UPSI”), subject to certain limited exceptions. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

Further, the SEBI Insider Trading Regulations makes it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders.

The SEBI Insider Trading Regulations also provides for initial and continuing disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company’s website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees

for compliances with the SEBI Insider Trading Regulations. The definition of “insider” includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details persons with whom information is shared shall be maintained.

### **Depositories**

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

### **Derivatives (Futures and Options)**

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organization under the supervision of the SEBI.

## DESCRIPTION OF THE EQUITY SHARES

*Set out below is certain information relating to the share capital of our Company, including a brief summary of certain provisions of our Company's Memorandum and Articles of Association and the Companies Act, 2013 and certain related legislations of India, all as currently in effect. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.*

### Share Capital

The authorized share capital of our Company as of the date of this Preliminary Placement Document is ₹ 3,60,00,00,000 divided into 1,39,99,00,000 Equity Shares of ₹ 2 each and 8,00,20,000 preference shares of ₹ 10 each. Our issued, subscribed and paid-up equity share capital as of the date of this Preliminary Placement Document is ₹ 21,52,38,038 divided into 10,76,19,019 Equity Shares of ₹ 2 each. The Equity Shares of the Company are listed on BSE and NSE.

### Memorandum and Articles of Association

Our Company is governed by its Memorandum of Association and its Articles of Association.

### Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. The dividend on equity shares can be declared/paid only after declaration/payment of applicable dividend on preference shares. Unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. Further, under the Companies Act, 2013, a company is not permitted to declare any dividends unless carried over previous losses and depreciation not provided in previous year or years are set off against the profit of the company for the current year.

According to the Articles of Association, our Company in a general meeting may declare dividends, but no dividend shall exceed the amount recommended by our Board. Subject to the provisions of the Companies Act, 2013, our Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of our Company. Our Board may, before recommending any dividend, set aside out of the profits of our Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of our Board, be applicable for any purpose to which the profits of our Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of our Company or be invested in such investments (other than Equity Shares of our Company) as our Board may, from time to time, think fit. Our Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Under the Companies Act, 2013, dividends must be paid within 30 days from the date of its declaration. Where our Company has declared dividend, but which has not been paid or claimed within 30 days from the date of declaration, our Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of the unpaid or unclaimed dividend to the unpaid dividend account. All Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by our Company in the name of Investor Education and Protection Fund, established by the Central Government.

### Issue of Bonus Shares and Capitalization of Reserves

In addition to permitting dividends to be paid out of current or retained earnings, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid up bonus shares. Bonus shares are distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. Further, as per the Companies Act, 2013, bonus shares can only be issued if the company has not



defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

### **Pre-Emptive Rights and Alteration of Share Capital**

Under Section 62(1)(a) of the Companies Act, 2013, the shareholders have the pre-emptive right to subscribe for new shares in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorized to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Our Articles of Association provide that our Company may, from time to time, by ordinary resolution in its general meetings, undertake any of the following:

- increase the share capital by such sum, to be divided into shares of such amounts as it thinks appropriate;
- divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with others;
- cancel shares which are the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled;
- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

### **Preference Shares**

Subject to Section 55 of the Companies Act, 2013, any new shares may be issued as preference shares which are liable to be redeemed within a period not exceeding 20 years from the date of their issue, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption subject to the conditions provided in the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended.

Our Articles of Association provide that our Company shall have power to issue, subject to the provisions of the Companies Act, 2013 and consent of our Board, any preference shares on the terms that they are, or at the option of our Company, liable to be redeemed on such terms and in any manner permissible under the Companies Act, 2013 and the Directors may, subject to the applicable provisions of the Companies Act, 2013, exercise such power as they deem fit and provide for redemption at a premium or otherwise as they deem fit.

### **General Meetings of Shareholders**

There are two types of general meetings of the Shareholders:

- (i) Annual General Meeting, and
- (ii) Extraordinary General Meeting.

As per the provisions of our Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

In accordance with Section 96 of the Companies Act, 2013, a company must hold its annual general meeting within six months after the expiry of each fiscal provided that not more than 15 months shall elapse between the annual general meeting and the next one, unless extended by the Registrar of Companies at its request for any

special reason for a period not exceeding three months. Our Company shall, in addition to any other meetings, hold a general meeting which shall be styled as an Annual General Meeting at intervals and in accordance with the following provisions: (a) our Company shall hold its Annual General Meetings within such intervals as are specified in Section 96 read with Section 129 of the Companies Act, 2013 and subject to the provisions of Section 96(2) of the Companies Act, 2013 at such times and places as may be determined by our Board.

Our Board may, whenever it thinks fit, call an Extraordinary General Meeting. Further, our Board may call an Extraordinary General Meeting on requisition in compliance with the provisions of the Companies Act, 2013.

Whenever our Company proposes to undertake any action that statutorily requires the approval of the Shareholders of our Company, our Company shall call for an Extraordinary General Meeting in accordance with the provisions of the Companies Act, 2013 by serving at least 21 days' written notice to all Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the Extraordinary General Meeting. Unless waived in writing by all the Shareholders, any item not specifically included in the agenda of a Shareholders' meeting shall not be considered or voted upon at that meeting of the Shareholders (including at any adjournments thereof).

Our Company may also pass resolutions by means of postal ballot and/or other ways as may be prescribed under Section 110 of the Companies Act, 2013 and/or other applicable provisions, if any, and any future amendments or re-enactments, in respect of any business that can be transacted by our Company in a general meeting, instead of transacting the business therein. Further, in the case of resolutions relating to such business as the Government of India may prescribe, to be conducted only by postal ballot and/or other ways as may be prescribed, our Company shall get such resolutions passed only by postal ballot and/or other ways as may be prescribed, instead of transacting the business in a general meeting of the Company.

### **Voting Rights**

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company.

On a show of hands, every member holding Equity Shares and present in person shall have one vote. On a poll, every member holding Equity Shares in our Company shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, any one of such holders may vote at any meeting personally or by proxy in respect of such share, as if he were solely entitled thereto, and if more than one of such members be present at any meeting, either personally or by proxy, then one of the said members so present whose name stands first on the Register in respect of such share shall alone be entitled to vote in respect thereof. Further, upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions of Section 47 of the Companies Act, 2013. A member who is of unsound mind may vote whether on a show of hands or a poll by his committee or any other legal guardian and such person may give their votes by proxy.

Any business other than upon which a poll has been demanded may be proceeded with, pending the taking of the poll. No Shareholder shall be entitled to exercise any voting right, either personally or by proxy at any meeting of the Company unless all calls or other sums presently payable by him in respect of the shares in the Company have been paid, or in regard to which the Company has exercised any right of lien. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the meeting, whose determination made in good faith shall be final and conclusive.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the Registered Office of our Company at least 48 hours before the time of holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by our Company at the Registered Office before the vote is given. However, the chairman of that meeting shall be entitled to require

such evidence as he may think fit, of the due execution of the instrument of proxy and that such instrument has not been revoked.

### **Transfer and Transmission of Equity Shares**

Equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold). Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019.

The executor or administrator of a deceased member (not being one of the several joint-holders) shall be the only person recognised in the name of such member, and in case of the death of anyone or more of the joint holders of any registered Equity Share, the survivor shall be the only person recognised by the Company as having any title to or interest in such Equity Share. However, the above stated shall not release the estate of a deceased joint holder from any liability in respect of any Equity Share which had been jointly held by him with other persons.

If any person becoming entitled to Equity Shares in consequence of the death of a Shareholder, elects to be registered as holder of the Equity Share himself, he shall deliver or send to the Company, a notice signed by him stating that he so elects. If the said person elects to transfer the Equity Shares, he shall testify his election by executing an instrument of transfer of the Equity Shares. Our Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased, lunatic, insolvent, bankrupt shareholder had transferred the Equity Share(s) before his death, lunacy, bankruptcy or insolvency.

Any person becoming entitled to Equity Shares by reason of the death, lunacy, bankruptcy or insolvency of a Shareholder shall, subject to Section 123 of the Companies Act, 2013, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the Equity Shares.

### **Acquisition by our Company of its own Equity Shares**

The Company is permitted to buy-back its securities including shares in accordance with the provisions of Sections 68, 69 and 70 and other applicable provisions, if any, of the Companies Act, 2013 (including any future amendments or re-enactments) and as per the rules and procedures prescribed therein and in compliance with the prevailing regulatory provisions and guidelines.

### **Winding up**

As per the provisions of our Articles of Association, our Company may be wound up in accordance with the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016, as amended (to the extent applicable).

## TAXATION

### STATEMENT OF SPECIAL TAX BENEFITS

To,  
**The Board of Directors**  
**Techno Electric & Engineering Company Limited**  
1B, Park Plaza, South Block  
71, Park Street  
Kolkata-700 016  
(Referred as the “Company”)

**ICICI Securities Limited**  
ICICI Venture House,  
Appasheb Marathe Marg,  
Prabhadevi, Mumbai – 400 025  
Maharashtra, India  
(ICICI Securities Limited is referred to as the “Book Running Lead Manager” or “BRLM” in relation to the Issue)

Dear Sirs/Madams,

**Sub: Proposed Qualified institutions placement of equity shares of face value of ₹2 each (“Equity Shares”) (such placement, the “Issue” or “QIP”) under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) and Section 42 and 62 of the Companies Act, 2013, as amended, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (the “Companies Act”) by Techno Electric & Engineering Company Limited (the “Company”)**

1. This certificate is issued in accordance with our engagement letter dated July 01, 2024 with the Company in relation to the Issue.
2. We, Singhi & Co., Chartered Accountants, (Firm Registration Number: 302049E), independent chartered accountant, have received a request from the Company to provide certain confirmations on the statement of possible special tax benefits to the Company and its Shareholders.

#### **Management Responsibility for the Statement**

3. The preparation of the statement shall be the responsibility of the management including responsibility for maintenance of all accounting and other relevant supporting records and documents including design, implementation and maintenance of internal control relevant to the preparation and presentation of the statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. (“Statement”).

#### **Our Responsibility**

4. We are responsible to verify and certify the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 read with the rules, circulars and notifications issued in connection thereto, (“the Act”) as amended, applicable for the financial year ended March 31, 2024 and relevant to the assessment year 2025-26, presently in force in India and under indirect taxation laws presently in force in India (“Tax Laws”).
5. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of

Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

### **Conclusion**

7. Based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company, we hereby confirm the enclosed **Annexure A** providing details of possible special tax benefits to the Company and its Shareholders.
8. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and/or its shareholders may or may not choose to fulfill. The benefits discussed in the enclosed Annexure cover the possible special tax benefits available to the Company or its shareholders and do not cover any general tax benefits available to the Company or its shareholders. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his/ her/their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Annexure.
9. We do not express any opinion or provide any assurance as to whether:
  - i. The Company or its shareholders will continue to obtain these benefits in the future;
  - ii. The conditions prescribed for availing of the benefits, where applicable have been/would be complied with.
  - iii. The Revenue Authorities/Courts will concur with the views expressed herein.
10. Capitalised terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the preliminary placement document and placement document ("**Placement Documents**").
11. We also consent to the extracts of this certificate being included in the preliminary placement document and placement document to be filed by the Company with the BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**") and any other authority and such other documents as may be prepared in connection with the Issue. We also authorise the BRLM to deliver this letter to SEBI, the Stock Exchanges or any other governmental or regulatory authority as may be required or in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.
12. This certificate has been issued at the request of the Company for use in connection with the Issue. The aforesaid information may be relied upon by the BRLM and legal counsels appointed pursuant to the Issue and may be submitted to the Stock Exchanges and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the BRLM in connection with the Issue. We undertake to immediately inform the BRLM and legal counsels in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

For Singhi & Co.

**Chartered Accountants**

Firm Registration Number: 302049E

Peer Review Number: 014484

**Navindra Kumar Surana**

Partner

Membership Number: 053816

Kolkata, July 16, 2024

UDIN: 24053816BKACEY9520

**cc:**

**Legal Counsel to the Company as to Indian Law**

**Trilegal**

DLF Cyber Park, Tower C

1st Floor, Phase II, Udyog Vihar

Sector 20, Gurugram 122 008

Haryana, India

**Legal Counsel to the BRLM as to Indian Law**

**M/s. Crawford Bayley & Co.**

Advocates and Solicitors

State Bank Buildings

N.G. N. Vaidya Marg

Fort, Mumbai 400 023

## ANNEXURE A

### **THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED ('THE COMPANY') AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

The information provided below sets out the possible special tax benefits available to the Company and its Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. You should consult your own tax advisors concerning the Indian tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.

**1. Special tax benefits available to the Company and its Shareholders under the Income Tax Act, 1961 (the "Act") as amended, applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India:**

No special tax benefits are available to the Company and its shareholders.

**2. Special tax benefits available to the Company and its Shareholders under the under the Indirect Tax laws applicable in India:**

No special Indirect tax benefits are available to the Company and its shareholders under the Indirect Tax laws applicable in India.

## LEGAL PROCEEDINGS

*Our Company and Subsidiaries are involved in certain legal proceedings from time to time, which are primarily in the nature of civil suits, tax disputes and petitions pending before various authorities.*

*As on date of this Preliminary Placement Document, except as disclosed below, there are no outstanding litigation, suits, including any tax proceedings or any other claims, disputes, legal or show cause notices, investigations or complaints determined as material in accordance with the Company's 'Policy on disclosure of Material Events and Information' framed in accordance with Regulation 30 of the SEBI Listing Regulations*

*Notwithstanding such materiality policy approved by the Board, solely for the purpose of the Issue, in accordance with the resolution passed by our Fund Raising Committee on July 16, 2024, except as disclosed in this section, there are no (i) outstanding criminal proceedings against our Company and our Subsidiaries; (ii) outstanding actions by statutory or regulatory authorities against our Company and our Subsidiaries; (iii) outstanding civil and tax proceedings against our Company and our Subsidiaries, which involve an amount equivalent to or above ₹ 1,179.82 lakh, which is 5% of the average of absolute value of profit or loss after tax as per the audited consolidated financial statements of the Company for Fiscals 2024, 2023 and 2022 ("**Materiality Threshold**"); and (iv) other civil and tax proceedings involving our Company and our Subsidiaries wherein a monetary liability is not determinable or quantifiable, or which does not exceed the Materiality Threshold as specified in (iii) above and which if results in an adverse outcome, would have a material adverse effect on the financial position, business, operations, prospects or reputation of our Company.*

*Further, as on the date of this Preliminary Placement Document, except as disclosed below, (i) there is no litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against our Promoters during the last three years immediately preceding the year of this Preliminary Placement Document and no directions have been issued by such ministry or department of statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of this Preliminary Placement Document for our Company and our Subsidiaries, and no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document for our Company and Subsidiaries; (iii) there are no defaults by our Company in the repayment of statutory dues, dues payable to instrument holders like holders of any debentures and interest thereon, in respect of deposits and interests thereon, or in repayment of any loan obtained from any bank or financial institution and interest thereon, as of the date of this Preliminary Placement document; (iv) there are no material frauds committed against our Company in the last three years; (v) there are no defaults in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; and (vii) there are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document.*

*It is clarified that for the purposes of the above, pre-litigation notices received by any of the Company or its Subsidiaries, from third parties (excluding statutory/ regulatory authorities or notices threatening criminal action) shall, in no event be considered as litigation till such time that any of the Company or its Subsidiaries, are impleaded as parties in any such litigation proceedings before any judicial forum and accordingly have not been disclosed in this section.*

*Capitalized terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.*

### **A. Litigation involving our Company**

#### **1. Outstanding criminal proceedings involving our Company**

*NIL*

#### **2. Outstanding actions taken by regulatory and statutory authorities**

- (i) Our Company received an email communication from Securities Exchange Board of India ("**SEBI Letter I**") dated May 3, 2024 in relation to the matter of suspected insider trading by certain entities in the scrip of our Company for a period of October 26, 2023 to December 10, 2023 ("**Period**") following a corporate announcement by our Company regarding its operating performance for the quarter ended September 30,



2023 (“**Corporate Announcement**”). Our Company was directed to submit information in relation to the alleged violation, which inter alia included (i) detailed chronology of event in relation to the Corporate Announcement from the commencement till the information was published; (ii) details of all persons involved in the process/ having access to the unpublished price sensitive information at each stage in sequential order relating to the Corporate Announcement; (iii) all relevant documentary evidence with respect to all communications with members of the Board and the details of the attendees of the meeting of the Board pertaining to the Period. Our Company has submitted its response dated May 20, 2024 providing the requested information to the extent available.

Subsequently our Company received another email communication from SEBI dated June 27, 2024 (“**SEBI Letter II**”) seeking further information in relation to the Corporate Announcement. Our Company was directed to submit information in relation to the alleged violation, which inter alia included (i) trading window closure for the Corporate Announcement (ii) details of all persons involved in the process/ having access to the unpublished price sensitive information at each stage in sequential order relating to the Corporate Announcement from October 1, 2023 to November 10, 2023 (“**Subsequent Period**”) (iii) detailed chronology of event in relation to the Corporate Announcement for the Subsequent Period (iv) all relevant documentary evidence with respect to all communications with members of the Board and the details of the attendees of the meeting of the Board pertaining to the Subsequent Period, (iv) details of all on-market and off market trades undertaken by promoters, KMPs, compliance officers of the Company for the Subsequent Period. Our Company has submitted its response dated July 5, 2024 providing the requested information to the extent available. The matter is currently pending.

### 3. ***Outstanding material civil and tax proceedings initiated by our Company***

- (i) Our Company was assigned with designing, engineering, supplying, constructing, testing, and commissioning a 2X40 MW Coke Oven Gas Based Captive Power Plant as per a letter of intent dated February 24, 2008 by Bengal Energy Limited (the “**Respondent**”). The total cost of the project was ₹ 25,200 lakhs, with Phase I (one 40 MW unit and associated infrastructure) to be completed within 12 months. Despite the stipulated completion schedule, due to delays and defaults by the Respondent, the project faced significant delays and this led to additional expenses by our Company due to the extended project duration. A completion certificate was issued on April 12, 2013 acknowledging the plant's commissioning on March 29, 2012. Our Company issued a demand notice on October 12, 2016, demanding payment of all arrear outstanding dues and payment on account of extra work and damages for breach of the contract which was conclusively denied by the Respondents. Our Company thereafter in June 2018 served a demand notice on the Respondent under the provisions of section 9 of the Insolvency and Bankruptcy Code, 2019, to which the Respondent denied the claims and inter alia, admitted that it had released only ₹15,183.40 lakhs against the contract value of ₹ 16,563.45 lakhs. Subsequently, our Company issued an arbitration notice on March 5, 2019, under Section 21 of the Arbitration and Conciliation Act, 1996, pursuant to which the High Court at Calcutta vide its order dated December 13, 2019 appointed Malay Kumar Ghosh, Senior Advocate as the sole arbitrator in the matter. Our Company has inter alia submitted a claim of unpaid payments, non-payment for advances, additional expenses for emergency supplies, extra work, on-site and off-site expenses due to contract prolongation, loss of anticipated profit, additional insurance premiums, price adjustments, and interest for delayed payments, aggregating to an amount of ₹7,858.01 lakhs. The matter is currently pending.
- (ii) Our Company entered into a joint venture agreement with RGM International Group LLC and RGM International (India) Private Limited to form Techno Electric & Engineering Company Ltd. - RGM International Group LLC Joint Venture (the “**JV Entity**”) dated December 11, 2017 (the “**JV Agreement**”). This consortium participated in a tender floated by Da Afghanistan Brishna Sherkat in 2015 for the procurement of a plant, design, supply, installation, testing and commissioning of a 550-kv Arghand (Kabul) Substation. The contract, financed by the Asian Development Bank, was awarded to the JV Entity, with a total contract price of USD 34,221,775.28. Our Company issued a demand notice to Yes Bank Limited (“**Yes Bank**”) on October 10, 2020, for the release of USD 21,45,122.00 under the performance bank guarantee issued by Yes Bank, which was guaranteed by Azizi Bank. Thereafter, our Company filed a suit against Yes Bank and Azizi Bank before the High Court at Calcutta (“**High Court**”) for the failure of Yes Bank to fulfill its obligations under the performance bank guarantee on December 18, 2021 (“**Suit**”) seeking a decree for *inter alia* the payment of USD 2,145,122.00, interest on the said amount, and costs of the Suit. The High Court passed an interim order dated December 22, 2021 of injunction on enforcement of the bank guarantee stating that the conditions to involve the bank guarantee were not met and the demand raised by our Company was not in compliance with the terms of the bank guarantee. The interim injunction was confirmed by the High Court vide its order dated May 5, 2022.

Yes Bank filed a response dated September 2, 2022 wherein it inter alia prayed for a perpetual injunction on the invocation of counter-guarantee. The matter is currently pending.

#### 4. **Material civil and tax proceedings initiated against our Company**

- (iii) The Tamil Nadu Electricity Regulatory Commission (“**TNERC**”) amended the definition of Average Pooled Power Cost (“**APPC**”) under the Renewable Purchase Obligation and its Compliance Regulations, 2011 on July 15, 2013, limiting the APPC rate of a year to ₹ 3.11 or 75% of the preferential tariff for a year, whichever is less (“**Amendment**”). Our Company challenged the Amendment to the definition of APPC, wherein the amendment was upheld by the High Court of Judicature at Madras vide its order dated July 15, 2016. Our Company approached the Regulatory State Commission (“**Commission**”) vide its application dated April 8, 2017 seeking compliance of the aforementioned order of High Court, Madras wherein it was APPC rate has crossed the preferential rate on the date of issue of the impugned notification dated January 21, 2013.

Our Company thereafter filed an appeal dated October 21, 2018 against the order of the Commission before the Appellate Tribunal for Electricity at New Delhi (“**Appellate Tribunal**”). The Appellate Tribunal in its judgment dated May 31, 2019 held that the Amendment shall not be given effect till date, the APPC of a year has not exceeded the preferential tariff- which due to its dynamic nature shall be compared by the Commission on a year to year basis. Thereafter Tamil Nadu Generation and Distribution Corporation Limited (“**TNGDCL**”) filed an appeal dated September 23, 2019 before the Supreme Court of India. The matter is currently pending.

- (iv) For the assessment year 2016-2017, our Company received ₹2,085.97 lakhs as dividend from JM Financial Asset Management Limited. The case was reopened for scrutiny based on adjustment of this amount as a capital loss against long-term capital gains and business profits. Our Company received several notices including show cause notices from the Income Tax Department from July 29, 2022 to May 11, 2023 to which we responded providing requisite information including detailed records of the purchase and redemption of mutual fund units, audited financial statements and bank statements and comprehensive explanations to address the issues raised therein. The initial return filed by our Company declared an income of ₹9,274.71 lakhs, which was later revised to ₹9,337.04 lakhs in response to the notice under section 148 of the Income tax Act. Upon reassessment, additional income of ₹5,310.16 lakhs was assessed, resulting in a total assessed income of ₹14,647.20 lakhs. The reassessment order by the Income Tax Department dated May 19, 2023 (“**Reassessment Order**”) detailed the Dividend Distribution Tax (“**DDT**”) payable under section 115-O of the Income tax Act, amounting to ₹5,081.27 lakhs including the surcharge and education cess. After accounting for the interest under section 115P of the Income tax Act, the total DDT liability was ₹5,08,12,941 with ₹5,08,12,657 already paid, leaving a balance of Rs. 284 refundable. For the tax on distributed income from the buyback of shares (“**BBS**”), no tax was payable, as all related fields indicated zero values. The final computation of tax liability, after various adjustments, resulted in a demand payable for income tax amounting to ₹3,190.98 lakhs. The Reassessment Order initiated penalty proceedings against our Company under section 271(1)(c) of the Income tax Act for the concealment of particulars of income, found that there has been manipulation and rigging of the accounts of JM Financial Asset Management Limited with collusion of our Company, who is a direct beneficiary. A notice of demand under Section 156 of the Income Tax Act was issued, determining a sum of ₹3,190.98 lakhs payable by our Company. Our Company is in the process of appealing against the Reassessment Order, the matter is currently pending.

- (v) For the assessment year 2017-2018, our Company received a notice under Section 148 of the Income Tax Act on July 29, 2022. The case was reopened for scrutiny due to discrepancies related to sham transactions resulting in a loss of ₹3,331.76 lakhs, out of which ₹2,725.89 was disallowed under section 94(7) of the Income Tax Act. Our Company received several notices including show cause notices were issued against our Company from July 29, 2022 till May 17, 2023 from the Income Tax Department. We responded to these notices by providing the requisite information, including detailed records and comprehensive explanations to address the issues raised therein. The initial return filed by our Company declared an income of ₹1,306.32, which was later revised to ₹1,318.82 lakhs in response to the notice under Section 148 of the Income Tax Act. Upon reassessment, additional income of ₹3,911.85 was assessed, resulting in a total assessed income of ₹52,30.67. The reassessment order by the Income Tax Department dated May 25, 2023 (“**Reassessment Order**”) detailed the findings and disallowances, concluding the assessment under Section 147 read with Section 144B of the Income Tax Act. A notice of demand under Section 156 of the Income Tax Act was issued, determining a sum of ₹1,761.09 lakhs

payable by our Company. Our Company is in the process of appealing against the Reassessment Order, the matter is currently pending.

**B. Litigation involving our Subsidiaries**

**1. Outstanding criminal proceedings involving our Subsidiaries**

*NIL*

**2. Outstanding actions taken by regulatory and statutory authorities**

*NIL*

**3. Outstanding material civil and tax proceedings involving our Subsidiaries**

*NIL*

**C. Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years**

As on the date of this Preliminary Placement Document, there are no litigation or legal actions pending or taken by any ministry or department of the government or any statutory authority and there are no directions issued by such ministry or department of the government or statutory authority upon conclusion of such litigation or legal action against our Promoters during the last three years immediately preceding the year of the issue of this Preliminary Placement Document.

**D. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years**

As on the date of this Preliminary Placement Document, there are no inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years against our Company and our Subsidiaries during the last three years immediately preceding the year of the issue of this Preliminary Placement Document against, and no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document for our Company and Subsidiaries

**E. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company**

As on the date of this Preliminary Placement Document, there have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

**F. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon**

As on the date of this Preliminary Placement Document, our Company has no outstanding defaults in repayment of undisputed statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

**G. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder**

As on the date of this Preliminary Placement Document, our Company has not made any default in filings of our Company under the Companies Act, 2013 and the rules made thereunder.

**H. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations**

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

**I. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Preliminary Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks**

There are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document.

**J. Tax Litigation**

As on the date of this Preliminary Placement Document, except as disclosed below, there are no outstanding tax litigations, involving our Company and its Subsidiaries. The tax proceedings above Materiality Threshold have been disclosed individually in the paragraph “*Material civil and tax proceedings initiated against our Company*”:

Nature of case	Number of cases	Amount involved (in lakhs)*
<b><i>Tax litigation involving our Company</i></b>		
Direct tax	12	5,845.76
Indirect tax	2	87.80
<b>Total</b>	<b>14</b>	<b>5,933.56</b>
<b><i>Tax litigation involving our Subsidiaries</i></b>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

\* To the extent quantifiable, including interest and penalty thereon and are approximate

## OUR STATUTORY AUDITORS

Walker Chandiok & Co LLP, Chartered Accountants, are the current independent Statutory Auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI. In terms of the provisions of Section 139 of the Companies Act, 2013, Walker Chandiok & Co LLP, Chartered Accountants, were appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the annual general meeting held on September 26, 2022 for a period of five years, from Fiscal 2023 to 2027.

Walker Chandiok & Co LLP, Chartered Accountants, have audited the Fiscal 2024 Audited Consolidated Financial Statements and Fiscal 2023 Audited Consolidated Financial Statements and have issued their audit reports on such financial statements which are included in this Preliminary Placement Document in "**Financial Information**" on page 238.

Our erstwhile statutory auditor, Singhi & Co, Chartered Accountants, have audited Fiscal 2022 Audited Consolidated Financial Statements and have issued their audit report on such financial statements which are included in this Preliminary Placement Document in "**Financial Information**" on page 238.

## FINANCIAL INFORMATION

<b>Financial Statement</b>	<b>Page Number</b>
Fiscal 2024 Audited Consolidated Financial Statements	239 to 313
Fiscal 2023 Audited Consolidated Financial Statements	314 to 390
Fiscal 2022 Audited Consolidated Financial Statements	391 to 455

Walker Chandiook & Co LLP  
21<sup>st</sup> Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurugram – 122 012  
India

T +91 124 4628099  
F +91 124 4628001

## Independent Auditor's Report

To the Members of Techno Electric & Engineering Company Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of Techno Electric & Engineering Company Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

---

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



## Independent Auditor's Report of even date to the members of Techno Electric & Engineering Company Limited on the Audit of the Consolidated financial Statements for the year ended 31 March 2024 (cont'd)

### Emphasis of Matters – Loans, Other receivables and Trade Receivable (Including retention receivables)

4. We draw attention to notes 8 (ii), 9B(i), 12 (vi)(vii) and (viii) to the accompanying consolidated financial Statements for the year ended 31 March 2024 in connection with the Loans, other receivables (under other current financial assets) and trade receivables (including retention receivables) amounting to ₹ 3,000 lakhs, ₹ 1,772.00 lakhs, and ₹14,810.87 lakhs respectively, which are pending settlement/ realization and are substantially overdue as on 31 March 2024. The management of the Holding company based on its internal assessment, external legal opinions and certain interim favourable regulatory orders, is of the view that the aforesaid balances are fully recoverable and accordingly, no provision for impairment is required to be recognized in respect of such balances as on 31 March 2024. Our conclusion is not modified in respect of this matter.

### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>1. Revenue Recognition - accounting for construction contracts</p> <p>Refer Note 3.1 (L) for accounting policy and Note 24 for the related relevant disclosures in the accompanying consolidated financial statements.</p> <p>There are significant accounting judgements in estimating revenue to be recognised on contracts with customers, including estimation of costs to complete. The Company recognizes revenue based on the stage of completion in proportion of the contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is therefore dependent on estimates in relation to total estimated costs of each such contract. Significant judgements are involved in determining the expected losses, when such losses become probable based on the expected total contract cost. Cost contingencies are included in these estimates to take into account specific risks of uncertainties or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the life of the contract and adjusted where appropriate. The revenue on contracts may also include variable consideration (variations and claims). Variable consideration is recognised when the recovery of such consideration is highly probable.</p> <p>Considering the materiality of amounts involved and above significant judgements and complexities, revenue recognition has been considered as a key audit matter for the current year audit.</p>	<p>Our audit procedures relating to revenue recognition included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the Company's accounting policy for revenue recognition in accordance with Ind AS 115 – Revenue from contracts with customers;</li> <li>• Obtained an understanding of the Company's processes. Evaluated the design, implementation and tested the operating effectiveness of key internal financial controls with respect to estimation of forecasted contract revenue and contracts costs;</li> <li>• For a sample of contracts, performed the following procedures:                             <ul style="list-style-type: none"> <li>a) Inspected the underlying documents such as customer contract/ agreement and variation orders, if any, for the significant contract terms and conditions;</li> <li>b) evaluated the identification of performance obligations of the contract;</li> <li>c) obtained an understanding of and evaluated the reasonableness of the assumptions applied in determining the forecasted revenue and cost to complete; and</li> <li>d) tested the existence and valuation of variable consideration with respect to the contractual terms and conditions and inspected the correspondence with customers</li> </ul> </li> <li>• For cost incurred to date, tested samples to appropriate supporting documents and performing cut-off procedures;</li> <li>• Tested the forecasted cost by obtaining executed purchase orders/agreements/ relevant documents and evaluated the reasonableness of management judgements/ estimates; and</li> <li>• Evaluated the appropriateness and adequacy of the disclosures related to contract revenue and costs in the standalone financial statements in</li> </ul>



# Walker Chandiook & Co LLP

Independent Auditor's Report of even date to the members of Techno Electric & Engineering Company Limited on the Audit of the Consolidated financial Statements for the year ended 31 March 2024 (cont'd)

<p>2. Uncertainties relating to recoverability of long outstanding trade receivables and disputed other receivables under other Financial Assets</p> <p>Refer Notes 3.1 (L), 3.1 (I) and 3.2 (e) for accounting policy and Note 15, Note 12 &amp; Note 9 for the related relevant disclosures in the accompanying consolidated financial statements.</p> <p>The Company, as at 31 March 2024, has unbilled work-in-progress (contract assets), trade receivables and other receivables amounting to ₹ 24,943.40 lakhs, ₹ 74,106.41 lakhs and ₹ 2,811.93 lakhs respectively, which represent various receivables in respect of disputed and undisputed receivables in respect of closed and ongoing projects. The Company is currently under negotiations/ discussions/ arbitration/ litigation with the customers for the disputed receivables.</p> <p>The Unbilled work-in-progress (contract assets) and trade receivables include disputed receivables amounting to ₹ 14,810.87 lakhs where the Company is currently under negotiations/ discussions/ arbitration/ litigation with the customers. Further, other receivables (included under other financial assets as at 31 March 2024) amounting to ₹ 1,772.00 lakhs, representing claims for differential amount awarded in favour of the Company.</p> <p>Management, based on contractual tenability of the claims/ receivables, progress of the negotiations/ discussions/ arbitration/ litigation and relying on the legal opinion obtained from independent legal counsel, has determined that no provision is required to be recognised for the aforementioned receivables.</p> <p>Considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation and significant management judgement involved in its assessment of recoverability, this was considered to be a key audit matter in the audit of the consolidated financial statements.</p> <p>Further, the aforementioned matter relating to recoverability of above discussed receivables as fully explained in Note 15, Note 12 &amp; Note 9 to the consolidated financial statements is also considered fundamental to the understanding of the users of financial statements.</p>	<p>accordance with the applicable accounting standards.</p> <p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management process and evaluated the design and tested the effectiveness of key internal financial controls for assessing the recoverability of unbilled work-in-progress (contract assets), trade receivables and other receivables.</li> <li>• Discussed extensively with management regarding steps taken for recovering the amounts;</li> <li>• Assessed the reasonability of judgements exercised and estimates made by management with respect to the recoverability of these receivables and validated them with corroborating evidence;</li> <li>• Verified contractual arrangements to support management's position on the tenability and recoverability of these receivables.</li> <li>• Obtained an understanding of the current year developments for respective claims/ arbitration awards pending at various stages of negotiations / discussions / arbitration / litigation and corroborated the updates with relevant underlying documents.</li> <li>• Reviewed the legal and contractual experts' note and / or legal opinion from independent legal counsel obtained by the management; and</li> <li>• Evaluated the appropriateness and adequacy of the disclosures in the standalone financial statements in accordance with the applicable accounting standards.</li> </ul>
--	---

## Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

Chartered Accountants



# Walker Chandiook & Co LLP

## Independent Auditor's Report of even date to the members of Techno Electric & Engineering Company Limited on the Audit of the Consolidated financial Statements for the year ended 31 March 2024 (cont'd)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

Chartered Accountants



# Walker ChandioK & Co LLP

Independent Auditor's Report of even date to the members of Techno Electric & Engineering Company Limited on the Audit of the Consolidated financial Statements for the year ended 31 March 2024 (cont'd)

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

16. We did not audit the financial statements of ten subsidiaries, whose financial statements reflects total assets of ₹29,589.56 lakhs as at 31 March 2024, total revenues of ₹ 15,914.15 lakhs and net cash inflows amounting to ₹ 90.82 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Further, of these subsidiaries, one subsidiary are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.



# Walker ChandioK & Co LLP

Independent Auditor's Report of even date to the members of Techno Electric & Engineering Company Limited on the Audit of the Consolidated financial Statements for the year ended 31 March 2024 (cont'd)

## Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company and two subsidiaries incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to seven subsidiaries incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act we report that:
- A) Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Company	Clause number of the CARO report which is qualified or adverse
1.	Techno Electric & Engineering Company Limited	L40108UP2005PLC094368	Holding company	iii(c), iii(d), (iii)(e) and (xx)(b).

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph 19(i) (vii) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
  - The matters described in paragraph 4 of the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Holding Company;
  - On the basis of the written representations received from the directors of the Holding Company, and its subsidiaries and taken on record by the Board of Directors of the Holding Company and its subsidiaries, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
  - The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 19(b) above on reporting under section





# Walker Chandniok & Co LLP

## Independent Auditor's Report of even date to the members of Techno Electric & Engineering Company Limited on the Audit of the Consolidated financial Statements for the year ended 31 March 2024 (cont'd)

143(3)(b) of the Act and paragraph 19(i)(vii) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

- h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- i) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 38A to the consolidated financial statements;
  - ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended 31 March 2024;
  - iv.
    - a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in note 43 (v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person(s) or entity(ies), including foreign entities ('the Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 43 (vi) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The final dividend paid by the Holding Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
  - vi. As stated in note 16(d) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.




# Walker Chandiook & Co LLP

Independent Auditor's Report of even date to the members of Techno Electric & Engineering Company Limited on the Audit of the Consolidated financial Statements for the year ended 31 March 2024 (cont'd)

- vii. As stated in note 44 to the financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiaries, in respect of financial year commencing on or after 1 April 2023, have used an accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with except for instances mentioned below.

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of accounting records by the Holding Company.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
Manoj Kumar Gupta  
Partner  
Membership No.: 083906  
UDIN: 24083906BKFLVR1689



Place: Gurugram  
Date: 28 May 2024

# Walker ChandioK & Co LLP

Independent Auditor's Report of even date to the members of Techno Electric & Engineering Company Limited on the Audit of the Consolidated financial Statements for the year ended 31 March 2024 (cont'd)

## Annexure 1

### List of entities included in the Statement

Name of the entity	Relationship
Techno Infra Developers Private Limited	Wholly owned Subsidiary
Techno Digital Infra Private Limited	Wholly owned Subsidiary
Techno Green Energy Private Limited	Wholly owned Subsidiary
Techno Wind Power Private Limited	Wholly owned Subsidiary
Rajgarh Agro Products Limited	Subsidiary
Techno AMI Solutions Private Limited	Wholly owned Subsidiary
Techno Data Center Limited	Wholly owned Subsidiary
Techno AMI Solutions 1 Private Limited	Wholly owned Subsidiary
Techno AMI Solutions 2 Private Limited	Wholly owned Subsidiary
Techno Electric Overseas Pte. Limited	Foreign Subsidiary



# Walker Chandiook & Co LLP

## Annexure A

### **Independent Auditor's Report on the Internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Techno Electric & Engineering Company Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





## Walker Chandniok & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Techno Electric & Engineering Company Limited on the consolidated financial statements for the year ended 31 March 2024

- We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

### Meaning of Internal Financial Controls with Reference to Financial Statements

- A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

- Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

- In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matter

- We did not audit the internal financial controls with reference to financial statements insofar as it relates to ten subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 29,589.56 lakhs and net assets of ₹ 16,864.22 as at 31 March 2024, total revenues of ₹ 15,914.15 lakhs and net cash inflows amounting to ₹90.82 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of

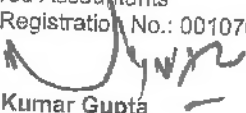


## Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Techno Electric & Engineering Company Limited on the consolidated financial statements for the year ended 31 March 2024

the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
Manoj Kumar Gupta  
Partner  
Membership No.: 083906  
UDIN: 24083906BKFLVR1689



Gurugram  
28 May 2024

**Techno Electric & Engineering Company Limited**  
**CIN No : L40108UP2005PLC094368**  
**Consolidated Balance Sheet as at 31 March 2024**  
(Amount in ₹ lakhs, except otherwise stated)

	Nota No.	As at 31 March 2024	As at 31st March 2023
<b>ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Property, Plant and Equipments	4	4,294.54	4,780.79
(b) Capital Work in Progress	5	27,573.77	9,459.72
(c) Right-of-Use -Asset	6	3,295.35	3,341.90
(d) Financial Assets			
(i) Investments	7A	48.25	47.00
(ii) Other Financial Assets	9A	1,082.55	1,409.20
(e) Non Current Tax Assets ( Net )	10A	669.42	536.93
(f) Deferred Tax Assets	18A	1,271.10	-
(g) Other Non Current Assets	15A	2,013.83	50.69
<b>Total non-current assets</b>		<b>40,246.81</b>	<b>19,826.23</b>
<b>(2) Current Assets</b>			
(a) Inventories	11	2,585.13	10,105.11
(b) Financial Assets			
(i) Investments	7B	1,14,147.72	1,30,430.32
(ii) Trade Receivables	12	74,106.41	64,131.22
(iii) Cash and Cash Equivalents	13	3,440.96	4,840.39
(iv) Bank Balances other than Cash and Cash Equivalents	14	10,277.86	9,775.29
(v) Loans	8	3,000.00	14,225.96
(vi) Other Financial Assets	9B	6,129.80	4,028.97
(c) Current Tax Assets (Net)	10B	-	3.27
(d) Other Current Assets	15B	29,433.05	18,547.86
		<b>2,43,120.73</b>	<b>2,66,088.39</b>
<b>(3) Assets held for sale</b>			<b>1,173.61</b>
<b>Total current assets</b>		<b>2,43,120.73</b>	<b>2,67,262.00</b>
<b>TOTAL ASSETS</b>		<b>2,83,367.54</b>	<b>2,76,888.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	16	2,152.38	2,152.38
(b) Other Equity	17	2,14,168.32	1,90,865.20
<b>Total Equity attributable to owners of the Parent</b>		<b>2,16,320.70</b>	<b>1,93,017.58</b>
(c) Non controlling Interest		2.42	2.64
<b>Total Equity</b>		<b>2,16,323.12</b>	<b>1,93,020.22</b>
<b>Liabilities</b>			
<b>(1) Non - Current Liabilities</b>			
(a) Provisions	22	312.17	268.96
(b) Deferred Tax Liabilities (net)	18B	6,927.15	7,174.13
(c) Other Non - Current Liabilities	19A	3,260.03	18,427.80
<b>Total non-current liabilities</b>		<b>10,499.35</b>	<b>25,870.89</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		78.69	243.85
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		54,905.48	51,778.98
(ii) Other Financial Liabilities	21	726.85	3,956.73
(b) Other Current Liabilities	19B	626.48	1,168.78
(c) Provisions	22	20.69	194.27
(d) Current Tax Liabilities (Net )	23	186.88	654.71
<b>Total current liabilities</b>		<b>56,546.07</b>	<b>57,997.12</b>
<b>Total liabilities</b>		<b>67,044.42</b>	<b>83,868.01</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,83,367.54</b>	<b>2,76,888.23</b>

Material accounting policies 1, 2 and 3

The accompanying notes are an integral part of the consolidated financial statements. 4 to 48

This is the Consolidated Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration Number: 001078N/N500013

Manoj Kumar Gupta  
Partner  
Membership No.: 083906



Place: Gurugram  
Date: 28 May 2024

For and on behalf of the Board of Directors of  
Techno Electric & Engineering Company Limited

*P. P. Gupta*

P. P. Gupta  
Managing Director  
(DIN No. 00055954)

*P. K. Lohia*

Pradeep Kumar Lohia  
Chief Financial Officer

*S. N. Roy*

S. N. Roy  
Director  
(DIN No. 00408742)

Niranjan Brahma  
Company Secretary  
(Membership No. A-11652)

Place : Kolkata  
Date : 28 May 2024

	Note No.	As at 31 March 2024	As at 31st March 2023
<b>I Income</b>			
Revenue from Operations	24	1,50,238.09	82,948.85
Other Income	25	13,810.96	7,464.40
<b>Total Income (I)</b>		<b>1,63,849.05</b>	<b>90,414.25</b>
<b>II Expenses</b>			
Cost of materials consumed	26	1,12,479.98	86,020.16
Changes in Inventories of Stock - in - Trade	27	3,562.66	(3,440.53)
Employee Benefits Expense	28	4,815.42	4,218.99
Finance Costs	29	1,642.98	1,065.76
Depreciation and Amortization Expenses	30	784.30	759.95
Other Expenses	31	8,844.87	7,484.34
<b>Total Expenses (II)</b>		<b>1,31,724.01</b>	<b>76,108.67</b>
<b>III Profit before tax from continuing operations (I - II)</b>		<b>32,125.04</b>	<b>14,305.58</b>
<b>IV Tax Expense</b>			
Current tax	32	6,064.63	4,401.09
Deferred tax		(1,108.82)	145.90
Tax related to earlier years		66.74	97.76
<b>Total tax expenses (IV)</b>		<b>5,022.55</b>	<b>4,644.75</b>
<b>V Profit for the year from continuing operations before profit of Joint Venture (III - IV)</b>		<b>27,102.49</b>	<b>9,660.83</b>
<b>VI Share of profit from Joint Venture</b>		-	-
<b>VII Profit for the year from continuing operations (V + VI)</b>		<b>27,102.49</b>	<b>9,660.83</b>
<b>VIII Discontinued operations</b>			
Profit/ (Loss) for the year from discontinued operations	35(a)	(425.50)	4,541.05
Exceptional items - gain on sale of discontinued operations		79.65	6,785.61
Less: Tax expense on discontinued operations		(68.87)	2,301.71
<b>Profit for the year from discontinued operations (VIII)</b>		<b>(258.98)</b>	<b>9,024.95</b>
<b>IX Profit / (loss) for the year (VII + VIII)</b>		<b>26,845.51</b>	<b>18,685.78</b>
<b>X Other comprehensive income</b>			
<b>Items that will not be reclassified to statement of profit &amp; loss.</b>			
(a) Net fair value gain/ (loss) on investment in equity instruments through OCI		3,198.89	(68.27)
(b) Income tax related to above items		(324.25)	15.62
(c) Remeasurement of defined benefit obligation		(2.23)	(71.95)
(d) Income tax related to above items		(17.55)	18.11
		<b>2,854.86</b>	<b>(106.49)</b>
<b>Items that will be reclassified to statement of profit &amp; loss.</b>			
(a) Exchange differences on translation foreign operations		59.91	-
<b>Other comprehensive income for the year, net of tax</b>		<b>2,914.77</b>	<b>(106.49)</b>
<b>XI Total comprehensive income for the year (IX + X)</b>		<b>29,760.28</b>	<b>18,579.29</b>
<b>XII Profit/(Loss) for the period attributable to:</b>			
(a) Owners of the Company		26,845.73	18,685.96
(b) Non-Controlling Interest		(0.22)	(0.18)
<b>XIII Other comprehensive income for the year attributable to:</b>			
(a) Owners of the Company		2,914.77	(106.49)
(b) Non-Controlling Interest		-	-
<b>XIV Total comprehensive income for the year attributable to:</b>			
(a) Owners of the Company		29,760.50	18,579.47
(b) Non-Controlling Interest		(0.22)	(0.18)
<b>XV Total comprehensive income for the year attributable to owners arising from:</b>			
(a) Continuing operations		30,017.48	9,554.52
(b) Discontinued operations		(258.98)	9,024.95
<b>XVI Earnings per equity share (Nominal value per share ₹ 2 each)</b>			
<b>33</b>			
<b>Earning per equity share for continuing operations</b>			
Basic & Diluted (₹)		25.18	8.84
<b>Earning per equity share for discontinued operations</b>			
Basic & Diluted (₹)		(0.24)	8.26
<b>Earning per equity share for continuing and discontinued operations</b>			
Basic & Diluted (₹)		24.94	17.10

Material accounting policies 1, 2 and 3  
 The accompanying notes are an integral part of the consolidated financial statements. 4 to 48

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Walker Chandlok & Co LLP  
 Chartered Accountants  
 Firm's Registration Number: 001076N/N500013

Manoj Kumar Gupta  
 Partner  
 Membership No.: 083906



Place: Gurugram  
 Date: 28 May 2024

For and on behalf of the Board of Directors of  
 Techno Electric & Engineering Company Limited

P. P. Gupta  
 Managing Director  
 (DIN No. 00055954)

Pradeep Kumar Lohia  
 Chief Financial Officer

S. M. Roy  
 Director  
 (DIN No. 00408742)

Niranjan Brahma  
 Company Secretary  
 (Membership No. A-11852)

Place : Kolkata  
 Date : 28 May 2024

Particulars	As at 31 March 2024		As at 31 March 2023			
	Capital redemption reserve	Reserve and Surplus	Total Equity attributable to equity holders of the parent	Non-Controlling Interest (NCI)		
		General reserve	Capital reserve			
			Retained earnings	Other Comprehensive Income (OCI)		
				Fair value of Equity Instruments through OCI		
				Other Items through OCI		
A. Equity share capital (refer note 16)	53.55	1,26,208.60	53,060.00	578.21	1,91,473.02	2.82
Balances at the beginning of the reporting period			18,685.98	-	18,685.98	(0.18)
Changes in equity share capital during the year (refer note 16 (c)(iii))			(2,199.20)	-	(2,199.20)	-
Final dividend paid						
Transfer to retained earnings:						
- Remeasurements of defined benefit plans			(53.84)		53.84	
Other comprehensive income:						
- Remeasurements of defined benefit plans (net of taxes)					(71.95)	
- Net fair value loss on investments measured through OCI					(68.27)	
- Income tax effect on above					15.62	
Buyback of equity shares (refer note 16 (c)(iii))						
Transaction costs relating to buyback			(6,897.41)			
Amount transferred to capital redemption reserve upon buyback	47.62	(47.62)				
Balance as at 31 March 2023	101.27	1,19,172.80	69,492.92	635.66	1,90,866.20	2.64
Profit for the year (net of taxes)			26,845.48		26,845.48	(0.22)
Final dividend paid			(6,457.14)		(6,457.14)	
Transfer to retained earnings:						
- Remeasurements of defined benefit plans			(19.78)		19.78	
Other comprehensive income:						
- Remeasurements of defined benefit plans (net of taxes)					(2.23)	
- Net fair value loss on investments measured through OCI					3,199.89	
- Income tax effect on above					(324.25)	
Transfer to retained earnings on sale of instruments measured through OCI					(3,400.20)	
Foreign currency translation reserve			3,400.20			
Balance as at 31 March 2024	101.27	1,19,172.80	1,572.66	59.91	2,14,166.32	2.42

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For: Walker Chandio & Co LLP  
 Chartered Accountants  
 Firm's Registration Number: 001076N/NS00013



*(Signature)*  
 Manoj Kumar Gupta  
 Partner  
 Membership No.: 063906

For and on behalf of the Board of Directors of  
 Techno Electric & Engineering Company Limited

*(Signature)*  
 S.M. Roy  
 Director  
 (DIN No. 00406/42)

*(Signature)*  
 Anjanjit Ebrahima  
 Company Secretary  
 (Membership No. A-11662)

*(Signature)*  
 Pradeep Kumar Lohia  
 Chief Financial Officer

Place : Kolkata  
 Date : 28 May 2024

Techno Electric & Engineering Company Limited  
CIN No : L40108UP2005PLC094368  
Consolidated Statement of Cash Flow for the year ended 31 March 2024  
(Amount in ₹ lakhs, except otherwise stated)

Particulars	As at 31 March 2024	As at 31st March 2023
<b>A. Cash Flow from Operating Activities :</b>		
Profit before tax from continuing operations	32,125.04	14,305.58
Profit / (Loss) before tax from discontinued operations	(345.85)	11,326.66
<b>Add:</b>		
Depreciation expense	784.30	2,455.40
Interest Expenses	1,642.98	1,065.78
Interest Income	(3,115.07)	(3,058.28)
Exceptional item - profit on sale of discontinued operations	(79.65)	(6,785.61)
(Profit)/ Loss on Property, Plant and Equipment sale/ written off	(0.21)	(34.36)
Impairment of Goodwill on Consolidation		95.02
Dividend income	(6,143.07)	(2,084.55)
Net gain on foreign currency transactions and translation (net)	(124.16)	(321.30)
Net gain on sale or remeasurement of investments measured at FVTPL	(4,282.96)	(1,965.20)
<b>Cash flow before changes in operating asset and liabilities</b>	<b>20,461.34</b>	<b>14,999.12</b>
<b>Adjustments for changes in operating assets and liabilities:</b>		
<b>(Increase) / decrease in assets:</b>		
Inventories	6,062.66	(7,397.85)
Trade receivables	(9,975.19)	(5,408.31)
Other financial assets	(2,107.47)	(150.64)
Other assets	(10,885.19)	1,898.45
<b>Increase / (decrease) in liabilities:</b>		
Trade payables	2,961.54	10,149.06
Other financial liabilities	(3,229.88)	419.85
Provisions	(130.37)	348.17
Other liabilities	(15,711.91)	5,673.95
<b>Cash generated from / (used in) operating activities</b>	<b>(12,554.47)</b>	<b>20,531.80</b>
Less: Income tax paid (net of funds)	(7,269.50)	(11,195.97)
<b>Cash Flow before Extraordinary items</b>	<b>(19,823.97)</b>	<b>9,335.83</b>
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>(19,823.97)</b>	<b>9,335.83</b>
<b>B. Cash Flow from Investing Activities :</b>		
Acquisition of property, plant and equipment and movement of capital creditors, capital work-in-progress	(18,042.95)	(6,554.24)
Proceeds from sale of property plant and equipment	0.64	40.74
Investment in bank deposit having original maturity of more than three months (net)	166.05	(10,292.76)
Investments others	23,767.02	(23,680.84)
Loans granted to bodies corporate	11,225.98	(4,733.78)
Advance received against asset held for sale	-	680.00
Proceeds from sale of discontinued operations	573.26	40,908.49
Dividend Income	6,143.07	2,084.55
Interest Income	3,042.11	2,804.77
<b>Net cash generated from/ (used in) investing activities (B)</b>	<b>26,875.18</b>	<b>1,256.83</b>
<b>C. Cash Flow from Financing Activities:</b>		
Dividend Paid	(6,457.14)	(2,199.20)
Interest Paid	(1,642.98)	(525.17)
Other finance charges paid	(350.52)	(540.59)
Share Buyback (including transaction cost and tax)	-	(7,035.70)
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>(8,450.84)</b>	<b>(10,300.66)</b>
<b>D. Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(1,399.43)</b>	<b>292.10</b>
Cash and cash equivalents at beginning of the year	4,840.39	4,548.29
<b>Cash and cash equivalents at end of the year</b>	<b>3,440.96</b>	<b>4,840.39</b>
<b>Break-up of cash and cash equivalent (Refer note 13)</b>		
Balances with banks		
Current Accounts	3,432.77	4,826.01
Cash on hand	8.19	14.38
	<b>3,440.96</b>	<b>4,840.39</b>



**Notes :**

- a. The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash flow".  
b. Changes in liabilities arising from financing activities

Particulars	As at	As at
	31 March 2024	31st March 2023
Interest accrued		
Opening balance		
Interest cost	(1,642.98)	(525.17)
Interest paid	1,642.98	525.17
Closing balance	-	-

The accompanying notes 4 to 48 form an integral part of these consolidated financial statements.

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

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration Number: 001076NVN500013



Manoj Kumar Gupta  
Partner  
Membership No.: 083906

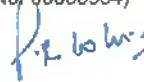


Place: Gurugram  
Date: 28 May 2024

For and on behalf of the Board of Directors of  
**Techno Electric & Engineering Company Limited**



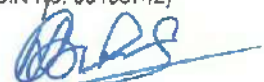
P. P. Gupta  
Managing Director  
(DIN No. 00055954)



Pradeep Kumar Lohia  
Chief Financial Officer



S. N. Roy  
Director  
(DIN No. 00408742)



Niranjan Brahma  
Company Secretary  
(Membership No. A-11652)

Place : Kolkata  
Date : 28 May 2024



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

### 1. Group Overview

Techno Electric & Engineering Company Limited (the Company or the Holding Company) and its subsidiaries (collectively, the Group) is a recognised company in the power sector. It provides engineering, procurement and construction services to the three segments of power sector including generation, transmission and distribution. The Group is also engaged in generation of wind power through Wind Turbine Generators in the states of Tamil Nadu & Karnataka. The Group is recognised for its expertise in the domains of light construction and heavy engineering segments across the country's power sector. The Holding Company is a public limited company incorporated and domiciled in India and has its registered office at C-218 Ground Floor (GR-2) Sector-63, Noida Gautam Buddha Nagar Uttar Pradesh- 201307, India.

### 2. Basis of Preparation

#### a. Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (compliant Schedule III) notified under Section 133 of Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable.

Accordingly, the Group has prepared these consolidated financial statements which comprises the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss, the Cash Flow statement and the Statement of Changes in Equity for the year ended as on that date, and material accounting policies and other explanatory information (together hereinafter referred to as "Consolidated financial statements" or "financial statements").

These consolidated financial statements have been prepared on going concern basis and in accordance with the material accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

The Holding Company's shares are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE).

These financial statements of the Group for the year ended 31 March 2024 were approved for issuance in accordance with the resolution passed by the Board of Directors on 28 May 2024.

#### b. Basis of measurement

The consolidated financial statements have been prepared on accrual basis under historical cost convention, except for the following assets and liabilities, which had been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer material accounting policy regarding Financial instruments)
- Defined employee benefit plan
- Derivative financial instruments

*W*      *d*





## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

### c. Functional and reporting currency

The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Group's functional and reporting currency and are rounded off to lakh (Rs in lakh), except when otherwise indicated.

### d. Operating cycle and current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current.

Operating Cycle for the business activities of the Group relating to Long term Contracts (i.e. supply or construction contracts) covers the duration of the specific project/ Contract including the defect liability period, wherever applicable and extends up to the realisation of the receivables (including retention monies) within the agreed credit period normally applicable to the respective project/contract.

Assets and Liabilities other than those relating to Long term contracts are classified as current if it is expected to be realise or settle within 12 months after the balance sheet date.

### e. Basis of Consolidation

The CFS comprise of the financial statements of the Holding Company and its subsidiaries together with the share of the total comprehensive income of a joint venture as at March 31, 2024. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee, and

*Handwritten signatures*



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the CFS for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the CFS to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

### Consolidation procedure:

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the CFS at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the CFS. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 3.1 Summary of Material Accounting Policies

#### A) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, non-refundable taxes, directly attributable cost (including borrowings) of bringing the assets to its working conditions and locations and present value of any obligatory decommissioning cost for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

In case of constructed assets, cost includes cost of all materials used in construction, direct labour, allocation overheads and directly attributable borrowing cost.

Assets are depreciated to the residual values on a straight-line basis over the useful life prescribed in Schedule II to the Companies Act, 2013 except Office equipment and Furniture & Fixture which are depreciated on written down value method. Freehold land is not depreciated.

The residual values and estimated useful life are reviewed at the end of each financial year, with effect of any changes in estimate accounted for on prospective basis. Each component of a Property Plant and Equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the other component of assets. The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013.

Useful life of the assets depreciated on written down value method:

Class of Assets	Useful Life
Office Equipment	3-5 years
Furniture and fittings	10 years

Useful life of the assets depreciated on straight line method:

Class of Assets	Useful Life
Plant and Equipment - Wind Division	20 years
Plant and Equipment	15 years
Buildings	30-60 years
Vehicles	8-10 years

W  
e



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

### B) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortisation is calculated on straight line method over the estimated useful lives of the assets as follows:

Category	Useful Life
Computer software packages (ERP and others)	6 years

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### C) Cash and Bank Balances

**Cash and cash equivalents** includes cash in hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**Other bank balances** include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Group's cash management.

### D) Inventories

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is determined using the weighted average cost basis.

## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

### E) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as mentioned below:

Land	30 years
------	----------

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "impairment of non-financial assets".

#### Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of sites, offices, equipment, etc. that are considered to be

WA  
d



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Group as a lessor

Lessor accounting under IND AS 116 is substantially unchanged from IND AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IND AS 17. Therefore, IND AS 116 does not have an impact for leases where the Group is the lessor.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### F) **Employee Benefits**

Retirement benefit in the form of Provident Fund and Pension Fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognizes contribution payable to the scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to Statement Profit and Loss in subsequent periods.

The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Group has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

### G) **Foreign Currency Reinstatement and Translation**

The Group's financial statements are presented in Indian Rupee (Rs.), which is the Group's functional currency.



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Tax charges and credits, if applicable, attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### H) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used

WJ d



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### l) Financial instruments - Initial Recognition, Subsequent Measurement, and Impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, at amortised cost or fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IND AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### *Subsequent Measurement*

Subsequent measurement of financial assets is described below -

##### ► Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.





## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

► Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

► Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)  
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

► Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments in scope of 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. These equity shares are designated as Fair Value Through OCI (FVTOCI) as they are not held for trading and disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### ***Derecognition***

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### ***Impairment of financial assets***

In accordance with 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

hl l

## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of 115
- iii. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

### **Financial liabilities**

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

##### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

##### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an

*Handwritten signatures*

## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

### J) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### K) Taxation

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income and such change could be for change in tax rate.

#### i. Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### ii. Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

*we* *d*



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### L) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

#### i. Revenue from sale of goods and services

Revenue from sale of goods and services is recognised at the point in time when the performance obligation is satisfied by the transfer of control of promised goods and services to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration. As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered.

#### ii. Revenue from construction contracts

Revenue from construction contract are satisfied over the period of time based on the identified performance obligation and accordingly revenue is recognised based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs.

The amount of revenue recognised in a year on projects is dependent, inter alia, on the actual costs incurred, the assessment of the percentage of completion of (long-term) contracts and the forecasted contract revenue and costs to complete of each project.

Costs in respect of projects include costs of materials including own manufactured materials at costs along with fabrication, construction, labour and directly attributable/identifiable overheads, as estimated by the management.

Estimates of revenue and costs are reviewed periodically and revised, wherever there are changes in design, scope, specification, etc, resulting in increase or decrease in revenue determination, is recognised in the period in which estimates are revised.

Provision is made for all losses incurred to the balance sheet date. Variations in contract work, claims and incentive payments are recognised to extent that it is probable that they will result in revenue and they are capable of being reliably measured. Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Handwritten initials: "wl" and "d"



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

### iii. Revenue from Power Generation

Power generation income is recognised on the basis of units of power generated, net of wheeling and transmission loss, as applicable, when no significant uncertainty as to the measurability or collectability exists.

Renewal Energy Certificate Income is accounted on accrual basis at the rate sold at the Power Exchanges. At the year-end Renewal Energy Certificate Income is recognised at the minimum floor price specified by the Central Regulator of CERC / last traded price at the exchange.

### iv. Contract Assets

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Unbilled receivables where further subsequent performance obligation is pending are classified as contract assets when the Group does not have unconditional right to receive cash as per contractual terms. Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

### v. Impairment of Contract asset

The Group assesses a contract asset for impairment in accordance with Ind AS 109. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of Ind AS 109.

### vi. Contract Liability

Contract Liability is recognised when there are billings in excess of revenues, and it also includes consideration received from customers for whom the Group has pending obligation to transfer goods or services.

The billing schedules agreed with customers include periodic performance-based payments and / or milestone-based progress payments. Invoices are payable within contractually agreed credit period.

### vii. Export Benefits

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### viii. Interest and Dividend Income

#### Interest

Interest income is included in other income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate when there is a reasonable certainty as to realisation.

#### Dividend

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of dividend can be measured reliably.

*Handwritten signatures*



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

### M) Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable is recognised directly in equity.

### N) Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to owners of the equity by the weighted average number of equity shares outstanding during the financial year.

The weighted average number of equity shares outstanding during the period is adjusted for events such as buy back, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### O) Provisions, Contingent Assets and Contingent Liabilities

#### a) Provisions

Provisions are recognized only when there is a present obligation (legal or constructive) as a result of a past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

#### b) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### c) Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are neither recognized nor disclosed, when realization of income is virtually certain, related asset is disclosed.

### P) Investment in Subsidiaries

A subsidiary is an entity controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through

*Handwritten signature*

## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Investments are tested for impairment whenever an event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount. If, in a subsequent period, recoverable amount equals or exceeds the carrying amount, the impairment loss recognised is reversed accordingly.

### Q) Investment in joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not having control or joint control over those policies.

The investment in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

### R) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Financial Officer (CFO) of the Group.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Group and for which discrete financial information is available. All operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Segment revenues and expenses are directly attributed to the related segment. Revenues 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 attributed to the related 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, deferred tax assets / liability and provision for tax.

*Handwritten signature*

*Handwritten signature*



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

### S) Discontinued Operations

The Group classifies disposal assets as held for sale/ distribution if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets are available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets, its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale/ distribution of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss.

### 3.2 Use of Assumptions, Judgments and Estimates

The preparation of consolidated financial statements in conformity with the requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and reported amounts of assets, liabilities, income, expense and disclosure of Contingent assets and liabilities at the date of these consolidated financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revision to accounting estimates are recognised in the period in which the estimates is revised and future period impacted.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements:

#### a) Revenue

The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

*Handwritten initials/signature*





## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

The measurement of construction contracts in progress is based on an assessment of the stage of each project and expectations concerning the remaining progress towards completion of each contract, including the outcome of disagreements. The assessment of stage, income and expenses, including disagreements, is made by the project management on a project-by-project basis.

The assessment of disagreements relating to extra work, extensions of time, demands concerning liquidated damages, etc., is based on the nature of the circumstances, knowledge of the client, the stage of negotiations, previous experience and consequently an assessment of the likely outcome of each case. For major disagreements, external legal opinions are a fundamental part of the assessment.

Estimates concerning the remaining progress towards completion depend on a number of factors, and project assumptions may change as the work is being performed. Likewise, the assessment of disagreements may change as the cases proceed. Actual results may therefore differ materially from expectations. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

### **b) Fair value measurement of financial instruments**

The Group measures financial instruments, such as investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

W  
R



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**c) Depreciation / amortization and impairment of property, plant and equipment / Intangible assets.**

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The Group reviews carrying value of its property, plant and equipment and intangible assets whenever there is objective evidence that the assets are impaired. In such situation, assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted using pre-tax discount rate, which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. the Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded, adequately during any reporting period. This reassessment may result in change in estimate impacting the financial result of the Group.

**d) Arrangements containing leases**

The Group enters into service/hiring arrangements for various/services. The determination of lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**e) Impairment of Financial assets**

The Group evaluates whether there is any objective evidence that financial assets including loan, trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the parties to make required payments. The Group bases the estimates on the ageing of the receivables, creditworthiness of the receivables and historical write-off experience and variation in the credit risk on year-to-year basis.

**f) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Summary of Material Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2024

determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

### g) Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

### h) Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

### i) Fair Value Measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques which involve various judgements and assumptions. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in the assumptions about these factors could affect the reported fair value of financial instruments.

### j) Provisions and Contingencies

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Group as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

### 3.3 Standards issued but not yet effective.

There are no standards issued up to the date of issuance of Group's financial Statements.

### 3.4 Application of new and revised Indian Accounting

The Ministry of Corporate affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amended Rules 2023, which amended certain accounting standards, and are effective 01 April 2023. The rule predominantly amends IND AS 1, Presentation of Financial Statements, IND AS 8, Accounting Policies, Change in Accounting Estimate and Errors and IND AS 12, Income Taxes, whereas the other amendments notified by these rules are primarily in the nature of clarifications. As per the managements assessments these amendments did not have any material impact on the amount recognised in the prior periods.

*Handwritten signature*



Techno Electric & Engineering Company Limited  
 Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024  
 (Amount in ₹ lakhs, except otherwise stated)

4 Property, Plant and Equipments

Particulars	Land	Buildings	Plant & equipment	Plant & equipment - Wind Division	Furniture & fixtures	Vehicles	Office equipment	Total
<b>Gross Block</b>								
Balance as on 01 April 2022	2,111.69	58.71	445.59	66,814.43	720.51	242.81	489.42	70,883.16
Additions	-	-	3.24	-	9.06	21.98	35.48	69.76
Disposals	(1,990.28)	(7.19)	(0.53)	(56,583.80)	-	(13.93)	-	(58,595.73)
Disposals attributable to asset classified as held for sale (refer note 35 (c))	(63.29)	-	-	(1,946.81)	-	-	-	(2,010.10)
As at 31st March 2023	58.12	51.52	448.30	8,283.82	729.57	250.86	524.90	10,347.09
Additions	-	-	116.25	-	5.59	53.51	75.71	251.06
Disposals	-	-	-	-	-	(8.47)	-	(8.47)
Exchange Difference	-	-	-	-	-	0.87	-	0.87
Disposals attributable to asset classified as held for sale (refer note 35 (c))	-	-	-	-	-	-	-	-
As at 31st March 2024	58.12	51.52	564.55	8,283.82	735.16	296.77	600.61	10,590.55
<b>Depreciation</b>								
As at 1st April 2022	-	8.84	256.97	27,118.12	504.70	139.18	434.11	28,461.92
Charge for the year - continuing operations	-	1.22	29.51	584.69	56.73	19.05	20.69	711.89
Charge for the year - discontinuing operations	-	-	-	1,695.45	-	-	-	1,695.45
Disposals during the year	-	(1.83)	(0.21)	(24,451.20)	-	(13.23)	-	(24,466.46)
Disposals attributable to asset classified as held for sale	-	-	-	(836.48)	-	-	-	(836.48)
As at 31st March 2023	-	8.23	286.27	4,110.57	561.43	145.00	454.80	5,566.30
Charge for the year - continuing operations	-	1.10	35.43	584.72	43.76	24.04	48.70	737.75
Charge for the year - discontinuing operations	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	(8.04)	-	(8.04)
Disposals attributable to asset classified as held for sale	-	-	-	-	-	-	-	-
As at 31st March 2024	-	9.33	321.70	4,695.29	605.19	161.00	503.50	6,296.01
<b>Net Block</b>								
As at 31st March 2023	58.12	43.29	162.03	4,173.25	168.14	105.86	70.10	4,780.79
As at 31st March 2024	58.12	42.19	242.85	3,588.53	129.97	135.77	97.11	4,294.54

Note:

- 1) All the immovable property (including the title deeds of freehold land) are in the name of the Group during the current and previous year.
- 2) The Group has not revalued its property, plant and equipment including ROU during the current and previous year.
- 3) All property, plant and equipment of EPC division of Holding Company are hypothecated against working capital facilities availed by the Holding Company.



*Handwritten signature*

5 Capital Work in Progress

Particulars	Total
<b>Cost</b>	
Balance as at 01 April 2022	
Additions for the year	9,459.72
Capitalised to Property, Plant & Equipment	-
<b>Balance as at 31 March 2023</b>	<b>9,459.72</b>
Additions for the year	18,114.05
Capitalised to Property, Plant & Equipment	-
<b>Balance as at 31 March 2024</b>	<b>27,573.77</b>
<b>Net Block</b>	
Balance as at 31 March 2023	9,459.72
Balance as at 31 March 2024	27,573.77

Particulars	Amount in CWIP as on 31 March 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress #	18,114.05	9,459.72	-	-	27,573.77
<b>Total</b>	<b>18,114.05</b>	<b>9,459.72</b>	<b>-</b>	<b>-</b>	<b>27,573.77</b>

Particulars	Amount in CWIP as on 31 March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress #	9,459.72	-	-	-	9,459.72
<b>Total</b>	<b>9,459.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,459.72</b>

# All project in progress includes capital-work-in progress, whose completion is neither overdue nor exceeded its cost compared to its original plan.

Note: There are no projects as on reporting period where activity has been suspended.

6 Right-of-use asset

	Leasehold land	Total
<b>Gross Block</b>		
Balance as at 01 April 2022	3,469.33	3,469.33
Additions for the year	-	-
Disposals during the year	-	-
<b>Balance as at 31 March 2023</b>	<b>3,469.33</b>	<b>3,469.33</b>
Additions for the year	-	-
Disposals during the year	-	-
<b>Balance as at 31 March 2024</b>	<b>3,469.33</b>	<b>3,469.33</b>
<b>Accumulated depreciation</b>		
Balance as at 01 April 2022	79.39	79.39
Charge for the year	48.05	48.05
Disposals during the year	-	-
<b>Balance as at 31 March 2023</b>	<b>127.44</b>	<b>127.44</b>
Charge for the year	46.54	46.54
Disposals during the year	-	-
<b>Balance as at 31 March 2024</b>	<b>173.98</b>	<b>173.98</b>
<b>Net Block</b>		
Balance as at 31 March 2023	3,341.90	3,341.90
Balance as at 31 March 2024	3,295.35	3,295.35

Notes:

(a) The Group has lease agreements usually for a period of 30 - 99 years for its wind division and data center business. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Leasehold land held under finance lease: The Group has been allotted lands under lease for a term of 30 - 99 years with an initial payment equivalent to the fair value of the land. The Group further does not pay any amount during the lease tenure. The Group as per Ind AS 116, has reclassified the asset from tangible asset to Right of Use Asset (ROU Asset) with its carrying value.

(b) There are no leases which are yet to commence as on 31 March 2024.

(c) Lease payments, not included in measurement of liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:



**Techno Electric & Engineering Company Limited**

**Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024**

(Amount in ₹ lakhs, except otherwise stated)

Particulars	Year ended	Year ended
	31 March	31 March 2023
Short-term leases (*)	430.95	848.03
Cancellable leases	-	78.09
	<u>430.95</u>	<u>926.12</u>

\* includes lease payments for discontinued operations amounting to ₹ Nil (31 March 2023: ₹ 4.78 lakhs)

(d) Amount recognised in the Balance Sheet:	As at	As at
	31 March	31 March 2023
(i) Right-of-use assets		
Leasehold land	3,295.35	3,341.90
	<u>3,295.35</u>	<u>3,341.90</u>

(e) Amount recognised in the Statement of Profit and Loss	Year ended	Year ended
	31 March	31 March 2023
(i) Depreciation and amortisation expense		
Leasehold land	46.54	48.05
	<u>46.54</u>	<u>48.05</u>

(This space has been intentionally left blank)

*[Handwritten signature]*

*[Handwritten mark]*



**Techno Electric & Engineering Company Limited**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

**7 Investments**

**7A Non-current investments**

*(Unquoted, measured at designated FVTOCI)*

	As at 31 March 2024	As at 31st March 2023
Techno Leasing & Finance Co. Pvt. Ltd. - 10 (31 March 2023: 10) equity shares of ₹ 10 each fully paid-up	0.01	0.01
Techno International Ltd. - 170,060 (31 March 2023: 170,060) equity shares of ₹ 10 each fully paid-up	44.27	44.24
North Dinajpur Power Ltd. - 9,000 (31 March 2023: 9,000) equity shares of ₹ 10 each fully paid-up	0.90	0.90
Techno Ganganagar Green Power Generating Co. Ltd. - 8,994 (31 March 2023: 8,994) equity shares of ₹ 10 each fully paid-up	0.33	0.28
Techno Birbhum Green Power Generating Co. Ltd. - 8,994 (31 March 2023: 8,994) equity shares of ₹ 10 each fully paid-up	0.74	0.74
Telbijan Techno Agro Ltd. - Nil (31 March 2023: 7,494) equity shares of ₹ 10 each fully paid-up	-	0.83
	<b>46.25</b>	<b>47.00</b>

**Note:**

**Other disclosures for non-current investments:**

- Aggregate amount of unquoted investments	46.25	47.00
- Aggregate amount of quoted investments	-	-
- Aggregate amount of impairment in value of investments	-	-

**7B Current Investments**

**i. Investment in equity instruments**

*(Quoted, measured at designated FVTOCI)*

Suzlon Energy Limited - Nil (31 March 2023: 13,866,666) equity shares of ₹ 2 each fully paid-up	-	1,095.47
Tega Industries Limited (*) - 7 (31 March 2023: 7) equity shares of ₹ 10 each fully paid-up	-	-
	<b>-</b>	<b>1,095.47</b>

*(This space has been intentionally left blank)*

hl l



**Techno Electric & Engineering Company Limited**

**Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024**

(Amount in ₹ lakhs, except otherwise stated)

**ii. Investments in debentures, bonds and commercial papers  
(Quoted, measured at mandatory FVTPL)**

9.00% Shriram Transport - NCD Series Sub 17-18 02 Option 1 100 units (31 March 2023: 100 units) (Face Value ₹ 1,000,000 per unit)	1,000.99	1,000.99
Shriram Finance MLD 2024 SHRIRAM FINANCE LIMITED SR XXIX TR 1 BR NCD 23MY24 FVRS10LAC 50 units (31 March 2023: 50 units) (Face Value ₹ 1,000,000 per unit)	585.50	545.39
MindSpace Business Parks REIT- MLD Series 2 356 units (31 March 2023: 356 units) (Face Value ₹ 1,000,000 per unit)	4,231.49	3,827.00
Societe Generale 1,000 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	758.80	-
Jaguar Land Rover Automotive PLC 5.5% 15/07/2029 500 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	402.50	-
Novelis Corp 4.75% 30/01/2030 1,500 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	1,153.52	-
Adani Ports & Special Economic Zone 3.1% 02/02/2031 500 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	332.68	-
JSW Steel Ltd 5.05% 05/04/2032 750 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	551.25	-
Adani Electricity Mumbai Ltd 3.867% 22/07/2031 1,000 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	683.76	-
Adani Ports & Special Economic Zone 4.375% 03/07/2029 1,100 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	817.69	-
CA Magnum Holdings 5.375% 31/10/2026 600 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	481.02	-
Jaguar Land Rover Automotive 01/10/2027 1,100 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	869.66	-
Barclays Plc 6.125% 31/12/2049 400 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	322.46	-
Shriram Transport Finance Co Ltd 18/07/2025 800 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	646.14	-
HPCL-Mittal Energy Ltd 5.45% 22/10/2026 950 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	771.99	-
Periama Holdings Lic/De 5.95% 19/04/2026 800 units (31 March 2023: Nil units) (Face Value USD 1000 per unit)	494.73	-
	<b>14,104.19</b>	<b>5,373.38</b>

**(Unquoted, measured at mandatory FVTPL)**

15.50% Aaditri Estate Developers Pvt Ltd NCD (Ser A) Nil unit (31 March 2023: 1) (Face Value ₹ 1,000,000 per unit)	-	10.00
15.50% Aaditri Estate Developers Pvt Ltd NCD (Ser B) Nil unit (31 March 2023: 1) (Face Value ₹ 1,000,000 per unit)	-	110.00
16% Exquisite Shelters Pvt Ltd NCD 30/09/19 1 unit (31 March 2023: 1) (Face Value ₹ 1,000,000 per unit)	10.00	10.00
9.25% Edelweiss Finvest Private Ltd 04/01/2026 11 units (31 March 2023: 11) (Face Value ₹ 100,000 per unit)	11.23	11.23
9.50% Sankhya Financial Services Pvt Ltd NCD (Ser- I) 29/03/2024 Nil units (31 March 2023: 796) (Face Value ₹ 1,000,000 per unit)	-	7,966.22
8.30% Sbl Cards And Payment Services Limited Nil units (31 March 2023: 200) (Face Value ₹ 1,000,000 per unit)	-	2,000.00
Nuvama Wealth Finance Limited Sr E41101A Br Ncd 13Sp24 Fvrs10Lac 50 units (31 March 2023: 50) (Face Value ₹ 1,000,000 per unit)	618.89	574.33
Shriram Finance Limited 18 Nov 2023 Nil units (31 March 2023: 80) (Face Value ₹ 1,000,000 per unit)	-	909.97
Nuvama Wealth And Investment Limited 364D Cp 15Feb24 1,000 units (31 March 2023: 1000) (Face Value ₹ 500,000 per unit)	-	4,655.07
JM Financial Services Limited 365D CP 26 Mar 24 Nil units (31 March 2023: 500) (Face Value ₹ 500,000 per unit)	-	2,299.77
8% Sankhya Financial Services Pvt Ltd Ncd (Series I) 04 Jul 2025 272 units (31 March 2023: 272) (Face Value ₹ 1,000,000 per unit)	2,882.16	2,720.00
Liquid Gold Series 3 Dec 2020 Series A PTC 17 Dec 20 Nil units (31 March 2023: 1000) (Face Value ₹ 100,000 per unit)	-	650.75
9.50% Sankhya Financial Services Pvt Ltd NCD (Ser- II) 22/03/2027 8000 units (31 March 2023: Nil) (Face Value ₹ 100,000 per unit)	8,012.40	-
	<b>11,534.68</b>	<b>21,917.34</b>
	<b>25,638.87</b>	<b>27,290.72</b>

ho

l



**B Current Investments (cont'd)**

**iii. Investments in Liquid Mutual Funds**

*(Quoted, measured at mandatory FVTPL)*

Aditya Birla Sun Life Liquid Fund-Growth-Direct (Formerly Aditya Birla Sun Life Cash Plus-Growth-Direct) 575,493 units (31 March 2023: 779,670 units) (Face Value ₹ 100 per unit)	2,242.59	2,830.85
Aditya Birla Sun Life Overnight Fund-Growth-Direct Plan 77,844 (31 March 2023: Nil units) (Face Value ₹ 100 per unit)	1,008.12	-
Aditya Birla Sun Life Saving Fund Nil (31 March 2023: 108,523 units) (Face Value ₹ 100 per unit)	-	510.34
Axis Liquid Fund-Direct Growth 143,087 units (31 March 2023: 361,394 units) (Face Value ₹ 1000 per unit)	3,640.05	9,037.99
Axis Ultra Short Term Fund-Direct Growth 115,490,610 units (31 March 2023: 89,523,140 units) (Face Value ₹ 10 per unit)	16,400.82	11,810.86
Axis Overnight Fund-Direct Growth 43,131 units (31 March 2023: 42,755 units) (Face Value ₹ 1000 per unit)	546.26	506.88
HDFC Ultra Short Term Fund-Direct Growth 105,215,750 units (31 March 2023: 104,292,612 units) (Face Value ₹ 10 per unit)	14,823.64	13,668.47
HDFC Liquid Fund-Direct Plan-Growth 23,709 units (31 March 2023: 175,038 units) (Face Value ₹ 1000 per unit)	1,124.66	7,742.27
HDFC Low Duration Fund - Direct Plan - Growth Option 353,604 units (31 March 2023: 1,918,863 units) (Face Value ₹ 10 per unit)	200.44	1,007.79
HDFC Money Market Fund-Direct Plan Nil units (31 March 2023: 51,344 units) (Face Value ₹ 1000 per unit)	-	2,527.00
ICICI Prudential Liquid Fund - Direct Plan - Growth 809,372 units (31 March 2023: 2,507,674 units) (Face Value ₹ 100 per unit)	2,892.75	8,355.20
ICICI Prudential Ultra Short Term Fund- Direct Plan Growth 53,862,768 units (31 March 2023: 46,856,514 units) (Face Value ₹ 10 per unit)	14,667.64	11,602.04
ICICI Prudential Saving Fund- Direct Plan -Growth 409,889 units (31 March 2023: 328,867 units) (Face Value ₹ 100 per unit)	2,047.61	1,512.06
ICICI Prudential Overnight Fund- Direct Plan - Growth 156,093 units (31 March 2023: Nil units) (Face Value ₹ 100 per unit)	2,014.43	-
ICICI Prudential Money Market Fund- Direct Nil units (31 March 2023: 779,237 units) (Face Value ₹ 100 per unit)	-	2,527.14
Kotak Liquid Fund Direct Plan Growth 10,554 units (31 March 2023: 38,873 units) (Face Value ₹ 1000 per unit)	514.96	1,813.59
Kotak Low Duration Fund- Direct Plan -Growth Nil units (31 March 2023: 49,429 units) (Face Value ₹ 1000 per unit)	-	1,512.84
Kotak Saving Fund - Direct Plan Growth 33,538,032 units (31 March 2023: 38,704,319 units) (Face Value ₹ 10 per unit)	13,720.41	14,734.00
Mahindra Manulife Liquid Fund-Direct Growth 876 units (31 March 2023: 1,272,005 units) (Face Value ₹ 1000 per unit)	13.80	18.63
DSP Liquity Fund-Direct Plan-Growth Nil units (31 March 2023: 51,100 units) (Face Value ₹ 1000 per unit)	-	1,643.98
DSP UltraShortTerm Fund-Direct Plan-Growth 159,434 units (31 March 2023: 16,114 units) (Face Value ₹ 1000 per unit)	5,367.21	503.96
SBI Magnum Ultra Short Duration Fund 90,952 units (31 March 2023: 108,617 units) (Face Value ₹ 1000 per unit)	5,040.61	5,602.93
SBI Magnum Low Duration Fund Nil units (31 March 2023: 32,735 units) (Face Value ₹ 1000 per unit)	-	1,003.35
Nippon India Liquid Fund -Direct Growth Plan-Growth Option 34,672 units (31 March 2023: 28,545 units) (Face Value ₹ 1000 per unit)	2,042.83	1,571.95
	<b>88,608.86</b>	<b>1,02,044.12</b>
<b>Total Current Investments</b>	<b>1,14,147.72</b>	<b>1,30,430.32</b>
<b>Total Investments</b>	<b>1,14,193.97</b>	<b>1,30,477.32</b>

Other disclosures for current investments:

- Aggregate amount of quoted investments	1,02,613.04	1,08,512.97
- Aggregate amount of unquoted investments	11,580.93	21,964.34
- Aggregate amount of impairment in value of investments	-	-

(\*) Listed in the recognised stock exchange during the previous year

we l



**Techno Electric & Engineering Company Limited**

**Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024**

(Amount in ₹ lakhs, except otherwise stated)

**8 Loans**

	As at 31 March 2024	As at 31st March 2023
<b>Current</b>		
<b>Secured, considered good</b>		
Loan to body corporates	-	-
<b>Unsecured, considered good</b>		
Loan to body corporates (refer note (ii))	3,000.00	14,225.86
<b>Total current loans</b>	<u>3,000.00</u>	<u>14,225.86</u>
<b>Total Loans</b>	<u>3,000.00</u>	<u>14,225.96</u>

**Note:**

(i) The Holding Company does not have any loans which are either credit impaired, disputed or where there is a significant increase in credit risk, other than as mentioned in Note (i) below.

(ii) The Holding Company had given intercorporate deposit of ₹ 10,000 lakhs to Mcleod Russel India Limited in earlier years. They could not honour its commitment of repayment and the Holding Company filed the insolvency case under Section 7 of Insolvency and Bankruptcy Code, 2016 with NCLT in September 2020, and an Interim Resolution Professional (IRP) was appointed by NCLT. However, both the parties came to the consent terms for settlement of disputes, and ₹ 7,000 lakhs has been paid till January 2022. The balance ₹ 3,000 Lakhs was to be paid by issuance of equity shares. Since the borrower did not issue shares and violated the consent terms, the holding company is planning to take appropriate steps to get the settlement enforced. The holding company is hopeful to recover the money. Therefore, no provision in this regards is considered in the financial statements.

The amount is backed by the personal guarantee of promoter, settlement agreement and postdated cheque.

(iii) No loans receivable are due from directors or other officers of the Holding Company either severally or jointly with any other person. Nor any loan receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

**Details of loan given by the Group as required in terms of Sec 186(4) of Companies Act, 2013**

Name of Borrower	Purpose	Rate of Interest	As at	As at
			31 March 2024	31 March 2023
Kalpataru Properties (Thane) Pvt. Ltd	Business Purpose	12.00%	-	7,893.84
Neo Pharma Pvt Ltd	Business Purpose	12.00%	-	3,332.12
Mcleod Russel India Ltd (Refer Note (ii) above)	Business Purpose	14.00%	3,000	3,000.00

**9 Other Financial Assets**

	As at 31 March 2024	As at 31st March 2023
<b>9A Non Current</b>		
Security deposits	496.08	489.44
Bank deposits with remaining maturity of more than 12 months [refer note (i) below]	586.47	919.76
<b>Total Other Non Current Financial Assets</b>	<u>1,082.55</u>	<u>1,409.20</u>

**Note:**

(i) Bank deposits include deposits amounting to ₹ 14.69 lakhs (31 March 2023; ₹ 357.93 lakhs) which are held as lien with banks against issuance of Bank Guarantee on behalf of the Group.

**9B Current**

Security Deposits	2,940.26	94.58
Interest Accrued but not due		
- bank deposits	377.61	208.37
- bonds	-	280.69
Other Receivables (refer note (i) below)	2,811.93	3,445.33
<b>Total Other Current Financial Assets</b>	<u>6,129.80</u>	<u>4,028.97</u>
<b>Total Other Financial Assets</b>	<u>7,212.35</u>	<u>5,438.17</u>

**Note:**

(i) Renewable Energy Certificates (RECs) are a mechanism for incentivizing producers of electricity from renewable energy sources. The relevant regulations have been put in place by the Central Electricity Regulatory Commission (CERC). Since the Holding Company is in the business of generating renewable energy it is eligible to receive REC's which can be sold in CERC approved power exchanges. The Holding Company had 354,400 unsold REC's as at 31 March 2017. Effective April 2017, as per the order of CERC, the floor price of REC was reduced from ₹ 1,500 per unit to ₹ 1,000 per unit which was referred to the Hon'ble Supreme Court and based on the directions, the differential floor rate of ₹ 500 per unit was deposited by the buyer with CERC until further notice. Total receivable outstanding as on 31 March 2024 is ₹ 1,772.00 lakhs towards differential rate of renewable energy certificates. The Holding Company is closely monitoring the status of the same and believe that since the amount has already been deposited with CERC by the buyers there is no risk of default from the customers and thus based on the above fact as well as legal opinion obtained, management believes that the Holding Company has reasonable chances of succeeding on the matter and anticipates there is no uncertainty with respect to the recovery of such receivables.



**Techno Electric & Engineering Company Limited**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

**10 Income Tax Assets (Net)****A Non-current**

Advance Income Tax (net of provision for tax)

	As at 31 March 2024	As at 31st March 2023
	669.42	536.93
	<u>669.42</u>	<u>536.93</u>

**B Current**

Advance Income Tax (net of provision for tax)

	-	3.27
	<u>-</u>	<u>3.27</u>

**Note:**

Refer note 32 for disclosures relating to Income tax

**11 Inventories**

(Valued at lower of cost and net realizable value)

Raw Materials

Stock - in - trade

Total Inventories

	As at 31 March 2024	As at 31st March 2023
	-	3,957.32
	2,585.13	6,147.79
	<u>2,585.13</u>	<u>10,105.11</u>

**12 Trade Receivables****Unsecured, Considered Good**

EPC Division

Wind Division

Retention Money Receivables (refer note (iv))

Less: Loss Allowance (refer Note (ii) below)

Total trade receivables

	As at 31 March 2024	As at 31st March 2023
	42,443.12	26,784.46
	9,129.16	15,161.45
	22,534.13	22,185.31
	<u>74,106.41</u>	<u>64,131.22</u>

Receivable from related parties

Others

	-	-
	74,106.41	64,131.22
	<u>74,106.41</u>	<u>64,131.22</u>

(This space has been intentionally left blank)

hl

l



**Techno Electric & Engineering Company Limited**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

**12 Trade Receivables (Cont'd)**

**Note:**

- i) Receivables of EPC division are hypothecated with Banks against non-fund based facilities availed by the Holding Company.
- ii) No trade receivable are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- iii) Trade receivables are mainly due from PSU and State Electricity Boards, which are not exposed to default risk. As per management assessment, no provision is made for expected credit loss due to very low credit risk of receivables. Further management has also considered past experience of losses on receivables. The Holding Company has not recognised provision for doubtful receivables in any of the previous periods.
- iv) These amounts are receivable on fulfillment of certain conditions as per terms of the contracts.
- v) Trade receivables ageing schedule is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due*	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2024</b>							
(i) Undisputed Trade receivables:							
- considered good	30,228.66	27,956.78	5,387.83	2,045.32	7,283.66	21.52	72,923.77
- considered doubtful	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
(ii) Disputed Trade receivables:							
- considered good	-	-	-	-	-	1,182.64	1,182.64
- considered doubtful	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
	<b>30,228.66</b>	<b>27,956.78</b>	<b>5,387.83</b>	<b>2,045.32</b>	<b>7,283.66</b>	<b>1,204.16</b>	<b>74,106.41</b>
<b>As at 31 March 2023</b>							
(i) Undisputed Trade receivables:							
- considered good	33,971.15	12,016.20	2,922.93	6,532.42	4,304.85	3,201.03	62,948.68
- considered doubtful	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
(ii) Disputed Trade receivables:							
- considered good	-	-	-	-	-	1,182.64	1,182.64
- considered doubtful	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
	<b>33,971.15</b>	<b>12,016.20</b>	<b>2,922.93</b>	<b>6,532.42</b>	<b>4,304.85</b>	<b>4,383.67</b>	<b>64,131.22</b>

\* Not Due includes retention money receivable from customers.

vi) The Holding Company was executing a project in Afghanistan till 15th August 2021, has now been terminated for reasons attributable to DABS due change in political scenario in Afghanistan. As on 31 March 2024, total receivables from the project is ₹ 8,105 lakhs (including retention). Da Afghanistan Brishna Sherkat (DABS) has confirmed that all outstanding payment as on 15th August 2021 for the good supply and services is rendered prior and on this date will be paid by Asian Development Bank (ADB). ADB has hired the services of United Nations Office for Project Services (UNOPS) to approve the bills for payment after receipt of duly processed bill from DABS. This is now in process and the management is confident of the entire receivable in due course.

vii) During the previous years, the Holding Company has executed and completed a project for Bengal Energy Limited (BEL) for a contract value of ₹ 15,500 lakhs. This project was completed in the year 2012 and was handed over to BEL as per the terms of the contract and is presently being used by them in their normal course of business. Total receivable outstanding as on 31 March 2024 pertaining to this project is ₹ 1,182.64 lakhs which is under arbitration proceedings currently and a new arbitrator has been appointed by the Hon'ble High Court in October 2022 post which the proceedings has been resumed. The matter was listed for hearing on 17 May 2023 on which date the arbitrator has directed the Holding Company to submit multiple responses and documents, wherein an adjournment was sought by the Holding Company. The matter was listed for hearing on 20 May 2024, the same got adjourned and the next date is awaited. The management based on the legal opinion obtained, believes that the Holding Company has reasonable chances of succeeding on the matter and anticipates there is no uncertainty with respect to the recover of such receivables.

viii) The Holding Company is into generation of renewable power which is sold to various DISCOM's including Tamil Nadu Generation & Distribution Corporation Limited (TANGEDCO). As at 31 March 2024, total receivables from wind division includes receivable amounting to ₹ 5,689.25 lakhs pertaining towards differential tariff revision from financial year 2018-19 to till date and receivables amounting to ₹ 1,833.98 lakhs (31 Mar 2023 - ₹ 2515.00) lakhs towards Late Payment Surcharge on receivables from sale of energy. During the year ended, the Holding Company had received ₹ 681.02 lakhs towards Late Payment Surcharge. The differential tariff matter is supported by the order from APTEL which is in favor of the Holding Company and Late Payment Surcharge on receivables from sale of energy is agreed as per the terms of the Power Purchase Agreement between the Holding Company and TANGEDCO. The management believes that the Holding Company has reasonable chances of recovering the receivables based on such favorable orders, legal opinion obtained and the power purchase agreement.

ix) Refer note 40 for information about credit risk and market risk of trade receivables.

x) There are no receivables which have a significant increase in credit risk.

xi) Refer note 36 for information on receivables from related party.

xii) Trade receivables are non-interest bearing and are generally on credit terms in line with applicable industry norms.

(This space has been intentionally left blank)

*Handwritten initials: ml and l*



Techno Electric & Engineering Company Limited

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

	As at 31 March 2024	As at 31st March 2023
<b>13 Cash and Cash Equivalents</b>		
<b>Balances with banks</b>		
Current Accounts	3,432.77	4,826.01
Cash on hand	8.19	14.38
<b>Total cash and cash equivalents</b>	<b>3,440.96</b>	<b>4,840.39</b>

**Note:**

i) No significant cash and cash equivalent balance held by the Company, are available for use by the Group.

	As at 31 March 2024	As at 31st March 2023
<b>14 Bank Balances other than Cash and Cash Equivalents</b>		
<b>Other bank balances</b>		
Margin money	0.29	0.29
Deposits with maturity for more than three months but less than twelve months (refer note (a) and (b))	10,263.25	9,762.72
Unspent CSR Balance	2.83	-
<b>Earmarked Balances</b>		
Unclaimed/Unpaid Dividend Accounts	11.29	12.28
<b>Total bank balances other than cash and cash equivalents</b>	<b>10,277.66</b>	<b>9,775.29</b>

a) Bank deposits include deposits amounting to ₹ 9,906.74 lakhs (31 March 2023: ₹6,708.33 lakhs) which are held as lien with banks against issuance of Bank Guarantee on behalf of the Group

b) Bank deposits amounting to ₹ Nil (31 March 2023: ₹1.53 lakhs) are lien with customers and statutory authorities as security and registration

	As at 31 March 2024	As at 31st March 2023
<b>15 Other Assets</b>		
<b>15A Non-current assets</b>		
Other Assets	64.84	50.69
Capital Advances	1,948.99	-
<b>Total other non-current assets</b>	<b>2,013.83</b>	<b>50.69</b>

<b>15B Current Assets</b>		
Advances to suppliers & others	1,684.38	4,323.19
Capital Advances	-	-
Prepaid Expenses	443.88	378.95
Contract Assets ** (refer note 37G)	24,943.40	13,775.05
Balances with Government authorities	2,343.58	-
Other Assets *	17.81	70.87
<b>Total other current assets</b>	<b>29,433.05</b>	<b>18,547.86</b>
<b>Total Other assets</b>	<b>31,446.88</b>	<b>18,598.55</b>

\* Includes balance of gratuity fund in excess of gratuity liability ₹ 17.81 Lakhs (31 March 2023 : ₹ 13.95 Lakhs)

\*\* These are not yet due as on the reporting date

(This space has been intentionally left blank)

*Handwritten signatures*



Techno Electric & Engineering Company Limited  
Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

16 Share Capital

	As at 31 March 2024	As at 31st March 2023
<b>Authorised share capital</b>		
8,00,20,000 ( 31 March 2023 - 8,00,20,000 ) Preference Shares of Rs.10/- each	8,002.00	8,002.00
1,39,99,00,000 ( 31 March 2023 - 1,39,99,00,000 ) Equity Shares of Rs.2/- each	27,998.00	27,998.00
	<b>36,000.00</b>	<b>36,000.00</b>
<b>Issued, subscribed &amp; paid up share capital</b>		
10,76,19,019 ( 31 March 2023 10,76,19,019 ) Equity Shares of Rs.2/- each fully paid-up	2,152.38	2,152.38
<b>Total Share Capital</b>	<b>2,152.38</b>	<b>2,152.38</b>

(a) The reconciliation of the number of shares outstanding is set out below

	31 March 2024		31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
Balance at the beginning of the year	10,76,19,019	2,152.38	11,00,00,000	2,200.00
Less: Shares brought back (refer note (c) (iii))	-	-	23,80,981	47.62
<b>Balance at the end of the year</b>	<b>10,76,19,019</b>	<b>2,152.38</b>	<b>10,76,19,019</b>	<b>2,152.38</b>
<b>Issued and subscribed share capital</b>	<b>10,76,19,019</b>	<b>2,152.38</b>	<b>10,76,19,019</b>	<b>2,152.38</b>

(b) Terms and rights attached to shares

**Rights, preferences and restrictions attached to equity shares**

The Group has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholdings.

(c) In the period of five years immediately preceding 31 March 2024

(i) No additional shares were allotted as fully paid-up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years.

(ii) The Holding Company has allotted 11,28,82,400 number of equity shares of ₹ 2 each as fully paid up pursuant to the scheme of amalgamation sanctioned by the Hon'ble National Company Law Tribunal, bench at Allahabad ('NCLT') vide its order dated 20 July 2018 without payment being received in cash.

(iii) The Holding Company had bought back 26,82,400 equity shares of Rs. 2 each fully paid up during the financial year 2019-20 and 23,80,981 equity shares of Rs. 2 each fully paid up during the financial year 2022-23.

(d) Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Group declares and pays dividends in Indian rupees and US Dollars. The Group is required to pay / distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows :

Particulars	As at 31 March 2024	As at 31st March 2023
	Final dividend for fiscal 2023	6,457
Final dividend for fiscal 2022	-	2,199.20

During the year ended 31 March 2024, on account of the final dividend for fiscal 2023 the Group has incurred a net cash outflow of ₹ 6,457.14 lakhs.

The Board of Directors of the Holding Company, in its meeting held on 28 May 2024, recommended a final dividend of ₹ 7 per equity share for the financial year ended 31 March 2024. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Holding Company, and if approved, would result in a net cash outflow of approximately ₹ 7,533.33 lakhs.

(e) None of the securities are convertible into shares at the end of the reporting period

(f) Particulars of shareholders holding more than 5% shares of a class of shares in the Holding Company

	31 March 2024		31 March 2023	
	Number of shares	% of shareholding	Number of shares	% of shareholding
<b>Equity shares of ₹ 2 each fully paid up, held by:</b>				
Varanasi Commercial Ltd.	2,46,04,800.00	22.86%	2,46,04,800	22.86%
Kusum Industrial Gases Ltd.	1,45,91,000.00	13.58%	1,45,91,000	13.56%
Techno Leasing & Finance Company Pvt. Ltd.	1,37,88,000.00	12.81%	1,37,88,000	12.81%
Dsp India T.I.G.E.R Fund	78,44,785.00	7.29%	86,64,020	8.05%
Techno Power Projects Ltd.	64,08,000.00	5.95%	64,08,000	5.95%
Hdfc Mutual Fund - Hdfc Multicap Fund	60,49,000.00	5.62%	61,63,000	5.73%



**Techno Electric & Engineering Company Limited**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

**16 Share Capital (Cont'd)**

(g) Shareholding of promoters / promoter group in the Holding Company are as follows:

Promoter / Promoter Group Name	31 March 2024		31 March 2023		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Varanasi Commercial Ltd.	2,46,04,800	22.86%	2,46,04,800	22.86%	-
Kusum Industrial Gases Ltd.	1,45,91,000	13.56%	1,45,91,000	13.56%	-
Techno Leasing & Finance Co. Pvt. Ltd.	1,37,88,000	12.81%	1,37,88,000	12.81%	-
Techno Power Projects Ltd.	64,08,000	5.95%	64,08,000	5.95%	-
Checons Limited	23,53,808	2.19%	23,53,808	2.19%	-
Trimurti Associates Private Limited	20,34,924	1.89%	20,34,924	1.89%	-
Pragya Commerce Private Limited	14,35,506	1.33%	14,35,506	1.33%	-
Raj Prabha Gupta	6,91,240	0.64%	6,91,240	0.64%	-
Ankit Saraiya	2,16,000	0.20%	2,16,000	0.20%	-
Avantika Gupta	72,000	0.07%	72,000	0.07%	-
Padam Prakash Gupta	6,000	0.01%	6,000	0.01%	-
<b>Total</b>	<b>6,62,01,276</b>	<b>61.51%</b>	<b>6,62,01,276</b>	<b>61.51%</b>	-

**17 Other equity**

	As at 31 March 2024	As at 31 March 2023
<b>Reserves and surplus</b>		
Capital redemption reserve [refer (i) below]	101.27	101.27
General reserve [refer (ii) below]	119172.80	119172.80
Capital reserves [refer (iii) below]	1572.66	1572.66
Retained earnings [refer (iv) below]	93261.68	69492.92
<b>Other comprehensive Income</b>		
Equity instruments through OCI [refer (v) below]	59.91	525.56
	<b>2,14,188.32</b>	<b>1,90,865.20</b>

**A Movement in reserves:**

**i. Capital Redemption Reserve**

Opening balance	101.27	53.65
Transferred from General Reserve	-	47.62
<b>Closing balance</b>	<b>101.27</b>	<b>101.27</b>

**ii. General Reserve**

Opening balance	1,19,172.80	1,28,208.50
Less: Utilised for purpose of buyback	-	(6,897.41)
Less: Transaction cost related to buy back	-	(90.67)
Less: Transfer to Capital Redemption Reserve pursuant to buyback of equity shares	-	(47.62)
Add: Transferred from Retained Earnings	-	-
<b>Closing balance</b>	<b>1,19,172.80</b>	<b>1,19,172.80</b>

**iii. Capital Reserve**

Opening balance	1572.66	1572.66
<b>Closing balance</b>	<b>1572.66</b>	<b>1572.66</b>

**iv. Retained Earnings**

As per last Balance Sheet	69,492.92	53,060.00
Add profit for the year	26,845.48	18,685.96
Add: Transfer from OCI on sale of Equity Shares	3,400.20	-
Less: Transfer to General Reserves	-	-
Less: Interim Dividend Paid	-	-
Less: Final Dividend	(6,457.14)	(2,199.20)
Less: Transfer from OCI-Remeasurement of defined benefit Obligations	(19.78)	(53.84)
<b>Closing balance</b>	<b>93,261.68</b>	<b>69,492.92</b>

**v. Equity Instruments through OCI**

Opening balance	525.56	578.21
Add: Movement in OCI during the year	3,198.89	(88.27)
Add: Tax effect on items classified under OCI	(324.25)	15.62
Add: Foreign Currency Translation Reserve	59.91	-
Less: Transfer of OCI-Remeasurement of defined benefit obligations to Retained Earnings	(3,400.20)	-
<b>Closing balance</b>	<b>59.91</b>	<b>525.56</b>

**vi. Remeasurement of Defined Benefit Obligation**

Opening balance	-	-
Less: transferred to Retained Earnings on defined benefit obligations	(19.78)	-
Less: transfer during the year (net of tax)	19.78	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>



**Techno Electric & Engineering Company Limited**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

**17 Other equity (Cont'd)**

**B The description, nature and purpose of each reserve within other equity are as follows:**

(a) **Capital Redemption Reserve:** In accordance with Section 69 of the Companies Act 2013, the Group creates capital redemption reserve equal to the nominal value of the shares brought back as an appropriation from the General Reserve.

(b) **General Reserve:** Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Group for that year, then the total dividend distribution is less than the total distributable reserves for that year.

Consequent to introduction of the Act, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Group can optionally transfer any amount from the surplus of profit and loss to the general reserve. This reserve is utilised in accordance with the specified provisions of the Act.

(c) **Capital Reserve:** Capital Reserve is utilised as per the provisions of the Act.

(d) **Retained Earnings:** The reserve represents the cumulative profits of the Group and remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act 2013

(e) **Equity instruments through OCI:** The Group has elected to recognise changes in the fair value of certain investments in equity securities through other comprehensive income. These changes are accumulated within the head 'equity instruments through OCI' shown under the head other equity.

(f) **Remeasurement of Defined Benefit Obligation:** This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off or when such instruments are impaired.

**18A Deferred Tax Assets**

	As at 31 March 2024	As at 31 March 2023
Deferred Tax Asset on elimination of inter company unrealised profits	1,271.10	-
	<u>1,271.10</u>	<u>-</u>

**(a) Movement in deferred tax assets**

Particulars	Balance as at 01 April 2023	Recognised In Statement of Profit and Loss	Recognised In Other Comprehensive Income	Balance as at 31 March 2024
Deferred Tax Asset on elimination of inter company unrealised profits	-	1,271.10	-	1,271.10
Deferred tax assets	<u>-</u>	<u>1,271.10</u>	<u>-</u>	<u>1,271.10</u>

Particulars	Balance as at 01 April 2022	Recognised In Statement of Profit and Loss	Recognised In Other Comprehensive Income	Balance as at 31 March 2023
Deferred Tax Asset on elimination of inter company unrealised profits	-	-	-	-
Deferred tax assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(This space has been intentionally left blank)





**Techno Electric & Engineering Company Limited**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

**18B Deferred Tax Liabilities**

	As at 31 March 2024	As at 31 March 2023
<b>Deferred Tax Liabilities</b>		
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	737.26	1,171.93
Fair valuation on equity instruments measured at FVTOCI	47.70	159.48
Fair valuation on instruments measured at FVTPL	591.65	463.86
Retention by Customers	5,671.39	5,559.81
<b>Total deferred tax liabilities</b>	<b>7,048.00</b>	<b>7,355.18</b>
<b>Deferred Tax Assets</b>		
Provision for compensated absence	67.50	103.54
Provision for foreseeable losses	-	40.77
Provision for gratuity	16.28	12.97
<b>Total deferred tax assets</b>	<b>83.78</b>	<b>157.28</b>
Less: MAT Credit Entitlement	37.07	23.77
<b>Deferred tax liabilities/ (assets) [net]</b>	<b>6,927.15</b>	<b>7,174.13</b>

**(a) Movement in deferred tax liabilities / (assets)**

Particulars	Balance as at 01 April 2023	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Balance as at 31 March 2024
<b>Deferred tax liabilities:</b>				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act,	1,171.93	(434.67)	-	737.26
Fair valuation on equity instruments measured at FVTOCI	159.48	-	(111.78)	47.70
Fair valuation on investments measured at FVTPL	463.86	127.69	-	591.65
Retention by customers	5,559.81	111.58	-	5,671.39
<b>Deferred tax assets:</b>				
Provision for compensated absence	103.54	(36.04)	-	67.50
Provision for foreseeable losses	40.77	(40.77)	-	-
Provision for gratuity	12.97	-	3.31	16.28
	<b>7,197.90</b>	<b>(118.59)</b>	<b>(115.09)</b>	<b>6,964.22</b>
<b>MAT Entitlement Credit</b>	23.77	13.30		37.07
<b>Deferred tax liabilities / (assets) [net]</b>	<b>7,174.13</b>	<b>(131.89)</b>	<b>(115.09)</b>	<b>6,927.15</b>

Particulars	Balance as at 01 April 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Balance as at 31 March 2023
<b>Deferred tax liabilities:</b>				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act,	6,089.18	(4,917.25)	-	1,171.93
Provision for gratuity	33.07	(14.96)	(18.11)	-
Fair valuation on equity instruments measured at FVTOCI	175.10	-	(15.62)	159.48
Fair valuation on investments measured at FVTPL	395.63	68.33	-	463.86
Retention by customers	5,571.86	(12.05)	-	5,559.81
<b>Deferred tax assets:</b>				
Provision for compensated absence	34.75	68.79	-	103.54
Provision for foreseeable losses	-	40.77	-	40.77
Provision for gratuity	-	12.97	-	12.97
	<b>12,230.09</b>	<b>(4,998.46)</b>	<b>(33.73)</b>	<b>7,197.90</b>
<b>MAT Entitlement Credit</b>	23.77	-	-	23.77
<b>Deferred tax liabilities / (assets) [net]</b>	<b>12,206.32</b>	<b>-4,998.46</b>	<b>-33.73</b>	<b>7,174.13</b>

(This space has been intentionally left blank)

*[Handwritten signatures]*



	As at 31 March 2024	As at 31 March 2023
<b>19 Other Liabilities</b>		
<b>19A Non-Current Liabilities</b>		
Contract Liabilities (*) (refer note 37 (G))	3,260.03	18,427.80
<b>Total other non-current liabilities</b>	<b>3,260.03</b>	<b>18,427.80</b>
<b>19B Current Liabilities</b>		
Advance received from customers/others	-	680.65
Statutory dues	626.48	488.13
<b>Total other current liabilities</b>	<b>626.48</b>	<b>1,168.78</b>
<b>Total other liabilities</b>	<b>3,886.51</b>	<b>19,596.58</b>

**Note:**

(\*) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. Thus, it represents amounts received as advanced from customers that will be adjusted against the subsequent invoices raised once the performance obligations are satisfied.

	As at 31 March 2024	As at 31 March 2023
<b>20 Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note B)	78.69	243.65
Total outstanding dues of creditors other than micro enterprises and small enterprises (*)	54,905.48	51,778.98
<b>Total Trade Payable</b>	<b>54,984.17</b>	<b>52,022.63</b>

(\*) The above balance consists of payables amounting to ₹ 30,490.79 lakhs (31 March 2023: ₹ 30,775.63), towards which the Holding Company has issued letter of credits. These letter of credits have been issued under various lending agreement of the Holding Company and are secured by pari-passu charge against property, plant and equipment of Engineering, Procurement and Construction (EPC) division, fixed deposits, trade receivables and inventories.

**A Trade payables ageing:**

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>As at 31 March 2024</b>						
Undisputed dues:						
- MSME	6.21	72.48	-	-	-	78.69
- Others	8,692.95	37,753.06	2,717.53	2,962.35	2,779.59	54,905.48
Disputed dues						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
	<b>8,699.16</b>	<b>37,825.54</b>	<b>2,717.53</b>	<b>2,962.35</b>	<b>2,779.59</b>	<b>54,984.17</b>
<b>As at 31 March 2023</b>						
Undisputed dues:						
- MSME	5.93	237.72	-	-	-	243.65
- Others	8,851.51	36,615.40	3,043.33	2,665.26	603.48	51,778.98
Disputed dues						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
	<b>8,857.44</b>	<b>36,853.12</b>	<b>3,043.33</b>	<b>2,665.26</b>	<b>603.48</b>	<b>52,022.63</b>

**B Dues to micro and small enterprises as per MSMED Act, 2006**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Particulars	31 March 2024	31 March 2023
(a) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each		
- principal	78.69	243.65
- interest	-	-
(b) the amount of interest paid by the Group under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the 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 the MSMED Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

(This space has been intentionally left blank)



Techno Electric & Engineering Company Limited  
 Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

21 Other Financial Liabilities

	As at 31 March 2024	As at 31 March 2023
<b>A Current</b>		
Unpaid dividends		
Accrued salaries and benefits	11.29	12.28
Payable towards corporate social responsibility	437.25	697.69
Creditors for capital goods	116.41	141.53
Payable towards other expenses*	-	2,973.42
<b>Total Other Financial Liabilities</b>	<b>161.90</b>	<b>131.81</b>
	<b>726.85</b>	<b>3,956.73</b>

\* These are not yet due as on the reporting date

22 Provisions	As at 31 March 2024			As at 31 March 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
<b>Provision for employee benefits:</b>						
Gratuity (refer note 34)	-	64.68	64.68	-	65.47	65.47
Compensated absences	20.69	247.49	268.18	32.29	203.49	235.78
<b>Others:</b>						
Provision for foreseeable losses*	-	-	-	161.98	-	161.98
	<b>20.69</b>	<b>312.17</b>	<b>332.86</b>	<b>194.27</b>	<b>268.96</b>	<b>463.23</b>

\*As per the requirement of Ind AS 37, the management has estimated future expense with regard to onerous contracts where the unavoidable costs of meeting the obligations under the contract exceeds the economic benefits expected to be received under it. The table below gives information about movement in provision for future losses.

Movement of Provision for foreseeable losses:

	As at 31 March 2024	As at 31 March 2023
Opening balance		
Addition during the year	161.98	-
Reversals during the year	-	161.98
Closing balance	(161.98)	-
	-	<b>161.98</b>

23 Current tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Provision for tax (net of advance tax)	186.88	654.71
<b>Total current tax liabilities (net)</b>	<b>186.88</b>	<b>654.71</b>

Note:

Refer note 32 for disclosures relating to income tax.

(This space has been intentionally left blank)



Techno Electric & Engineering Company Limited  
 Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year  
 ended 31 March 2024  
 (Amount in ₹ lakhs, except otherwise stated)

24 Revenue from Operations	As at 31 March 2024	As at 31st March 2023
a) Sale of products and services		
- Contract Revenue	1,48,714.94	81,647.60
- Sale of power	1,043.80	1,087.93
	<u>1,49,758.74</u>	<u>82,735.53</u>
b) Other Operating Revenue	479.35	214.32
<b>Total revenue from operations</b>	<b><u>1,50,238.09</u></b>	<b><u>82,949.85</u></b>

Refer note 37 for disaggregated revenue informations.

25 Other Income	As at 31 March 2024	As at 31st March 2023
Interest Income:		
- on fixed deposits with banks	819.96	553.45
- from financial assets measured at FVTPL	1,179.24	1,160.39
- from others	1,115.87	1,344.44
Dividend Income	6,143.07	2,084.55
Other non-operating income		
- Net gain on sale and remeasurement of investments measured at FVTPL (Refer Note (i) below)	4,262.97	1,965.20
- Net gain on sale of property, plant and equipment	0.21	34.36
- Net gain on foreign currency transactions and translations	65.33	321.30
- Miscellaneous Income	4.31	0.71
<b>Total other income</b>	<b><u>13,610.96</u></b>	<b><u>7,464.40</u></b>

**Note**

- (i) The Holding Company had entered into a joint venture (JV) with Kaipataru Power Transmission Limited (KPTL) to set up Kohima- Mariani Transmission Limited (KMTL). The JV was sold off in November 2021 to Apraava Energy Private Limited (AEPL). However, before sale, KMTL had filed a petition with Central Electricity Regulatory Commission (CERC) for relief of excess cost incurred by KMTL for events related to change in various laws, and it was decided that any favorable benefits will be passed on to the erstwhile shareholders by one time payment. As a result of the above, the Holding Company had received ₹ 2,501.80 lakhs (Company's share) during the current year ended 31 March 2024.

26 Cost of materials consumed	As at 31 March 2024	As at 31st March 2023
Inventory at the beginning of the year	3,957.32	-
Add: Purchase during the year and other direct costs	1,08,516.66	69,977.48
	<u>1,12,473.98</u>	<u>69,977.48</u>
Less: Inventory at the end of the year	-	3,957.32
<b>Total cost of materials consumed</b>	<b><u>1,12,473.98</u></b>	<b><u>66,020.16</u></b>

27 Changes in Inventories of Stock - in - Trade	As at 31 March 2024	As at 31st March 2023
Opening stock of stock-in-trade	6,147.79	2,707.28
Closing stock of stock-in-trade	2,585.13	6,147.79
<b>Total changes in inventories of stock-in-trade</b>	<b><u>3,562.66</u></b>	<b><u>(3,440.53)</u></b>

28 Employee Benefits Expense	As at 31 March 2024	As at 31st March 2023
Salaries, wages and bonus (*)	4,045.84	3,761.73
Contribution to provident and other funds (refer note 34)	396.58	274.51
Staff Welfare Expenses	173.00	182.75
<b>Total employee benefits expenses</b>	<b><u>4,615.42</u></b>	<b><u>4,218.99</u></b>

\* The Managing Director of the Holding Company has waived his remuneration for the year ended 31st March, 2024 and 31st March, 2023.

29 Finance Costs	As at 31 March 2024	As at 31st March 2023
Interest expense:		
- cash credit and working capital demand loan	1,051.48	525.17
Other borrowing costs		
- guarantee commission	470.35	420.47
- other finance charges	121.15	120.12
<b>Total finance charges</b>	<b><u>1,642.98</u></b>	<b><u>1,065.76</u></b>

*Handwritten signature*



Techno Electric & Engineering Company Limited  
 Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year  
 ended 31 March 2024  
 (Amount in ₹ lakhs, except otherwise stated)

30 Depreciation Expenses

	As at 31 March 2024	As at 31st March 2023
Depreciation of tangible assets (refer note 4 and 35)	737.75	711.90
Depreciation of right-of-use assets (refer note 6)	46.55	48.05
Amortization of intangible assets	-	-
<b>Total depreciation and amortization expenses</b>	<b>784.30</b>	<b>759.95</b>

31 Other Expenses

	As at 31 March 2024	As at 31st March 2023
Travelling & Conveyance	1,005.20	836.52
Rent (refer note 6 (c))	430.95	821.38
Rates & Taxes	651.21	367.83
Insurance	629.44	401.82
Service Charges	1,363.85	1,085.07
Legal & Professional Fees	1,499.52	1,021.77
Power & Fuel	152.74	142.55
Repairs and maintenance:		
- Plant and machinery	280.18	248.43
Directors Sitting Fees (refer note 36C)	26.50	22.25
Payment to auditors (refer note (a) below)	64.42	43.00
Cost audit fees	0.20	-
Bank Charges	58.98	63.64
Provision for foreseeable losses	-	161.98
Impairment of Goodwill on consolidation	-	85.02
Corporate social responsibility expenses	519.04	527.37
Miscellaneous expenses	1,982.44	1,545.73
<b>Total other expenses</b>	<b>8,644.67</b>	<b>7,484.34</b>

Note:

(a) Payment to auditors (\*)

Statutory audit (including limited review)	49.62	37.29
Tax audit	-	4.00
Other services	13.17	1.63
Reimbursement of expenses	1.63	0.08
	<b>64.42</b>	<b>43.00</b>

\* Excluding goods and services tax, as applicable

(This space has been intentionally left blank)

*hl*

*l*



**Techno Electric & Engineering Company Limited**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

**32 Income taxes**

	As at 31 March 2024	As at 31st March 2023
<b>A. Components of income tax expense</b>		
<b>I. Tax expense pertaining to continuing operations recognised in the Statement of Profit and Loss</b>		
Current tax	6,084.63	4,401.09
Deferred tax	(1,108.82)	145.90
Tax related to earlier years	66.74	97.76
<b>Total</b>	<b>5,022.55</b>	<b>4,644.75</b>
<b>II. Tax expense pertaining to discontinued operations recognised in the Statement of Profit and Loss</b>		
Current tax	165.17	7,446.07
Deferred tax	(254.04)	(5,144.36)
<b>Total</b>	<b>(88.87)</b>	<b>2,301.71</b>
<b>III. Tax on other comprehensive income</b>		
Current Tax	483.73	-
Deferred tax	-	-
Income taxes relating to remeasurements of defined benefit liability/ (asset)	17.55	(18.11)
Income tax on fair valuation of equity and debt instruments	(159.48)	(15.62)
<b>Total</b>	<b>341.80</b>	<b>(33.73)</b>

**B. Reconciliation of effective tax rate pertaining to continuing operations**

The reconciliation between the statutory income tax rate and the effective income tax rate is as follows:

	As at 31 March 2024	As at 31st March 2023
<b>Profit before tax</b>	<b>32,125.04</b>	<b>14,305.58</b>
Enacted tax rate in India (%)	25.17%	25.17%
<b>Computed tax expense</b>	<b>8,085.23</b>	<b>3,600.43</b>
Expenses not deductible in determining taxable profit	153.14	526.01
Income exempt from taxation/ taxable separately	(1,546.09)	(524.64)
Income taxable at rate different from effective tax rate	(978.93)	-
Deferred tax asset not recognised on elimination of inter-company profit	-	769.54
Deferred tax asset recognised during the year related to earlier years	(769.54)	-
Deferred tax liability/ (asset) created during the year	-	145.90
Tax related to earlier years	66.74	97.76
Other adjustments	12.00	29.75
<b>Total income tax expenses as per the statement of profit and loss</b>	<b>5,022.55</b>	<b>4,644.75</b>

**C. The following tables provides the details of income tax assets and income tax liabilities:**

Advance tax (refer note a)	669.42	536.93
Current tax liabilities (net) (refer note b)	186.88	654.71
<b>Net position [Asset/ (Liability)]</b>	<b>856.30</b>	<b>1,191.64</b>
<b>a. Advance Tax (current &amp; non-current)</b>		
Opening balance	536.93	634.45
Tax related to earlier years	(86.74)	(97.76)
Transfer from current tax liabilities	199.23	0.24
<b>Total</b>	<b>669.42</b>	<b>536.93</b>
<b>b. Current tax liabilities</b>		
Opening balance	654.71	-
Provision for tax	6,713.53	11,847.16
Advance tax paid during the year	(4,000.00)	(10,000.94)
TDS deducted during the year	(2,715.92)	(1,191.75)
Self assessment tax paid	(664.67)	-
Transferred to/ from current tax assets	199.23	0.24
<b>Total</b>	<b>186.88</b>	<b>654.71</b>
<b>Net position</b>	<b>482.54</b>	<b>(117.78)</b>

**33 Earnings per equity share (EPS)**

	As at 31 March 2024	As at 31st March 2023
Profit after tax	26,845.51	18,685.78
Weighted average number of equity shares	10,76,19,019	10,92,27,026
Basic and Diluted earnings per equity per share (face value of ₹ 2 each)	24.94	17.10



	As at 31 March 2024	As at 31 March 2023
<b>34 Employee benefits</b>		
Net defined benefit obligation (Gratuity)	(700.48)	(657.11)
Net defined benefit asset (Gratuity)	635.80	591.64
(Liability) recognised in Balance Sheet	<u>(64.68)</u>	<u>(65.47)</u>
Non-Current	-	-
Current	<u>(64.68)</u>	<u>(65.47)</u>
	<u>(64.68)</u>	<u>(65.47)</u>

For details about the related employee benefits expenses, refer note 28.

**Defined contribution plans**

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss on an accrual basis. The amount recognised as an expense towards contribution to provident and pension fund for the year aggregated to ₹ 286.32 lakhs (31 March 2023: ₹ 232.72 lakhs). The balance amount charged to the Statement of Profit and Loss on an accrual basis pertains towards gratuity and esi.

**Defined benefit plans**

(a) The Group operates one post-employment defined benefit plan for gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days basic salary for each year of completed service at the time of retirement/exit.

(b) These defined benefit plans expose the Group to actuarial risks, such as currency risk, interest risk and market (investment) risk.

**Inherent risk**

The plan is defined benefit in nature which is sponsored by the Group and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Group, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyse present value of defined benefit obligations, expense recognised in Statement of Profit and Loss, actuarial assumptions and other information.

**Reconciliation of the net defined benefit (asset)/ liability:**

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(I) Reconciliation of present value of defined benefit obligation</b>		
(a) Balance at the beginning of the year	657.11	591.17
(b) Current service cost	60.41	46.87
(c) Interest cost	43.28	40.13
(d) Past service cost	-	-
(e) Benefits paid	(72.42)	(70.59)
(f) Actuarial (gains) / losses recognised in other comprehensive income:		
- change in financial assumptions	16.66	7.13
- change in demographic assumptions	(0.40)	-
- experience adjustments	(4.16)	42.40
Balance at the end of the year	<u>700.48</u>	<u>657.11</u>
<b>(II) Reconciliation of present value of plan assets</b>		
(a) Balance at the beginning of the year	591.64	638.55
(b) Interest income	41.24	46.10
(c) Employer contributions	65.47	-
(d) Benefits paid	(72.42)	(70.59)
(e) Return on plan assets recognised in other comprehensive income	9.87	(22.42)
Balance at the end of the year	<u>635.80</u>	<u>591.64</u>
<b>(III) Net liability recognised in the Balance Sheet</b>		
(a) Present value of defined benefit obligation	(700.48)	(657.11)
(b) Fair value of plan assets	635.80	591.64
Net defined benefit obligations in the Balance Sheet	<u>(64.68)</u>	<u>(65.47)</u>
<b>(IV) Expense recognised in Statement of Profit or Loss</b>		
(a) Current service costs	60.41	46.87
(b) Interest costs	43.28	40.13
(c) Expected return on plan assets	(41.24)	(46.10)
(d) Past service costs	-	-
Expense recognised in the Statement of Profit and Loss	<u>62.45</u>	<u>40.90</u>
<b>(V) Remeasurements recognised in Other Comprehensive Income</b>		
(a) Actuarial gain on defined benefit obligation	12.10	49.53
(b) Return on plan asset excluding interest income	(9.87)	22.42
Amount recognised in Other Comprehensive Income	<u>2.23</u>	<u>71.95</u>



Techno Electric & Engineering Company Limited

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

34 Employee benefits (cont'd)

(VI) Maturity profile of the defined benefit obligation:

Expected Future payments (undiscounted):

Not Later than 1 year	76.10	132.73
Later than 1 year and not later than 5 years	210.86	147.61
More than 5 years	1,348.61	1,280.00
	<u>1,635.57</u>	<u>1,540.34</u>

Note:

The average duration of the defined benefit plan obligation at the end of the reporting period is 17 years (31 March 2023: 16 years)

Reconciliation of the net defined benefit (asset)/ liability:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(VII) Actuarial assumptions</b>		
Principal actuarial assumptions at the reporting date		
(a) Discount rate (%)	6.97%	7.22%
(b) Future salary growth (%)	6.00%	6.00%
(c) Attrition rate (%)	8.50%	1.00%
(d) Retirement age (years)	60	60
(e) Expected average remaining working life of employee (years)	17	16
(f) Mortality rate	IALM 2012-2015 Ultimate	IALM 2012-2014 Ultimate

Note:

(a) Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14) Ultimate.

(b) The estimates of future salary increases considered in actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(c) Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

(VIII) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Change in discount rate		
Present value of obligation at the end of the year		
- Effect due to increase of 0.50 %	(32.67)	(30.15)
- Effect due to decrease of 0.50 %	35.41	32.69
(b) Change in salary growth		
Present value of obligation at the end of the year		
- Effect due to increase of 0.50 %	32.78	31.23
- Effect due to decrease of 0.50 %	(31.34)	(30.00)
(c) Change in attrition rate		
Present value of obligation at the end of the year		
- Effect due to increase of 0.50 %	(0.04)	0.05
- Effect due to decrease of 0.50 %	0.06	(0.05)
(d) Change in mortality rate		
Present value of obligation at the end of the year		
- Effect due to increase of 10 %	0.08	0.16
- Effect due to decrease of 10 %	(0.07)	(0.16)

(IX) Expected Contribution during the next annual reporting period

Particulars	As at 31 March 2024	As at 31 March 2023
The Group's best estimate of contribution during the next year	50.00	50.00

(X) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31 March 2024	As at 31 March 2023
Investment Funds	84.64%	83.17%
Cash & Cash Equivalents	3.25%	2.19%
Special Deposit Scheme	4.29%	4.61%
Government of India Assets	3.93%	4.39%
Corporate Bonds	3.15%	4.39%
Others	0.74%	1.23%

*Handwritten signature*

*Handwritten signature*





34 Employee benefits (cont'd)

(XI) Risk exposure:

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the Group is exposed to follow risks -

- a) Salary increase: Higher than expected increases in salary will increase the defined benefit obligation.
- b) Investment risk: Since the plan is funded then asset liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can Effect the defined benefit obligation.
- c) Discount rate: The defined benefit obligation calculated use a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- d) Mortality and disability: If the actual deaths and disability cases are lower or higher than assumed in the valuation, it can Effect the defined benefit obligation.
- e) Withdrawals: If the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can effect defined benefit obligation.

35 Discontinued Operations

The Holding Company, consequent to the approvals received from the Board of Directors on 30 May 2022 and from the shareholders on 19 July 2022, had decided to dispose its 111.9 MW of wind assets situated in the state of Tamil Nadu to further focus on their core EPC business and to explore other opportunities for diversification. During the previous year ended 31 March 2023, the Holding Company had entered into memorandum of understanding ("the MoUs") for partial sale of its 108.9 MW of wind assets situated in the state of Tamil Nadu with multiple buyers. Accordingly, in line with the requirements of Ind AS 105 "Non-current assets Held for Sale", effective 01 October 2022, depreciation on such assets have been discontinued and respective wind assets have been designated as assets held for sale.

On completion of partial sale transaction of 105.3 MW of wind assets, the Holding Company has recognised net profit of ₹ 6,785.61 lakhs as an exceptional item in the consolidated financial statements during the previous year ended 31 March 2023. Further, the operating profit of such 108.9 MW wind assets had been shown under "Discontinued Operations" in the consolidated financial statements. The prior period disclosures and figures relating to the discontinued operations were represented separately, in line with the requirements of Ind AS 105.

The remaining 3.6 MW of wind assets, which was classified as assets held for sale in the previous year ended 31 March 2023, has been sold off and exceptional gain of ₹ 79.65 lakhs has been accounted for during the current year ended 31 March 2024.

a) Profit from discontinued operations

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations		
Sale of power	(0.16)	7,846.23
Total Income	(0.16)	7,846.23
Expenses		
Employee benefits expense	-	74.77
Depreciation and amortisation expense	-	1,695.45
Other expenses	425.34	1,534.96
Total Expenses	425.34	3,305.18
Profit before exceptional items and tax	(425.50)	4,541.05
Exceptional items - gain on sale of discontinued operations	79.65	6,785.61
Tax expenses (Refer Note No 32)	(88.87)	2,301.71
Profit for the year from discontinued operations	(256.98)	9,024.95

b) Net cash flows attributable to the discontinued operations

Net cash generated from / used in operating activities	(402.00)	9,646.49
Net cash (used) in investing activities	573.26	40,908.49
Net cash generated from financing activities	-	-
Net cash (outflows)/ inflows	171.26	50,554.98



**Techno Electric & Engineering Company Limited**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

**35 Discontinued Operations (Cont'd)**

**c) Assets and liabilities of discontinued operations**

	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>		
(1) Non - current assets		
(a) Property, plant and equipment	-	1,173.61
<b>Total non-current assets</b>	<u>-</u>	<u>1,173.61</u>
(2) Current assets		
(a) Financial assets		
(i) Trade receivables	9,295.21	14,351.95
(ii) Other financial assets	-	3,352.95
(b) Other current assets	-	11.40
<b>Total current assets</b>	<u>9,295.21</u>	<u>17,716.30</u>
<b>LIABILITIES</b>		
(1) Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	-	210.36
(ii) Other financial liabilities	-	7.04
(b) Other current liabilities	-	1,414.12
<b>Total current liabilities</b>	<u>-</u>	<u>1,631.52</u>

(This space has been intentionally left blank)

*Handwritten signatures in blue ink.*



**Techno Electric & Engineering Company Limited**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

**36 Related party disclosures (as per Ind AS 24)**

Names of related parties and description of relationship (where transactions have taken place during the year, except for control relationships where parties are disclosed irrespective of transactions)

**A. List of related parties and their relationship**

Nature of relation	Name of the related party
(i) Entity Having Significant Influence Over the Company	Varanasi Commercial Ltd
(ii) Key Management Personnel (KMP)	Shri Padam Prakash Gupta - Managing Director and Key Management Person Shri Ankit Saraiya - Wholetime Director and Key Management Person Ms Avantika Gupta - Non-Executive Director and relative of Key Management Person Shri Vasudevan Kotivenkatesan - Non-Executive and Independent Director (Retired wef 26/09/2023) Shri Krishna Murari Poddar - Non-Executive and Independent Director Shri Samarendra Nath Roy - Non-Executive and Independent Director Shri Kadenja Krishna Rai - Non-Executive and Independent Director Shri Anjan Dasgupta - Non-Executive and Independent Director (wef 26/09/2023) Shri Shailesh Kumar Mishra - Non-Executive and Independent Director (wef 10/11/2023) Shri James Raymond Trout - Non-Executive Director (wef 29/03/2024) Ms. Dipali Khanna - Non-Executive and Independent Director Shri Pradeep Kumar Lohia - Chief Financial Officer and Key Management Person Shri Niranjan Brahma - Company Secretary and Key Management Person
(iii) Relative of Key Management Personnel (with whom transactions have taken place)	Mrs. Raj Prabha Gupta
(iv) Entities where Key Management Personnel and their relatives have significant influence (with whom transactions have taken place)	Techno Power Projects Ltd Techno Leasing & Finance Company Pvt Ltd Checons Ltd Green Taak Agro Processors Pvt Ltd Raj Projects Pvt Ltd Enertech Engineers India Pvt Ltd Varanasi Commercial Ltd Kusum Industrial Gases Ltd Trimurti Associates Pvt Ltd Ankit Credit Pvt Ltd Pragya Commerce Pvt Ltd

**B. Transactions with Entity Having Significant Influence Over The Company**

Nature of transaction	Transaction Value		Balance Outstanding	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
(i) Purchase of shares of Subsidiary	-	1.62	-	-
(ii) Dividend Paid	1,476.29	492.10	-	-

**C. Transactions with Key Management Personnel (KMP)**

Nature of transaction	Transaction Value		Balance Outstanding	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
(i) Remuneration and Employee Benefits*				
Wholetime Director	24.00	24.00	-	8.26
Chief Financial Officer	30.34	33.53	-	6.66
Company Secretary	29.35	28.95	-	4.42
(ii) Director Sitting Fees	26.50	22.25	-	-
(iii) Dividend Paid	17.64	0.12	-	-

\*The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available

**D. Transactions with Relative of Key Management Personnel (KMP)**

Nature of transaction	Transaction Value		Balance Outstanding	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
(i) Other expense	2.40	2.40	-	-
(ii) Dividend Paid	41.47	19.58	-	-

**E. Transactions with Entities where Key Management Personnel and their relatives have significant influence**

Nature of transaction	Transaction Value		Balance Outstanding	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
(i) Other expense	12.53	29.81	-	-
(ii) Purchase of shares of Subsidiary	-	3.22	-	-
(iii) Security deposit paid	-	18.88	-	-
(iv) Dividend Paid	2,436.67	812.22	-	-

**F. Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Holding Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Handwritten initials: *HO*

Handwritten mark: *2*



Techno Electric & Engineering Company Limited

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

37 Segment reporting

A Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

The Group's primary business segment is EPC (Construction). Based on the dominant source and nature of risk and returns of the Group, its internal organisation and management structure and its system of internal financial reporting, EPC business segment has been identified as the primary segment and the financial information are presented in the table below:

Particulars	EPC (Construction)	Others	Corporate (Unallocable)	Total
<b>Year ended 31 March 2024</b>				
<b>I Revenue</b>				
a Sales	1,49,194.29	1,043.80	-	1,50,238.09
b Others	65.54	-	-	65.54
c Interest revenue	-	-	10,430.35	10,430.35
d <b>Total revenue</b>	<b>1,49,259.83</b>	<b>1,043.80</b>	<b>10,430.35</b>	<b>1,60,723.98</b>
<b>II Result</b>				
a Segment result/ operating Profit before tax and interest	20,299.14	(76.54)	13,545.42	33,768.02
b Interest expense	-	-	1,642.98	1,642.98
c Provision for taxation	-	-	5,022.55	5,022.55
d <b>Net profit</b>	<b>20,299.14</b>	<b>(76.54)</b>	<b>6,879.89</b>	<b>27,102.49</b>
<b>III Other information</b>				
a Segment assets	1,07,218.84	5,462.53	1,61,390.96	2,74,072.33
b Segment liabilities	59,682.01	248.38	7,114.04	67,044.43
c Capital expenditure	251.06	-	-	251.06
d Depreciation and amortisation	178.37	605.93	-	784.30
<b>Year ended 31 March 2023</b>				
<b>I Revenue</b>				
a Sales	81,861.92	1,087.93	-	82,949.85
b Others	355.66	-	4,050.46	4,406.12
c Interest Revenue	-	-	3,058.28	3,058.28
d <b>Total Revenue</b>	<b>82,217.58</b>	<b>1,087.93</b>	<b>7,108.74</b>	<b>90,414.25</b>
<b>II Result</b>				
a Segment result/ operating Profit before tax and interest	8,227.44	191.25	6,952.65	15,371.34
b Interest expense	-	-	1,065.76	1,065.76
d Provision for taxation	-	-	4,644.75	4,644.75
e <b>Net profit</b>	<b>8,227.44</b>	<b>191.25</b>	<b>1,242.14</b>	<b>9,660.83</b>
<b>III Other information</b>				
a Segment assets	1,08,695.81	5,335.02	1,43,967.49	2,57,998.32
b Segment liabilities	71,293.32	79.11	10,864.06	82,236.49
c Capital expenditure	69.76	-	9,459.72	9,529.48
d Depreciation and amortisation	117.71	605.98	36.26	759.95

Information related to discontinued operations

	Year ended 31 March 2024	Year ended 31 March 2023
a Segment Revenue	-	7,846.23
b Segment Results (including exceptional items)	(345.85)	11,326.66
c Segment Assets	9,295.22	18,889.91
d Segment Liabilities	-	1,631.52

(This space has been intentionally left blank)



Techno Electric & Engineering Company Limited  
Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

37 Segment reporting (Cont'd)

B Geographical segment

Revenue from contracts with customers disaggregated on the basis of geographical region is presented below:

	Year ended 31 March 2024	Year ended 31 March 2023
India	1,49,758.74	82,735.53
Outside India	-	-
	<u>1,49,758.74</u>	<u>82,735.53</u>

C Information about major customers

Total revenues from five customers (31 March 2023 - three customers) of EPC division (construction) amounting to ₹ 1,04,208.59 lakhs (31 March 2023 - ₹ 40,999.62 lakhs) represents 69.36% (31 March 2023 - 49.43%) of the Group's total revenues.

Customer A : 20.35% (31 March 2023 - 19.11%)  
Customer B : 14.03% (31 March 2023 - 8.29%)  
Customer C : 12.66% (31 March 2023 - Nil)  
Customer D : 11.93% (31 March 2023 - Nil)  
Customer E : 10.39% (31 March 2023 - 1.01%)

D There are no inter-segment revenues.

E Based on timing of revenue

	Year ended 31 March 2024	Year ended 31 March 2023
At a point in time	1,00,563.07	66,486.22
Over time	49,195.67	16,249.31
	<u>1,49,758.74</u>	<u>82,735.53</u>

F Contract balance

The following table provides information about receivable, contract assets and contract liabilities from contract with customers:

	As at 31 March 2024	As at 31 March 2023
Trade receivables	74,106.41	64,131.22
Contract assets	24,943.40	13,775.05
Contract liabilities	(3,260.03)	(18,427.80)
	<u>95,789.78</u>	<u>69,478.47</u>

G Movement of contract balances

i Contract assets

	As at 31 March 2024	As at 31 March 2023
Opening balance	13,775.05	15,492.93
Addition during the year	19,342.82	8,526.40
Billed during the year	(8,174.47)	(10,244.28)
Closing balance	<u>24,943.40</u>	<u>13,775.05</u>

ii Contract liabilities

	As at 31 March 2024	As at 31 March 2023
Opening balance	18,427.80	12,980.37
Addition during the year	3,260.03	11,927.43
Billed during the year	(18,427.80)	(6,480.00)
Closing balance	<u>3,260.03</u>	<u>18,427.80</u>

H There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.  
(This space has been intentionally left blank)

W

L



Techno Electric & Engineering Company Limited

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

(Amount in ₹ lakhs, except otherwise stated)

	As at 31 March 2024	As at 31 March 2023
<b>38 Contingent liabilities and commitments</b> <i>(to the extent not provided for)</i>		
<b>A Contingent liabilities:</b>		
Claims against the Group not acknowledged as debts:		
- Indirect tax demands (VAT/CST/Entry tax) <i>Amount paid under protest ₹ Nil (31 March 2023: ₹ 17.70 lakhs)</i>	87.80	87.80
- Income tax demands <i>Amount paid under protest ₹ 387.25 lakhs (31 March 2023: ₹ 375.46 lakhs)</i>	780.48	780.48
	<b>868.28</b>	<b>868.28</b>

**Note:**

(a) In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.

(b) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect to the above pending resolution of the respective proceedings.

	As at 31 March 2024	As at 31 March 2023
<b>B Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net off capital advance)	2,109.96	7,388.55
	<b>2,109.96</b>	<b>7,388.55</b>

**39 Capital management**

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Group monitors the return on capital. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders, whereas debt includes borrowings which primarily includes the payables pertaining to the purchase of goods, less cash and cash equivalents

The Group monitors capital on the basis of the following gearing ratio.

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings	-	-
Less: Cash and cash equivalents	3,440.96	4,840.39
<b>Net debt</b>	<b>(3,440.96)</b>	<b>(4,840.39)</b>
<b>Equity (including other equity)</b>	<b>2,16,320.70</b>	<b>1,93,017.58</b>
Gearing Ratio	-1.59%	-2.51%

(This space has been intentionally left blank)

*he*

*l*



Techno Electric & Engineering Company Limited  
 Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024  
 (Amount in ₹ lakhs, except otherwise stated)

40 Financial instruments - fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount			Fair value		
		Fair value through Profit or Loss (FVTPL)	Fair value through Other Comprehensive Income	Cost	Total carrying amount / Fair Value	Level 1	Level 2
<b>As at 31 March 2024:</b>							
<b>Financial assets</b>							
Investment in equity instruments	7	-	46.25	-	46.25	-	46.25
Investment in debt instruments	7	25,638.87	-	-	25,638.87	-	-
Investment in mutual funds	7	88,508.85	-	-	88,508.85	88,508.85	-
Loans	8	-	-	3,000.00	-	-	-
Other financial assets	9	-	-	7,212.35	7,212.35	-	-
Trade receivables	12	-	-	74,106.41	74,106.41	-	-
Cash and cash equivalents	13	-	-	3,440.96	3,440.96	-	-
Bank balances other than cash and cash equivalents	14	-	-	10,277.66	10,277.66	-	-
		<b>1,14,147.72</b>	<b>46.25</b>	<b>98,037.37</b>	<b>2,12,231.34</b>	<b>88,508.85</b>	<b>25,638.87</b>
<b>Financial liabilities</b>							
Other financial liabilities	21	-	-	726.85	726.85	-	-
Trade payables	20	-	-	54,984.17	54,984.17	-	-
		-	-	<b>55,711.02</b>	<b>55,711.02</b>	-	-
<b>As at 31 March 2023:</b>							
<b>Financial assets</b>							
Investment in equity instruments	7	-	1,142.47	-	1,142.47	1,095.47	47.00
Investment in other debt instruments	7	27,290.73	-	-	27,290.73	-	-
Investment in mutual funds	7	1,02,044.12	-	-	1,02,044.12	1,02,044.12	-
Loans	8	-	-	14,225.96	-	-	-
Other financial assets	9	-	-	5,438.17	5,438.17	-	-
Trade receivables	12	-	-	64,131.22	64,131.22	-	-
Cash and cash equivalents	13	-	-	4,840.39	4,840.39	-	-
Other bank balances	14	-	-	9,775.29	9,775.29	-	-
		<b>1,29,334.85</b>	<b>1,142.47</b>	<b>98,411.04</b>	<b>2,28,888.36</b>	<b>1,03,139.59</b>	<b>27,290.73</b>
<b>Financial liabilities</b>							
Other financial liabilities	21	-	-	3,987.27	3,987.27	-	-
Trade payables	20	-	-	52,022.63	52,022.63	-	-
		-	-	<b>56,009.90</b>	<b>56,009.90</b>	-	-



*Handwritten signature/initials*

Techno Electric & Engineering Company Limited  
 Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024  
 (Amount in ₹ lakhs, except otherwise stated)

**40 Financial Instruments - fair values and risk management (Cont'd)**  
**B. Measurement of fair values**

- Valuation process and technique used to determine fair value of financial assets and liabilities classified under fair value hierarchy other than Level 1:**
- (a) The fair value of cash and cash equivalents, other bank balances, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. Further, management also assessed the carrying amount of certain non-current loans and non-current other financial assets which are reasonable approximation of their fair values and the difference between the carrying amount and the fair values is not expected to be significant.
  - (b) Investments in equity instruments are classified as FVOCI. Fair value of unquoted investments is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This Level includes investment in unquoted equity shares. Fair value of quoted equity instruments are determined using quoted prices available in the market.
  - (c) In case of derivatives, the fair value is determined using quoted forward exchange rates at the reporting dates in the respective commodities and currencies. There are no such significant unobservable inputs used for the valuation technique.
  - (d) The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date.
  - (e) In case of investments in debt instruments, the fair values in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates.
  - (f) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statement are a reasonable approximation of their fair values, since the Group does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

**FAIR VALUE HIERARCHY**

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1 and Level 2 during the year

**C. Level 3 fair values - Movement in the values of unquoted equity instruments**

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values.

Particulars	As at	
	31 March 2024	31 March 2023
Balance as at the beginning of the year	47.00	47.00
Fair value gain through Other Comprehensive Income:		
- Net change in fair value (unrealised)	(0.75)	-
- Sale of investments	-	-
Loss allowance routed through profit and loss	46.25	-
Balance as at the end of the year	47.00	47.00

(This space has been intentionally left blank)



*Handwritten signature and initials.*



**Techno Electric & Engineering Company Limited**  
**Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024**  
 (Amount in ₹ lakhs, except otherwise stated)

**40 Financial instruments - fair values and risk management (cont'd)**

**D. Risk management**

The Group's financial liabilities comprise mainly trade payables. The Group's financial assets comprise mainly investments, loans, trade receivables, cash and cash equivalents and other balances with banks. The Group's financial risk management is an integral part of how to plan and execute its business strategies.

The Group's activities expose it to market risk, interest rate risk and foreign currency risk. The Board of Directors ('Board') oversee the management of these financial risks. The risk management policies of the Group guides the management to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Group's Management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance.

The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

In respect of trade and other receivables, the Group recognises lifetime expected credit losses on trade receivables using a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix. Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from government promoted agencies and receivables from private third parties. A substantial portion of the Group's trade receivables are from government promoted agencies having strong credit worthiness. Further the Group does not have a history of credit losses from such government promoted agencies, accordingly, provision for expected credit loss is not made in respect of trade receivables.

The credit risk for cash and cash equivalents, bank deposits, loans and financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

The following tables provide information about the exposure to credit risk for trade receivables as at 31 March 2024 and 31 March 2023:

	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at 31 March 2024	58,185.44	5,387.83	2,045.32	7,283.56	1,204.16	74,106.41
As at 31 March 2023	45,987.35	2,922.93	6,532.42	4,304.85	4,383.67	64,131.22

(This space has been intentionally left blank)



**Techno Electric & Engineering Company Limited**  
**Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024**  
(Amount in ₹ lakhs, except otherwise stated)

**(ii) Liquidity risk**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below analysis derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows

Particulars	Carrying amount	Contractual cash flows			
		less than 1 year	1 - 2 years	2 - 5 years	more than 5 years
<b>As on 31 March 2024:</b>					
Other financial liabilities	726.85	726.85			
Trade payables	54,984.17	54,984.17			
	<b>55,711.02</b>	<b>55,711.02</b>			
<b>As on 31 March 2023:</b>					
Other financial liabilities	3,987.27	3,987.27			
Trade payables	52,022.63	52,022.63			
	<b>56,009.90</b>	<b>56,009.90</b>			

**(iii) Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*(This space has been intentionally left blank)*

*wd p*



Techmo Electric & Engineering Company Limited  
 Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024  
 (Amount in ₹ lakhs, except otherwise stated)

**(a) Foreign currency risk**  
 The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

**Exposure to currency risk**

	Currency	31 March 2024	31 March 2023
Trade payables (unhedged)	USD (in lakhs)	1.99	1.99
	INR	165.59	163.37
Trade receivables (unhedged)	Euro (in lakhs)	0.37	0.37
	INR	32.98	32.86
Cash and Cash Equivalents (unhedged)	USD (in lakhs)	67.10	77.76
	INR	5,595.00	6,393.17
Other Financial Assets (unhedged)	USD (in lakhs)	0.28	-
	INR	23.40	-
	USD (in lakhs)	11.85	11.85
	INR	987.86	974.05

**Sensitivity analysis**  
 A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euros as at the reporting period would have affected the measurement of financial instruments denominated in US dollars and Euros and affects profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31 March 2024		31 March 2023	
	Profit or (loss)	Equity (net of tax)	Profit or (loss)	Equity (net of tax)
<b>Trade payables (unhedged)</b>				
INR/USD strengthening [5% movement]	8.28	6.20	8.17	6.11
INR/USD weakening [5% movement]	(8.28)	(6.20)	(8.17)	(6.11)
<b>Trade receivables (unhedged)</b>				
INR/Euro strengthening [5% movement]	1.65	1.23	1.64	1.23
INR/Euro weakening [5% movement]	(1.65)	(1.23)	(1.64)	(1.23)
<b>Trade receivables (unhedged)</b>				
INR/USD strengthening [5% movement]	(279.75)	(209.34)	(319.66)	(289.21)
INR/USD weakening [5% movement]	279.75	209.34	319.66	289.21

**(b) Interest rate risk**  
 Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long term and short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31 March 2024	31 March 2023
<b>Fixed rate instruments</b>		
Financial assets	39,488.59	52,199.16
Financial liabilities	-	-
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
<b>Sensitivity analysis</b>		
Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.	-	-



Handwritten signature and initials.

Techno Electric & Engineering Company Limited  
 Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024  
 (Amount in ₹ lakhs, except otherwise stated)

41 Financial ratios

Sl No.	Ratio	Formula for computation	Measure (In times/ percentage)	As at and for the year ended 31 March, 2024	As at and for the year ended 31 March 2023	% Variance	Remarks
1	Current ratio	Current assets / Current liabilities	Times	4.30	4.42	-2.71%	Refer note 2 (d)
2	Debt-equity ratio	Not applicable	Times	-	-	-	
3	Debt service coverage ratio	EBITDA / Debt service	Times	17.74	16.15	9.85%	Refer note 2 (d)
4	Return on equity ratio	Profit after tax / Net worth	Percentage	13.00%	10.00%	30.00%	Refer note 2 (e)
5	Inventory turnover ratio	Cost of goods sold / Average inventory	Times	NA	NA	NA	
6	Trade receivables turnover ratio	Revenue from sales / Average trade receivables	Times	2.17	1.48	46.62%	Refer note 2 (b)
7	Trade payables turnover ratio	Purchases / Average Trade Payables	Times	2.03	1.49	36.24%	Refer note 2 (a)
8	Net capital turnover ratio	Revenue from operations / Working capital	Times	0.80	0.46	73.91%	Refer note 2 (c)
9	Net profit ratio	Profit after tax / Revenue from operations	Percentage	18.00%	21.00%	-14.29%	Refer note 2 (d)
10	Return on capital employed	EBIT / Capital employed	Percentage	9.00%	10.00%	-10.00%	Refer note 2 (d)
11	Return on investment	Not applicable	Percentage	NA	NA	NA	

Note 1:

- (a) Debt = Non-current borrowings + current borrowings
- (b) Net worth = Paid-up share capital + reserves created out of profit - accumulated losses + Equity component of other financial instruments (net of taxes)
- (c) EBITDA = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Property, Plant and Equipment etc.
- (d) Debt service = Interest and lease payments + principal repayments
- (e) Purchase = cost of materials consumed + closing inventory of raw materials - opening inventory of raw materials
- (f) Working Capital = current assets - current liabilities
- (g) EBIT = Earnings before interest and tax and exceptional items
- (h) Capital employed = tangible net worth (total assets - total liabilities - intangible assets) + total debt

Note 2:

- (a) Increased on account of decrease in payables outstanding as compared to purchases made during the year.
- (b) Increased on account of decrease in receivables outstanding as compared to sales during the year.
- (c) Increased on account of decrease in the net working capital due to utilisation of loan realisation proceeds for repayment of Mobilisation Advance (Non Current) of the Group.
- (d) Since the change in ratio is less than 25%, no explanation is required to be disclosed.
- (e) Increase on account of fair value gain on investments held by foreign subsidiary (incorporated in the current year). Further in the current financial year, margin is also accrued in Techno AMI Solutions Pvt Ltd for Smart Metering Projects.

we

(This space has been intentionally left blank)



42 Details related to borrowings secured against current assets

The Holding Company is filing quarterly statement of Inventories, Trade payables (net off advance to suppliers), Advance from customers and Trade receivables for working capital facilities. The below is summary of Quarterly reconciliation of statement filed to the banks and books of accounts.

Quarter ended	Particulars	Amount as per books of accounts	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material variations
<b>For the year ended 31 March 2024</b>					
<b>31 March 2024</b>					
	- Trade Receivables	74,106.41	61,642.86	12,463.55	Refer Note 1
	- Inventories	2,585.13	-	2,585.13	Refer Note 1
	- Trade Payables (Net off Advance to suppliers)	53,299.13	36,236.20	17,062.93	Refer Note 1
	- Advance from Customers	3,260.03	12,868.90	(9,608.87)	Refer Note 1
<b>31 December 2023</b>					
	- Trade Receivables	75,808.83	57,863.15	17,945.68	Refer Note 1
	- Inventories	1,625.84	-	1,625.84	Refer Note 1
	- Trade Payables (Net off Advance to suppliers)	44,133.88	26,023.41	18,110.27	Refer Note 1
	- Advance from Customers	13,378.92	10,396.94	2,981.98	Refer Note 1
<b>30 September 2023</b>					
	- Trade Receivables	66,952.62	45,951.41	21,001.21	Refer Note 1
	- Inventories	3,273.44	-	3,273.44	Refer Note 1
	- Trade Payables (Net off Advance to suppliers)	53,588.21	25,981.50	27,606.71	Refer Note 1
	- Advance from Customers	16,205.13	12,514.14	3,690.99	Refer Note 1
<b>30 June 2023</b>					
	- Trade Receivables	71,490.96	52,070.40	19,420.56	Refer Note 1
	- Inventories	9,488.69	9,488.69	-	
	- Trade Payables (Net off Advance to suppliers)	52,550.75	34,006.22	18,544.53	Refer Note 1
	- Advance from Customers	18,789.64	15,570.04	3,219.60	Refer Note 1
<b>For the year ended 31 March 2023</b>					
<b>31 March 2023</b>					
	- Trade Receivables	64,131.28	63,761.80	369.48	Refer Note 1
	- Inventories	8,647.79	6,147.79	2,500.00	Refer Note 1
	- Trade Payables (Net off Advance to suppliers)	50,672.86	30,311.39	20,361.47	Refer Note 1
	- Advance from Customers	18,427.80	18,427.80	-	
<b>31 December 2022</b>					
	- Trade Receivables	58,953.25	58,787.05	166.20	Refer Note 1
	- Inventories	4,713.45	4,713.45	-	
	- Trade Payables (Net off Advance to suppliers)	23,680.05	32,933.60	(9,253.55)	Refer Note 1
	- Advance from Customers	33,860.71	6,968.89	26,891.82	Refer Note 1
<b>30 September 2022</b>					
	- Trade Receivables	61,352.93	61,352.93	-	
	- Inventories	4,199.91	4,199.91	-	
	- Trade Payables (Net off Advance to suppliers)	26,039.93	32,340.90	(6,300.97)	Refer Note 1
	- Advance from Customers	24,333.35	14,333.35	10,000.00	Refer Note 1
<b>30 June 2022</b>					
	- Trade Receivables	55,582.58	55,658.94	(76.36)	Refer Note 1
	- Inventories	2,300.79	2,300.79	-	
	- Trade Payables (Net off Advance to suppliers)	22,907.74	33,736.88	(10,829.24)	Refer Note 1
	- Advance from Customers	16,772.30	6,272.30	10,500.00	Refer Note 1

**Notes 1:**

The quarterly statements are submitted to banks were prepared and filed before the completion of financial statement closure activities including Ind AS adjustments / reclassification and regrouping as applicable, which led to these difference between final books of accounts and provisional quarterly statement submitted to banks.

*Handwritten signature*

*Handwritten signature*



**43 Other statutory information**

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with struck off companies.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in crypto currency or any form of virtual currency during the financial year.
- (v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- (x) The Group have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) There are no events or transactions after the reporting period which is required to be disclosed under Ind AS 10.

- 44 As per section 128 of the Companies Act, 2013 read with proviso to Rules 3(1) of the Companies (Accounts) Rules, 2014 ('the Account Rules') with respect to financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account. The audit trail (edit log) feature for any direct changes made at the database level was not enabled for the said accounting software used for maintenance of all accounting records by the Holding Company. However, the audit trail (edit log) at the application level was operated throughout the year for all relevant transactions recorded in the software at the group level.

**45 Code of Social Security, 2020**

The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code on 13 November 2020. However, the same is yet to be notified. The Group will evaluate the impact and make necessary adjustments to the financial statements in the period when the Code will come into effect.

*(This space has been intentionally left blank)*

*hd*      *2*



**Techno Electric & Engineering Company Limited**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024  
(Amount in ₹ lakhs, except otherwise)

**Note 46: Group Information**

**A. Subsidiaries**

The Group's Subsidiary companies, along with country of Incorporation, place of operation and principal activities for the year ended 31st March 2024 and 31st March 2023 are set out below:

Name of the Company	Relation with TEECL	Principal Activity	Country of Incorporation	Place of Operation	Proportion of ownership interest (incl. holding with nominee)	
					31-03-2024	31-03-2023
Techno Infra Developers Private Limited	Wholly Owned Subsidiary	IT Enabled Services	India	India	100.00%	100.00%
Techno Digital Infra Private Limited (Formerly Techno Clean Energy Private Limited.)	Wholly Owned Subsidiary	IT Enabled Services	India	India	100.00%	100.00%
Techno Green Energy Private Limited	Wholly Owned Subsidiary	Wind Energy Generation	India	India	100.00%	100.00%
Techno Wind Power Private Limited	Wholly Owned Subsidiary	Wind Energy Generation	India	India	100.00%	100.00%
Rajgarh Agro Products Limited*	Non-Wholly Owned Subsidiary	Agro Industry	India	India	96.10%	96.10%
Techno AMI Solutions Private Limited. (Formerly Jhajjar Power Transmission Private Limited.)	Wholly Owned Subsidiary	Smart Metering (DBFOOT)	India	India	100.00%	100.00%
Techno Data Center Limited. (Formerly Techno Power Grid Company Limited.)	Wholly Owned Subsidiary	Service Industry	India	India	100.00%	100.00%
Techno AMI Solutions 1 Pvt Ltd	Wholly Owned Subsidiary	Smart Metering (DBFOOT)	India	India	100.00%	-
Techno AMI Solutions 2 Pvt Ltd	Wholly Owned Subsidiary	Smart Metering (DBFOOT)	India	India	100.00%	-
Techno Electric Overseas Pte Ltd	Wholly Owned Subsidiary	Service Industry	Singapore	Singapore	100.00%	-

\*The subsidiary is not material to the Group, therefore information about the non-wholly owned subsidiary are not disclosed separately.

*Handwritten signature/initials*



Techno Electric & Engineering Company Limited  
 Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024  
 (Amount in ₹ lakhs, except otherwise stated)

47. Additional Information  
 a) Additional Information for the year ended 31st March 2024

S. No.	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated net profit	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	<b>Parent</b> Techno Electric & Engineering Company Limited	101.32%	2,19,171.25	100.48%	26,973.59	-	2,854.86	111.11%	29,828.45
	<b>Subsidiaries (Indian)</b>								
1	Techno Infra Developers Private Limited	2.36%	5,107.66	(0.25%)	(66.99)	-	-	(0.25%)	(66.99)
2	Techno Digital Infra Private Limited (Formerly Techno Clean Energy Pvt. Ltd.)	0.00%	0.51	(0.00%)	(0.76)	-	-	(0.00%)	(0.76)
3	Techno Green Energy Private Limited	0.00%	0.64	(0.00%)	(0.76)	-	-	(0.00%)	(0.76)
4	Techno Wind Power Private Limited	0.00%	0.57	(0.00%)	(0.76)	-	-	(0.00%)	(0.76)
5	Techno Data Center Limited.(Formerly Techno Power Grid Company Limited.)	1.43%	3,084.30	0.57%	154.24	-	-	0.57%	154.24
6	Rajgarh Agro Products Limited	0.03%	63.68	(0.02%)	(4.68)	-	-	(0.02%)	(4.68)
7	Techno AMI Solutions Private Limited. (Formerly Jhajjar Power Transmission Private Limited.)	0.04%	92.69	0.34%	92.60	-	-	0.34%	92.60
8	Techno AMI Solutions 1 Pvt Ltd	(0.00%)	(4.03)	(0.02%)	(5.03)	-	-	(0.02%)	(5.03)
9	Techno AMI Solutions 2 Pvt Ltd	0.00%	0.70	(0.00%)	(0.30)	-	-	(0.00%)	(0.30)
10	Techno Electric Overseas Pte Ltd	3.94%	8,517.98	1.44%	385.27	-	-	1.44%	385.27
	<b>Non controlling interest in all subsidiaries</b>	0.00%	2.42	(0.00%)	(0.22)	-	-	(0.00%)	(0.22)
	<b>Consolidation adjustment (inter - company elimination)</b>	(9.11%)	(19,715.24)	(2.54%)	(680.70)	-	(2,854.86)	(13.17%)	(3,535.56)
	<b>Total</b>	<b>100.00%</b>	<b>2,16,323.12</b>	<b>100.00%</b>	<b>26,845.51</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>26,845.51</b>

The above figures for parent and its subsidiaries are before inter - company eliminations.

(This space has been intentionally left blank)





Techno Electric & Engineering Company Limited  
Summary of material accounting policies and other explanatory information for the year ended 31 March 2024  
(Amount in ₹ lakhs, except otherwise stated)

47. Additional Information


b) Additional Information for the year ended 31st March 2023

S. No.	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated net profit	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	<b>Parent</b> Techno Electric & Engineering Company Limited	101.44%	1,95,799.84	116.87%	21,837.48	100.00%	(106.49)	116.95%	21,730.98
	<b>Subsidiaries (Indian)</b>								
1	Techno Infra Developers Private Limited	1.77%	3,405.82	(0.35%)	(65.89)	-	-	(0.35%)	(65.89)
2	Techno Digital Infra Private Limited (Formerly Techno Clean Energy Private Limited.)	0.00%	0.27	(0.00%)	(0.67)	-	-	(0.00%)	(0.67)
3	Techno Green Energy Private Limited	0.00%	0.40	(0.00%)	(0.67)	-	-	(0.00%)	(0.67)
4	Techno Wind Power Private Limited	0.00%	0.33	(0.00%)	(0.67)	-	-	(0.00%)	(0.67)
5	Techno Data Center Limited (Formerly Techno Power Grid Company Limited.)	1.52%	2,930.06	0.45%	84.46	-	-	0.45%	84.46
6	Rajgarh Agro Products Limited	0.03%	67.36	(0.02%)	(4.58)	-	-	(0.02%)	(4.58)
7	Techno AMI Solutions Private Limited. (Formerly Jhajjar Power Transmission Private Limited.)	0.00%	0.09	(0.03%)	(5.89)	-	-	(0.03%)	(5.89)
	<b>Non controlling interest in all subsidiaries</b>	0.00%	2.64	(0.00%)	(0.18)	-	-	(0.00%)	(0.18)
	<b>Consolidation adjustment (inter - company elimination)</b>	(4.76%)	(9,187.66)	(16.90%)	(3,157.61)	-	-	(17.00%)	(3,157.61)
		<b>100.00%</b>	<b>1,93,020.22</b>	<b>100.00%</b>	<b>15,685.78</b>	<b>100.00%</b>	<b>(106.49)</b>	<b>100.00%</b>	<b>18,579.29</b>

The above figures for parent and its subsidiaries are before inter - company eliminations.

48. Previous year figures have been re-grouped / re-classified wherever necessary, to conform to current year's classification. The impact of such reclassification/re-grouping is not material to the financial statements.


For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration Number: 001076/N/NS000013


  
**Manoj Kumar Gupta**  
Partner  
Membership No.: 083908




Place: Gurugram  
Date: 28 May 2024

For and on behalf of the Board of Directors of  
Techno Electric & Engineering Company Limited

  
**P. P. Gupta**  
Managing Director  
(DIN No. 00055954)

  
**Pradeep Kumar Lohia**  
Chief Financial Officer

  
**S.N. Roy**  
Director  
(DIN No. 00408742)

  
**Miranjan Brahma**  
Company Secretary  
(Membership No. A-11652)

Place : Kolkata  
Date : 28 May 2024

**Walker Chandiook & Co LLP**

Unit 1603 & 1604,  
Ambuja Eco-Centre,  
16th Floor, Plot # 4,  
Street Number 13, EM Block,  
Sector V, Bidhannagar,  
Kolkata – 700 091

T +91 33 4444 9300

## Independent Auditor's Report

**To the Members of Techno Electric & Engineering Company Limited**

**Report on the Audit of the Consolidated Financial Statements**

### Opinion

1. We have audited the accompanying consolidated financial statements of Techno Electric & Engineering Company Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



# Walker Chandiook & Co LLP

## Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>1. Revenue Recognition - accounting for construction contracts</b></p> <p>Refer Note 3.2 (n) for accounting policy and Note 25 for the related relevant disclosures in the accompanying consolidated financial statements.</p> <p>There are significant accounting judgements in estimating revenue to be recognised on contracts with customers, including estimation of costs to complete. The Group recognizes revenue based on the stage of completion in proportion of the contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is therefore dependent on estimates in relation to total estimated costs of each such contract.</p> <p>Significant judgements are involved in determining the expected losses, when such losses become probable based on the expected total contract cost. Cost contingencies are included in these estimates to take into account specific risks of uncertainties or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the management on a regular basis throughout the life of the contract and adjusted where appropriate. The revenue on contracts may also include variable consideration (variations and claims). Variable consideration is recognised when the recovery of such consideration is highly probable.</p>	<p>Our audit procedures relating to revenue recognition included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the Company's accounting policy for revenue recognition in accordance with Ind AS 115 – Revenue from contracts with customers;</li> <li>• Obtained an understanding of the Company's processes. Evaluated the design, implementation and tested the operating effectiveness of key internal financial controls with respect to estimation of forecasted contract revenue and contracts costs;</li> <li>• For a sample of contracts, performed the following procedures:               <ul style="list-style-type: none"> <li>a. Inspected the underlying documents such as customer contract/ agreement and variation orders, if any, for the significant contract terms and conditions;</li> <li>b. evaluated the identification of performance obligations of the contract;</li> <li>c. obtained an understanding of and evaluated the reasonableness of the assumptions applied in determining the forecasted revenue and cost to complete; and</li> <li>d. tested the existence and valuation of variable consideration with respect to the contractual terms and conditions and inspected the correspondence with customers</li> </ul> </li> </ul>



## Walker Chandiook & Co LLP

<p>Considering the materiality of amounts involved and above significant judgements and complexities, revenue recognition has been considered as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• For cost incurred to date, tested samples to appropriate supporting documents and performing cut-off procedures.</li> <li>• Tested the forecasted cost by obtaining executed purchase orders/agreements/ relevant documents and evaluated the reasonableness of management judgements/ estimates; and</li> <li>• Evaluated the appropriateness and adequacy of the disclosures related to contract revenue and costs in the consolidated financial statements in accordance with the applicable accounting standards.</li> </ul>
<p><b>2. Recoverability of long outstanding trade receivables and disputed other receivables under other Financial Assets</b></p> <p>Refer Note 3.2 (k), 3.2 (n) and 3.3 (e) for accounting policy and Note 13 for the related relevant disclosures in the accompanying consolidated financial statements.</p> <p>The Group, as at 31 March 2023, has unbilled work-in-progress (contract assets), trade receivables and other receivables amounting to ₹ 13,775.05 lakhs, ₹ 64,131.22 lakhs and ₹ 3,445.33 lakhs respectively, which represent various receivables in respect of disputed and undisputed receivables in respect of closed and ongoing projects. The Group is currently under negotiations/ discussions/ arbitration/ litigation with the customers for the disputed receivables.</p> <p>The Unbilled work-in-progress (contract assets) and trade receivables include disputed receivables amounting to ₹ 14,390.66 lakhs respectively where the Group is currently under negotiations/ discussions/ arbitration/ litigation with the customers. Further, other receivables (included under financial assets as at 31 March 2023) amounting to ₹ 1,772.00 lakhs, representing claims for differential amount awarded in favour of the Group.</p> <p>Management, based on contractual tenability of the claims/ receivables, progress of the negotiations/ discussions/</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management process and evaluated the design and tested the effectiveness of key internal financial controls for assessing the recoverability of unbilled work-in-progress (contract assets), trade receivables and other receivables.</li> <li>• Discussed extensively with management regarding steps taken for recovering the amounts;</li> <li>• Assessed the reasonability of judgements exercised and estimates made by management with respect to the recoverability of these receivables and validated them with corroborating evidence;</li> <li>• Verified contractual arrangements to support management's position on the tenability and recoverability of these receivables.</li> <li>• Obtained an understanding of the current year developments for respective claims/ arbitration awards pending at various stages of negotiations/ discussions/ arbitration/ litigation and corroborated the updates with relevant underlying documents.</li> <li>• Reviewed the legal and contractual experts' note and/ or legal opinion from independent legal counsel obtained by the management; and</li> </ul>



<p>arbitration/ litigation and relying on the legal opinion obtained from independent legal counsel, has determined that no provision is required to be recognised for the aforementioned receivables.</p> <p>Considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation and significant management judgement involved in its assessment of recoverability, this was considered to be a key audit matter in the audit of the consolidated financial statements.</p> <p>Further, the aforementioned matter relating to recoverability of above discussed receivables as fully explained in Note 13 to the consolidated financial statements is also considered fundamental to the understanding of the users of financial statements.</p>	<ul style="list-style-type: none"> <li>• Evaluated the appropriateness and adequacy of the disclosures in the consolidated financial statements in accordance with the applicable accounting standards.</li> </ul>
--	--

## Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or





# Walker Chandiook & Co LLP

error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors,





# Walker ChandioK & Co LLP

such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

15. We did not audit the financial statements of seven subsidiaries, whose financial statements reflects total assets of ₹ 6,999.58 lakhs and net assets of ₹ 6,405.33 lakhs as at 31 March 2023, total revenues of ₹ 315.11 lakhs and net cash inflows (net) amounting to ₹ 4.79 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. The consolidated financial statements of the Group for the year ended 31 March 2022 were audited by the predecessor auditor, Singhi & Co. Chartered Accountants, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 30 May 2022.

## Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements for the year ended 31 March 2023 and covered under the Act we report that:





## Walker Chandiook & Co LLP

- A) Following are the observations reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary	Relevant clause numbers of the CARO report
1	Techno Electric & Engineering Company Limited	L40108UP2005PLC094368	Holding Company	(iii) (c), (iii) (d), (iii) (e) and (xx) (b)

19. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- c) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- d) On the basis of the written representations received from the directors of the Holding Company, and its subsidiary companies, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- e) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 39 to the consolidated financial statements;
  - ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023.;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended 31 March 2023;
  - iv.
    - a. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief,





## Walker ChandioK & Co LLP

as disclosed in note 44 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 44 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or 'other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Holding Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in note 17 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker ChandioK & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Manoj Kumar Gupta**  
Partner  
Membership No.: 083906



UDIN: 23083906BGXEKP3594

Place: Kolkata  
Date: 29 May 2023

# Walker ChandioK &Co LLP

## Annexure 1 to the Independent Auditor's Report

List of Entities included in the consolidated financial statements

### Holding Company:

- i. Techno Electric & Engineering Company Limited

### Subsidiary Companies:

- i. Techno Infra Developers Private Limited
- ii. Techno Digital Infra Private Limited
- iii. Techno Green Energy Private Limited
- iv. Techno Wind Power Private Limited
- v. Rajgarh Agro Products Limited
- vi. Techno AMI Solutions Private Limited
- vii. Techno Data Center Limited.





**Walker ChandioK & Co LLP**  
Unit 1603 & 1604,  
Ambuja Eco-Centre,  
16th Floor, Plot # 4,  
Street Number 13, EM Block,  
Sector V, Bidhannagar,  
Kolkata – 700 091

T +91 33 4444 9300

## Annexure A

### **Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Techno Electric & Engineering Company Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.





4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

## **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

## **Other Matter**

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to seven subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 6,999.58 lakhs and net assets of ₹ 6,405.33 lakhs as at 31 March 2023, total revenues of ₹ 315.11 lakhs and net cash inflows (net) amounting to ₹ 4.79 lakhs for the year ended on that date, as considered in the consolidated financial statements which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary



# Walker Chandiook & Co LLP

companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Manoj Kumar Gupta**  
Partner  
Membership No.: 083906  
UDIN: 23083906BGXEKP3594



Place: Kolkata  
Date: 29 May 2023



	Note	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, plant and equipment	4	4,780.79	42,421.24
(b) Capital work in progress	5	9,459.72	-
(c) Goodwill on consolidation		-	95.02
(d) Right-of-use-asset	6	3,341.90	3,389.95
(e) Other intangible assets	7	-	-
(f) Financial assets			
(i) Investments	8A	47.00	47.00
(ii) Other financial assets	10A	1,409.20	1,357.00
(g) Income tax assets (net)	11A	536.93	634.45
(h) Other non current assets	16A	0.46	0.46
<b>Total non-current assets</b>		<b>19,576.00</b>	<b>47,945.12</b>
<b>(2) Current assets</b>			
(a) Inventories	12	10,105.11	2,707.26
(b) Financial assets			
(i) Investments	8B	1,30,430.32	1,04,852.55
(ii) Trade receivables	13	64,131.22	58,401.61
(iii) Cash and cash equivalents	14	4,840.39	4,548.29
(iv) Bank balances other than cash and cash equivalents	15	9,775.29	119.89
(v) Loans	9	14,225.96	9,492.18
(vi) Other financial assets	10B	4,028.97	3,043.51
(c) Current tax assets (net)	11B	3.27	-
(d) Other current assets	16B	18,598.09	20,488.82
<b>Total current assets</b>		<b>2,56,138.62</b>	<b>2,03,654.11</b>
<b>(3) Assets classified as held for sale and discontinued operations</b>	36(c)	1,173.61	-
<b>Total Assets</b>		<b>2,76,888.23</b>	<b>2,51,599.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	2,152.38	2,200.00
(b) Other equity	18	1,90,865.20	1,81,473.02
<b>Total Equity attributable to owners of the Parent</b>		<b>1,93,017.58</b>	<b>1,83,673.02</b>
(c) Non controlling interest		2.64	2.82
<b>Total equity</b>		<b>1,93,020.22</b>	<b>1,83,675.84</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	19	7,174.13	12,206.32
(b) Other non-current liabilities	20A	18,427.80	12,980.37
<b>Total non-current liabilities</b>		<b>25,601.93</b>	<b>25,186.69</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	21		
(a) total outstanding dues of micro enterprises and small enterprises		243.65	119.86
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		51,778.98	41,753.73
(ii) Other financial liabilities	22	3,987.27	592.06
(b) Other current liabilities	20B	1,043.29	132.99
(c) Provisions	23	558.18	138.06
(d) Current tax liabilities (net)	24	654.71	-
<b>Total current liabilities</b>		<b>58,266.08</b>	<b>42,736.70</b>
<b>Total liabilities</b>		<b>83,868.01</b>	<b>67,923.39</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,76,888.23</b>	<b>2,51,599.23</b>

Significant accounting policies 1, 2 and 3  
The accompanying notes are an integral part of these consolidated financial statements. 4 to 48

This is the Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration Number: 001076N/N500013

Manoj Kumar Gupta  
Partner  
Membership No.: 083906



Place: Kolkata  
Date: 29 May 2023

For and on behalf of the Board of Directors of  
Techno Electric & Engineering Company Limited

*P. P. Gupta*

P. P. Gupta  
Managing Director  
(DIN No. 00055954)

*P. K. Lohia*  
Pradeep Kumar Lohia  
Chief Financial Officer

*S. N. Roy*  
S.N. Roy  
Director  
(DIN No. 00408742)

*Niranjan Brahma*  
Niranjan Brahma  
Company Secretary  
(Membership No. A-11652)

Techno Electric & Engineering Company Limited  
CIN No : L40108UP2005PLC094368  
Consolidated Statement of Profit and Loss for the year ended 31 March 2023  
(Amount in ₹ lakhs, except otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
I. Revenue from operations	25	82,949.85	99,916.80
	26	7,464.40	15,437.84
		<u>90,414.25</u>	<u>1,15,354.64</u>
III. Total income (I + II)			
IV. Expenses	27	66,020.16	76,709.72
Cost of materials consumed	28	(3,440.53)	(2,083.08)
Changes in inventories of stock-in-trade	29	4,218.99	3,392.80
Employee benefits expense	30	1,065.76	638.32
Finance costs	31	759.95	744.28
Depreciation and amortisation expense	32	7,484.34	6,093.70
Other expenses		<u>76,108.67</u>	<u>85,495.74</u>
Total expenses (IV)		<u>14,305.58</u>	<u>29,858.90</u>
V. Profit before tax from continuing operations (III - IV)			
VI. Tax expenses	33	4,401.09	5,911.87
Current tax		145.90	5.33
Deferred tax		97.76	-
Tax pertaining to earlier years		<u>4,644.75</u>	<u>5,917.20</u>
Total tax expenses (VI)		<u>9,660.83</u>	<u>23,941.70</u>
VII. Profit for the year from continuing operations before profit of Joint Venture (V - VI)		-	364.00
VIII. Share of profit from Joint Venture			
IX. Profit for the year from continuing operations (VIII + VII)		<u>9,660.83</u>	<u>24,305.70</u>
X. Discontinued operations	36(a)	4,541.05	2,719.67
Profit for the year from discontinued operations		6,785.61	-
Exceptional items - gain on sale of discontinued operations		2,301.71	636.17
Less: Tax expense on discontinued operations		<u>9,024.95</u>	<u>2,083.50</u>
Profit for the year from discontinued operations		<u>18,685.78</u>	<u>26,389.20</u>
XI. Profit for the year (IX + X)			
XII. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(a) Net fair value loss on investment in equity instruments through OCI		(68.27)	765.28
(b) Income tax effect on above		15.62	(175.10)
(c) Remeasurements of defined benefit plans		(71.95)	20.08
(d) Income tax effect on above		18.11	(5.05)
Other comprehensive income for the year		<u>(106.49)</u>	<u>605.21</u>
XIII. Total comprehensive income for the year (XI + XII)		<u>18,579.29</u>	<u>26,994.41</u>
XIV. Profit/(Loss) for the period attributable to:		18,685.96	26,389.36
(a) Owners of the Company		(0.18)	(0.16)
(b) Non - controlling Interest			
XV. Other comprehensive income for the year attributable to:		(106.49)	605.21
(a) Owners of the Company		-	-
(b) Non - controlling Interest			
XVI. Total comprehensive income for the year attributable to:		18,579.47	26,994.57
(a) Owners of the Company		(0.18)	(0.16)
(b) Non - controlling Interest			

(This space has been intentionally left blank)

*whd*



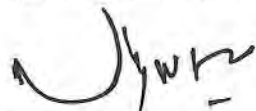


	Year ended 31 March 2023	Year ended 31 March 2022
<b>XVII. Total Comprehensive Income for the year attributable to owners arising from:</b>		
(a) Continuing operations	9,554.52	24,911.07
(b) Discontinued operations	9,024.95	2,083.50
<b>XVIII. Earnings per equity share (Nominal value per share ₹ 2 each)</b>	<b>34</b>	
Earning per equity share for continuing operations		
Basic & Diluted (₹)	8.84	22.10
Earning per equity share for discontinued operations		
Basic & Diluted (₹)	8.26	1.89
Earning per equity share for continuing and discontinued operations		
Basic & Diluted (₹)	17.10	23.99

Significant accounting policies 1, 2 and 3  
The accompanying notes are an integral part of these consolidated financial statements. 4 to 48

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration Number: 001076N/N500013



**Manoj Kumar Gupta**  
Partner  
Membership No.: 083906

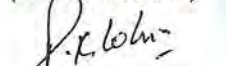


Place: Kolkata  
Date: 29 May 2023

For and on behalf of the Board of Directors of  
**Techno Electric & Engineering Company Limited**




**P. P. Gupta**  
Managing Director  
(DIN No. 00055954)



**Pradeep Kumar Lohia**  
Chief Financial Officer



**S.N. Roy**  
Director  
(DIN No. 00408742)



**Niranjana Brahma**  
Company Secretary  
(Membership No. A-11652)



**Techno Electric & Engineering Company Limited**  
**CIN No : L40108UP2005PLC094368**  
**Consolidated Cash Flow Statement for the year ended 31 March 2023**  
(Amount in ₹ lakhs, except otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>A Cash flows from operating activities</b>		
Profit before tax from continuing operations	14,305.58	29,858.90
Profit before tax from discontinued operations	11,326.66	2,719.67
Add :		
Depreciation and amortisation expenses	2,455.40	4,125.91
Finance cost	1,065.76	638.32
Interest income	(3,058.28)	(1,917.95)
Exceptional item - profit on sale of discontinued operations	(6,785.61)	-
Profit on assets sale / written off	(34.36)	(0.79)
Impairment of Goodwill on Consolidation	95.02	-
Dividend income	(2,084.55)	(4,478.52)
Net gain on foreign currency transactions and translation (net)	(321.30)	(396.81)
Net gain on remeasurement of investments measured at FVTPL	(1,965.20)	(8,539.79)
<b>Cash flow before changes in operating assets and liabilities</b>	<b>14,999.12</b>	<b>22,008.94</b>
<b>Adjustments for changes in operating assets and liabilities:</b>		
<b>(Increase) / decrease in assets:</b>		
Inventories	(7,397.85)	(2,083.08)
Trade receivables	(5,408.31)	(5,378.72)
Other financial assets	(150.64)	1,484.40
Other assets	1,898.45	3,451.10
<b>Increase / (decrease) in liabilities:</b>		
Trade payables	10,149.06	5,643.51
Other financial liabilities	419.85	539.37
Provisions	348.17	(89.67)
Other liabilities	5,673.95	6,912.86
<b>Cash generated from operating activities</b>	<b>20,531.80</b>	<b>32,488.71</b>
Less: Income tax paid (net of refunds)	(11,195.97)	(6,561.29)
<b>Net cash generated from operating activities (A)</b>	<b>9,335.83</b>	<b>25,927.42</b>
<b>B Cash flows from investing activities</b>		
Acquisition of property, plant and equipment and movement of capital creditors, capital work - in - progress and capital advances	(6,554.24)	(3,370.12)
Proceeds from sale of property, plant and equipment	40.74	-
Advance received against assets held for sale	680.00	-
Investment in bank deposit having original maturity of more than three months (net)	(10,292.76)	178.91
Investments in bonds, mutual funds, etc.	(23,680.84)	(24,352.85)
Loans granted to bodies corporate (net of repayments)	(4,733.78)	(1,271.90)
Proceeds from sale of discontinued operations	40,908.49	-
Dividend income	2,084.55	4,478.52
Interest income received	2,804.77	1,939.05
<b>Net cash generated from/ (used in) investing activities (B)</b>	<b>1,256.93</b>	<b>(22,398.39)</b>
<b>C Cash flows from financing activities</b>		
Repayment of borrowings (net)	-	(771.34)
Dividend paid	(2,199.20)	(4,945.60)
Interest expense paid	(525.17)	(89.16)
Other finance charges paid	(540.59)	(549.16)
Buyback of equity shares including transaction cost and tax on buy back	(7,035.70)	-
<b>Net cash (used in) financing activities (C)</b>	<b>(10,300.66)</b>	<b>(6,355.26)</b>
<b>D Net increase/ (decrease) in cash and cash equivalents [A+B+C]</b>	<b>292.10</b>	<b>(2,826.23)</b>
<b>Cash and cash equivalents at end of the year</b>	<b>4,548.29</b>	<b>7,374.52</b>
<b>Cash and cash equivalents at end of the year</b>	<b>4,840.39</b>	<b>4,548.29</b>
<b>Break-up of cash and cash equivalents (Refer note 14)</b>		
Cash on hand	14.38	14.41
Balances with banks	4,826.01	4,533.88
<b>Cash and cash equivalents at end of the year</b>	<b>4,840.39</b>	<b>4,548.29</b>

*ml l*



Techno Electric & Engineering Company Limited  
 CIN No : L40108UP2005PLC094368  
 Consolidated Statement of Cash Flow for the year ended 31 March 2023  
 (Amount in ₹ lakhs, except otherwise stated)

Notes :

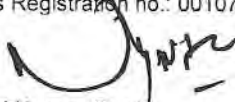
- a. The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash flow".  
 b. Changes in liabilities arising from financing activities

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Short term borrowings</b>		
Opening balance	-	771.34
Repayment of short term borrowings (net)	-	(771.34)
Closing balance	-	-
<b>Interest accrued</b>		
Opening balance	-	-
Interest cost	525.17	89.16
Interest paid	(525.17)	(89.16)
Closing balance	-	-

The accompanying notes 4 to 48 form an integral part of these consolidated financial statements.

As per our report of even date attached

For **Walker Chandiook & Co LLP**  
 Chartered Accountants  
 Firm's Registration no.: 001076N/N500013

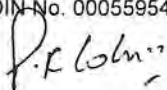
  
**Manoj Kumar Gupta**  
 Partner  
 Membership No.: 083906




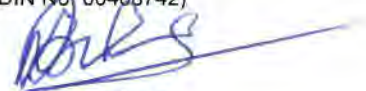
Place: Kolkata  
 Date: 29 May 2023

For and on behalf of the Board of Directors of  
**Techno Electric & Engineering Company Limited**

  
**P. P. Gupta**  
 Managing Director  
 (DIN No. 00055954)

  
**Pradeep Kumar Lohia**  
 Chief Financial Officer

  
**S.N. Roy**  
 Director  
 (DIN No. 00408742)

  
**Niranjana Brahma**  
 Company Secretary  
 (Membership No. A-11652)



	As at 31 March 2023	As at 31 March 2022
	2,200.00	2,200.00
	(47.62)	-
	<u>2,152.38</u>	<u>2,200.00</u>

**A. Equity share capital (refer note 17)**

Balance at the beginning of the reporting period

Changes in equity share capital during the year (refer note 17 (d))

**Balance at the end of the reporting period****B. Other equity (refer note 18)**

Particulars	Reserve and Surplus			Other Comprehensive Income (OCI)		Total Equity attributable to equity holders of the parent	Non-Controlling Interest (NCI)
	Capital redemption reserve	General reserve	Capital reserve	Retained earnings	Fair value of Equity Instruments through OCI		
Balance as at 1 April 2021	53.65	1,26,208.50	1,572.66	31,192.40	396.84	1,59,424.05	2.98
Profit for the year (net of taxes)	-	-	-	26,389.36	-	26,389.36	(0.16)
Interim dividend paid	-	-	-	(545.60)	-	(545.60)	-
Final dividend paid	-	-	-	(4,400.00)	-	(4,400.00)	-
Transfer to retained earnings:	-	-	-	408.81	(408.81)	-	-
- Profit on sale of equity share	-	-	-	15.03	-	-	-
- Remeasurements of defined benefit plans (net of taxes)	-	-	-	-	-	-	-
Other comprehensive income:	-	-	-	-	-	-	-
- Remeasurements of defined benefit plans	-	-	-	-	-	-	-
- Net fair value gain / (loss) on investments measured through OCI	-	-	-	-	765.28	765.28	-
- Income tax effect on above	-	-	-	-	(175.10)	(180.15)	-
<b>Balance as at 31 March 2022</b>	<b>53.65</b>	<b>1,26,208.50</b>	<b>1,572.66</b>	<b>53,060.00</b>	<b>578.21</b>	<b>1,81,473.02</b>	<b>2.82</b>
Profit for the year (net of taxes)	-	-	-	18,685.96	-	18,685.96	(0.18)
Final dividend paid	-	-	-	(2,199.20)	-	(2,199.20)	-
Transfer to retained earnings:	-	-	-	(53.84)	-	-	-
- Remeasurements of defined benefit plans	-	-	-	-	-	-	-
- Remeasurements of defined benefit plans (net of taxes)	-	-	-	-	-	-	-
- Net fair value loss on investments measured through OCI	-	-	-	-	-	(71.95)	-
- Income tax effect on above	-	-	-	-	(68.27)	(68.27)	-
Buyback of equity shares (refer note 17 (d))	-	(6,897.41)	-	-	15.62	33.73	-
Transaction costs relating to buyback	-	(90.67)	-	-	-	(6,897.41)	-
Amount transferred to capital redemption reserve upon buyback	47.62	(47.62)	-	-	-	(90.67)	-
<b>Balance as at 31 March 2023</b>	<b>101.27</b>	<b>1,19,172.80</b>	<b>1,572.66</b>	<b>69,492.92</b>	<b>525.56</b>	<b>1,90,865.20</b>	<b>2.64</b>

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiook &amp; Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Manoj Kumar Gupta

Partner

Membership No.: 083906

For and on behalf of the Board of Directors of  
Techno Electric & Engineering Company Limited

P. P. Gupta

Managing Director  
(DIN No. 00055954)

S. N. Roy

Director  
(DIN No. 00408742)

Pradeep Kumar Lohia

Chief Financial Officer

Niranjana Brahma

Company Secretary  
(Membership No. A-11652)

## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2023

### 1. Group Overview

The consolidated financial statements (CFS) comprises of the financial statements of Techno Electric & Engineering Company Limited (the Company or the Holding Company) and its subsidiaries (collectively, the Group). It is one of the recognized Group in the power sector. It provides engineering, procurement and construction services to the three segments of power sector including generation, transmission and distribution. The Group is also engaged in generation of wind power through Wind Turbine Generators in the states of Tamil Nadu & Karnataka. The Group is recognized for its expertise in the domains of light construction and heavy engineering segments across the country's power sector. The Holding Company is a public limited company incorporated and domiciled in India and has its registered office at C-218 Ground Floor (GR-2) Sector-63, Noida Gautam Buddha Nagar Uttar Pradesh- 201307, India.

### 2. Basis of Preparation

#### a. Statement of Compliance

The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (compliant Schedule III) and guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable to the consolidated financial statements.

Accordingly, the Group has prepared these Consolidated financial statements which comprises the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss, the Cash Flow statement and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated financial statements" or "financial statements").

These financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

These financial statements of the Group for the year ended 31 March 2023 were approved for issuance in accordance with the resolution passed by the Board of Directors on 29 May 2023.

#### b. Basis of measurement

The consolidated financial statements have been prepared on accrual basis under historical cost convention, except for the following assets and liabilities, which had been measured at fair value as required by the relevant Ind AS:

- certain financial assets and liabilities (refer accounting policy regarding Financial instruments)
- Defined employee benefit plan
- Derivative financial instruments

#### c. Functional and reporting currency

The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Group's functional and reporting currency and are rounded off to lakh (Rs in lakh), except when otherwise indicated.





### **3.1 Basis of Consolidation**

The CFS comprise of the financial statements of the Holding Company and its subsidiaries together with the share of the total comprehensive income of a joint venture as at March 31, 2023. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the CFS for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the CFS to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

#### **Consolidation procedure:**

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the CFS at the acquisition date.



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2023

- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the CFS. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 3.2 Summary of Significant Accounting Policies

#### A) Operating cycle and current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### B) Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at





## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2023

fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### C) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, non-refundable taxes, directly attributable cost (including borrowings) of bringing the assets to its working conditions and locations and present value of any obligatory decommissioning cost for its intended use.





## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2023

In case of constructed assets, cost includes cost of all materials used in construction, direct labour, allocation overheads and directly attributable borrowing cost.

Assets are depreciated to the residual values on a straight-line basis over the useful life prescribed in Schedule II to the Companies Act, 2013 except Office equipment and Furniture & Fixture which are depreciated on written down value method. Freehold land is not depreciated.

Depreciation on Windmills are calculated on the basis of useful life of 20 years based on technical advice as against 22 years in Schedule II to the Companies Act 2013 on straight line method.

The residual values and estimated useful life are reviewed at the end of each financial year, with effect of any changes in estimate accounted for on prospective basis. Each component of a Property Plant and Equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the other component of assets. The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013.

*Useful life of the assets depreciated on written down value method:*

Class of Assets	Useful Life
Office Equipment	3-5 years
Furniture and fittings	10 years

*Useful life of the assets depreciated on straight line method:*

Class of Assets	Useful Life
Plant and Equipment - Wind Division	20 years
Plant and Equipment	15 years
Buildings	30-60 years
Vehicles	8-10 years

### D) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite live are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortisation is calculated on straight line method over the estimated useful lives of the assets as follows:

Category	Useful Life
Computer software packages (ERP and others)	6 years

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.





The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**E) Cash and Cash Equivalents**

Cash and cash equivalents includes cash in hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Group 's cash management.

**F) Inventories**

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is determined using the weighted average cost basis.

However, materials and other supplies held in the use of production of Inventories (Finished Goods, Work in Progress) are not written down below the cost if the finished products in which they will be used are expected to be sold at or above the cost.

**G) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as mentioned below:

Land	30-99 years
------	-------------

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "impairment of non-financial assets".



*Handwritten signature*



**Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of sites, offices, equipment, etc. that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Group as a lessor**

Lessor accounting under IND AS 116 is substantially unchanged from IND AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IND AS 17. Therefore, IND AS 116 does not have an impact for leases where the Group is the lessor.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**H) Employee Benefits**

Retirement benefit in the form of Provident Fund and Pension Fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognizes contribution payable to the scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained





earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to Statement Profit and Loss in subsequent periods.

The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Group has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

#### **I) Foreign Currency Reinstatement and Translation**

The Group's financial statements are presented in Indian Rupee (Rs.), which is the Group's functional currency.

##### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Tax charges and credits, if applicable, attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### **J) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered





impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### **K) Financial instruments - Initial Recognition, Subsequent Measurement and Impairment**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **Financial assets**

###### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IND AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.





### **Subsequent Measurement**

Subsequent measurement of financial assets is described below -

▶ **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

▶ **Debt instruments at fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

▶ **Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

▶ **Equity instruments measured at fair value through other comprehensive income (FVTOCI)**

All equity investments in scope of 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. These equity shares are designated as Fair Value Through OCI (FVTOCI) as they are not held for trading and disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a





'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

***Impairment of financial assets***

In accordance with 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of 115
- iii. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

**Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.





Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

***Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

**L) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**M) Taxation**

Income tax expense represents the sum of current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such cases the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income and such change could be for change in tax rate.

**i. Current Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**ii. Deferred Tax**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.





Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**N) Revenue recognition and other income**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

**i. Revenue from sale of goods and services**

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered.

The Group typically provides warranties for general repairs on all its products sold, in line with the industry practice. These assurance-type warranties are accounted for under 37 Provisions, Contingent Liabilities and Contingent Assets.

**ii. Revenue from construction contracts**

Revenue on contracts is recognised using input method where revenue is accounted on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation (akin to Percentage of Completion method).

The amount of revenue and profit recognised in a year on projects is dependent, inter alia, on the actual costs incurred, the assessment of the percentage of completion of (long-term) contracts and the forecasted contract revenue and costs to complete of each project. Furthermore, the amount of revenue and profit is influenced by the valuation of variation orders and claims.

Costs in respect of projects include costs of materials including own manufactured materials at costs along with fabrication, construction, labour and directly attributable/identifiable overheads, as estimated by the management.

Provision is made for all losses incurred to the balance sheet date. Variations in contract work, claims and incentive payments are recognised to extent that it is probable that they will result in revenue and they are capable of being reliably measured. Expected loss, if any, on a contract is





recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

**iii. Revenue from Power Generation**

Power generation income is recognized on the basis of units of power generated, net of wheeling and transmission loss, as applicable, when no significant uncertainty as to the measurability or collectability exists.

Renewal Energy Certificate Income is accounted on accrual basis at the rate sold at the Power Exchanges. At the year-end Renewal Energy Certificate Income is recognised at the minimum floor price specified by the Central Regulator of CERC / last traded price at the exchange.

**iv. Generation Based Incentive**

Generation based Incentive is recognized on accrual basis i.e. on the basis of units of power generated, as referred above for which necessary claims have been lodged / is in the process of being lodged with the concerned authorities.

**v. Contract Assets**

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Unbilled receivables where further subsequent performance obligation is pending are classified as contract assets when the Group does not have unconditional right to receive cash as per contractual terms. Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

**vi. Impairment of Contract asset**

The Group assesses a contract asset for impairment in accordance with Ind AS 109. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of Ind AS 109.

**vii. Contract Liability**

Contract Liability is recognised when there are billings in excess of revenues, and it also includes consideration received from customers for whom the Group has pending obligation to transfer goods or services.

The billing schedules agreed with customers include periodic performance-based payments and / or milestone-based progress payments. Invoices are payable within contractually agreed credit period.

**viii. Modification in contract**

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by industry verticals, geography and nature of goods or services.

**Export Benefits**



Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**x. Interest and Dividend Income**

**Interest**

Interest income is included in other income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate when there is a reasonable certainty as to realisation.

**Dividend**

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of dividend can be measured reliably.

**O) Dividend Distribution**

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable is recognized directly in equity.

**P) Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to owners of the equity by the weighted average number of equity shares outstanding during the financial year.

The weighted average number of equity shares outstanding during the period is adjusted for events such as buy back, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**Q) Provisions and contingencies**

**a) Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

**b) Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation





that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**c) Contingent Assets**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

**R) Investment in Subsidiaries**

A subsidiary is an entity controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Investments are tested for impairment whenever an event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount. If, in a subsequent period, recoverable amount equals or exceeds the carrying amount, the impairment loss recognised is reversed accordingly.

**S) Investment in joint ventures and associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control is similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture is accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.





## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2023

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group, unless impracticable to do so.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### T) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Financial Officer (CFO) of the Group.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Group and for which discrete financial information is available. All operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Segment revenues and expenses are directly attributed to the related segment. Revenues 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 attributed to the related 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, deferred tax assets / liability and provision for tax.





#### **U) Discontinued Operation**

The Group classifies disposal groups as held for sale/ distribution if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss.

### **3.3 Use of Assumptions, Judgments and Estimates**

The preparation of consolidated financial statements in conformity with the requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and reported amounts of assets, liabilities, income, expense and disclosure of Contingent assets and liabilities at the date of these consolidated financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revision to accounting estimates are recognised in the period in which the estimates is revised and future period impacted.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements:





**a) Revenue**

The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

The measurement of construction contracts in progress is based on an assessment of the stage of each project and expectations concerning the remaining progress towards completion of each contract, including the outcome of disagreements. The assessment of stage, income and expenses, including disagreements, is made by the project management on a project-by-project basis.

The assessment of disagreements relating to extra work, extensions of time, demands concerning liquidated damages, etc., is based on the nature of the circumstances, knowledge of the client, the stage of negotiations, previous experience and consequently an assessment of the likely outcome of each case. For major disagreements, external legal opinions are a fundamental part of the assessment.

Estimates concerning the remaining progress towards completion depend on a number of factors, and project assumptions may change as the work is being performed. Likewise, the assessment of disagreements may change as the cases proceed. Actual results may therefore differ materially from expectations. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

**b) Fair value measurement of financial instruments**

The Group measures financial instruments, such as investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:



*Handwritten signature or initials.*



**Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**c) Depreciation / amortization and impairment of property, plant and equipment / intangible assets.**

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The Group reviews carrying value of its property, plant and equipment and intangible assets whenever there is objective evidence that the assets are impaired. In such situation, assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted using pre-tax discount rate, which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. the Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded, adequately during any reporting period. This reassessment may result in change in estimate impacting the financial result of the Group.

**d) Arrangements containing leases**

The Group enters into service / hiring arrangements for various assets / services. The determination of lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**e) Impairment of Financial assets**

The Group evaluates whether there is any objective evidence that financial assets including loan, trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the parties to make required payments. The Group bases the estimates on the ageing of the receivables, credit-worthiness of the receivables and historical write-off experience and variation in the credit risk on year-to-year basis.





**f) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

**g) Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

**h) Defined benefit obligation (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**i) Fair Value Measurements**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques which involve various judgements and assumptions. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in the assumptions about these factors could affect the reported fair value of financial instruments.

**j) Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Group as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

**3.4 Standards issued but not yet effective**

There are no standards issued but not yet effective up to the date of issuance of Group's financial Statements.





## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2023

### 3.5 a) Application of new and revised Indian Accounting

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorised, have been considered in preparing these Consolidated Financial Statements.

#### b) Application of new accounting pronouncements

##### (i) Amendment to Ind AS 1, Presentation of Financial Statements

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 1 which requires entities to disclose material accounting policies instead of significant accounting policies. Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The amendment also clarifies that immaterial accounting policy information does not need to disclose. If it is disclosed, it should not obscure material accounting information. The Group is evaluating the requirement of the said amendment and its impact on these Consolidated Financial Statements.

##### ii) Amendment to Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 8 which specifies an updated definition of an 'accounting estimate'. As per the amendment, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty and certain measurement techniques (viz estimation techniques and valuation techniques etc.) and inputs are used to develop such estimate. The Group is evaluating the requirement of the said amendment and its impact on these Consolidated Financial Statements.

##### iii) Amendment to Ind AS 12, Income Taxes

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 12, which requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases of lessees and decommissioning obligations and will require recognition of additional deferred tax assets and liabilities. The Group is evaluating the requirement of the said amendment and its impact on these Consolidated Financial Statements.



4 Property, plant and equipment

	Land	Buildings	Plant and equipment	Plant and equipment wind division	Furniture and fittings	Vehicles	Office equipment	Total
<b>Gross block</b>								
Balance as at 01 April 2021	2,111.69	58.71	445.20	66,814.43	589.64	251.98	471.08	70,742.73
Additions during the year	-	-	0.39	-	130.87	16.65	18.34	166.25
Disposals during the year	-	-	-	-	-	(25.82)	-	(25.82)
Balance as at 31 March 2022	2,111.69	58.71	445.59	66,814.43	720.51	242.81	489.42	70,883.16
Additions during the year	-	-	3.24	-	9.06	21.98	35.48	69.76
Disposals during the year	(1,990.28)	(7.19)	(0.53)	(56,583.80)	-	(13.93)	-	(58,595.73)
Disposals attributable to asset classified as held for sale (refer note 36)	(63.29)	-	-	(1,946.81)	-	-	-	(2,010.10)
Balance as at 31 March 2023	58.12	51.52	448.30	8,283.82	729.57	250.86	524.90	10,347.09
<b>Accumulated depreciation</b>								
Balance as at 01 April 2021	-	7.62	226.41	23,151.78	460.46	141.98	421.45	24,409.70
Charge for the year	-	1.22	30.56	3,966.34	44.24	21.73	12.66	4,076.75
Disposals during the year	-	-	-	-	-	(24.53)	-	(24.53)
Balance as at 31 March 2022	-	8.84	256.97	27,118.12	504.70	139.18	434.11	28,461.92
Charge for the year - continuing operations	-	1.22	29.51	584.70	56.73	19.05	20.69	711.90
Charge for the year - discontinuing operations (refer note 36)	-	-	-	1,695.45	-	-	-	1,695.45
Disposals during the year	-	(1.83)	(0.21)	(24,451.21)	-	(13.23)	-	(24,466.48)
Disposals attributable to asset classified as held for sale (refer note 36)	-	-	-	(836.49)	-	-	-	(836.49)
Balance as at 31 March 2023	-	8.23	286.27	4,110.57	561.43	145.00	454.80	5,566.30
<b>Net Block</b>								
Balance as at 31 March 2022	2,111.69	49.87	188.62	39,696.31	215.81	103.63	55.31	42,421.24
Balance as at 31 March 2023	58.12	43.29	162.03	4,173.25	168.14	105.86	70.10	4,780.79

Notes:

- 1) All the immovable property (including the title deeds of freehold land) are in the name of the Group during the current and previous year.
- 2) The Group has not revalued its property, plant and equipment including intangible assets and ROU during the current and previous year.
- 3) All property, plant and equipment of EPC division of Holding Company are hypothecated against working capital facilities availed by the Holding Company.



*W.C.*



Techno Electric & Engineering Company Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023

(Amount in ₹ lakhs, except otherwise stated)

5. Capital Work in Progress

Particulars	Total
<b>Cost</b>	
Balance as at 31 March 2022	-
Additions for the year	9,459.72
Capitalised to Property, Plant & Equipment	-
<b>Balance as at 31 March 2023</b>	<b>9,459.72</b>
Balance as at 31 March 2022	-
<b>Balance as at 31 March 2023</b>	<b>9,459.72</b>

Particulars	Amount in CWIP as on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress #	9,459.72	-	-	-	9,459.72
<b>Total</b>	<b>9,459.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,459.72</b>

Particulars	Amount in CWIP as on 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress #	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# All project in progress includes capital-work-in progress, whose completion is neither overdue nor exceeded its cost compared to its original plan.

Note: There are no projects as on reporting period where activity has been suspended.

6. Right of Use Asset

Particulars	Leasehold land	Total
<b>Gross Block</b>		
Balance as at 31 March 2022	3,469.33	3,469.33
Additions for the year	-	-
Disposals during the year	-	-
<b>Balance as at 31 March 2023</b>	<b>3,469.33</b>	<b>3,469.33</b>
<b>Accumulated depreciation</b>		
Balance as at 31 March 2022	79.39	79.39
Charge for the year	48.05	48.05
Disposals during the year	-	-
<b>Balance as at 31 March 2023</b>	<b>127.44</b>	<b>127.44</b>
<b>Net Block</b>		
Balance as at 31 March 2022	3,389.95	3,389.95
<b>Balance as at 31 March 2023</b>	<b>3,341.90</b>	<b>3,341.90</b>

Notes:

(a) The Group has lease agreements usually for a period of 30 - 99 years for its wind division and data center business. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Leasehold land held under finance lease: The Group has been allotted lands under lease for a term of 30 - 99 years with an initial payment equivalent to the fair value of the land. The Group further does not pay any amount during the lease tenure. The Group as per Ind AS 116, has reclassified the asset from tangible asset to Right of Use Asset (ROU Asset) with its carrying value.

(b) There are no leases which are yet to commence as on 31 March 2023.

(This space has been intentionally left blank)



**(c) Lease payments, not included in measurement of liability**

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Year ended	Year ended
	31 March 2023	31 March 2022
Short-term leases (*)	848.03	949.91
Cancellable leases	78.09	62.23
Variable lease payments	-	-
	<u>926.12</u>	<u>1,012.14</u>

\* Includes lease payments for discontinued operations amounting to ₹ 4.76 lakhs (31 March 2022: ₹ 5.22 lakhs) .

**(d) Amount recognised in the Balance Sheet:**

(i) Right-of-use assets	As at	As at
	31 March 2023	31 March 2022
Leasehold land	3,341.90	3,389.95
	<u>3,341.90</u>	<u>3,389.95</u>

**(e) Amount recognised in the Statement of Profit and Loss**

(i) Depreciation and amortisation expense	As at	As at
	31 March 2023	31 March 2022
Leasehold land	48.05	48.04
(ii) Interest expense (included in finance cost)	-	-
	<u>48.05</u>	<u>48.04</u>

**7. Other intangible assets**

Particulars	Computer Software	Total
<b>Gross Block</b>		
Balance as at 01 April 2021	61.74	61.74
Additions during the year	-	-
Disposals during the year	-	-
Balance as at 31 March 2022	<u>61.74</u>	<u>61.74</u>
Additions during the year	-	-
Disposals during the year	-	-
Balance as at 31 March 2023	<u>61.74</u>	<u>61.74</u>
<b>Accumulated amortisation</b>		
Balance as at 01 April 2021	-	-
Charge for the year	60.62	60.62
Disposals during the year	1.12	1.12
Balance as at 31 March 2022	<u>-</u>	<u>-</u>
Charge for the year	61.74	61.74
Disposals during the year	-	-
Balance as at 31 March 2023	<u>61.74</u>	<u>61.74</u>
Balance as at 31 March 2022	-	-
Balance as at 31 March 2023	-	-

(This space has been intentionally left blank)



(Amount in ₹ lakhs, except otherwise stated)

8 Investments

A Non-current investments

(Non-trade, Unquoted, measured at FVTOCI)

	As at 31 March 2023	As at 31 March 2022
Techno Leasing & Finance Company Pvt Ltd - 10 (31 March 2022: 10) equity shares of ₹ 10 each fully paid-up	0.01	-
Techno International Ltd - 170,060 (31 March 2022: 170,060) equity shares of ₹ 10 each fully paid-up	44.24	44.24
North Dinajpur Power Limited - 9,000 (31 March 2022: 9,000) equity shares of ₹ 10 each fully paid-up	0.90	0.90
Techno Ganganagar Green Power Generating Company Limited - 8,994 (31 March 2022: 8,994) equity shares of ₹ 10 each fully paid-up	0.28	0.33
Techno Birbhum Green Power Generating Company Limited - 8,994 (31 March 2022: 8,994) equity shares of ₹ 10 each fully paid-up	0.74	0.74
Teloijan Techno Agro Limited - 7,494 (31 March 2022: 7,494) equity shares of ₹ 10 each fully paid-up	0.83	0.79
	<b>47.00</b>	<b>47.00</b>

Note:

Other disclosures for non-current investments:

- Aggregate amount of unquoted investments	47.00	47.00
- Aggregate amount of quoted investments	-	-
- Aggregate amount of impairment in value of investments	-	-

B Current investments

i. Investments in equity instruments

(Trade, Quoted, measured at FVTOCI)

Suzlon Energy Limited - 13,866,666 (31 March 2022: 11,200,000) equity shares of ₹ 2 each fully paid-up	1,095.47	1,030.40
Tega Industries Limited (*) - 7 (31 March 2022: 7) equity shares of ₹ 10 each fully paid-up	-	-
	<b>1,095.47</b>	<b>1,030.40</b>

ii. Investments in bonds, debentures and commercial papers

(Non-trade, quoted, measured at FVTPL)

9.00% Shriram Transport - NCD Series Sub 17-18 02 Option 1 100 units (31 March 2022: 100) (Face Value ₹ 1,000,000 per unit)	1,000.99	1,000.99
Shriram Finance MLD 2024 Shriram Finance Limited SR XXIX TR 1 BR NCD 23MY24 FVRS10LAC 50 units (31 March 2022: Nil) (Face Value ₹ 1,000,000 per unit)	545.39	-
Slate Bank of India SR II 7.72 BD Perpetual FVRS1CR Nil units (31 March 2022: 10) (Face Value ₹ 10,000,000 per unit)	-	1,004.00
MindSPACE Business Parks REIT- MLD Series 2 356 units (31 March 2022: Nil) (Face Value ₹ 1,000,000 per unit)	3,827.01	-
	<b>5,373.39</b>	<b>2,004.99</b>

(This space has been intentionally left blank)





(Amount in ₹ lakhs, except otherwise stated)

	As at 31 March 2023	As at 31 March 2022
<b>B Current investments (cont'd)</b>		
<i>(Non-trade, unquoted, measured at FVTPL)</i>		
15.50% Aaditri Estate Developers Pvt Ltd NCD (Ser A) 1 unit (31 March 2022: 1) (Face Value ₹ 1,000,000 per unit)	10.00	10.00
15.50% Aaditri Estate Developers Pvt Ltd NCD (Ser B) 11 units (31 March 2022: 261) (Face Value ₹ 1,000,000 per unit)	110.00	2,610.00
16% Exquisite Shelters Pvt Ltd NCD 30/09/19 1 unit (31 March 2022: 1) (Face Value ₹ 1,000,000 per unit)	10.00	10.00
9.25% Edelweiss Finvest Private Ltd 04/01/2028 11 units (31 March 2022: 11) (Face Value ₹ 100,000 per unit)	11.23	11.23
9.50% Sankhya Financial Services Pvt Ltd NCD (Ser- I) 29/03/2024 796 units (31 March 2022: 796) (Face Value ₹ 1,000,000 per unit)	7,966.22	8,125.42
Nuvama Wealth and Investment Limited 359D CP 10FEB23 (formerly Edelweiss Broking Limited 359D CP 10FEB23) Nil units (31 March 2022: 1,000) (Face Value ₹ 500,000 per unit)	-	4,663.53
Edelweiss Share Broking Limited 271D CP 19OCT22 Nil units (31 March 2022: 1,000) (Face Value ₹ 500,000 per unit)	-	4,790.11
8.30% SBI Cards and Payment Services Limited 200 units (31 March 2022: 200) (Face Value ₹ 1,000,000 per unit)	2,000.00	2,032.00
Nuvama Wealth Finance Limited SR E41101A BR NCD 13SP24 FVRS10LAC 50 units (31 March 2022: Nil) (Face Value ₹ 1,000,000 per unit)	574.33	-
Shriram Finance Limited 18 NOV 2023 80 units (31 March 2022: Nil) (Face Value ₹ 1,000,000 per unit)	909.97	-
Nuvama Wealth and Investment Limited 364D CP 15FEB24 1,000 units (31 March 2022: Nil) (Face Value ₹ 500,000 per unit)	4,655.07	-
JM Financials Services Limited 365D CP 26 MAR 24 500 units (31 March 2022: Nil) (Face Value ₹ 500,000 per unit)	2,299.77	-
Liquid Gold Series 3 Dec 2020 Series A PTC 17Dec20 1,000 units (31 March 2022: Nil) (Face Value ₹ 100,000 per unit)	650.75	1,005.88
15.50% Aaditri Estate Developers Pvt Ltd Ncd Ser B 01/06/2021 NIL units (31 March 2022: 280) (Face Value ₹ 1,000,000 per unit)	-	2,800.00
8% Sankhya Financial Services Pvt Ltd Ncd (Series I) 04/07/2025 272 units (31 March 2022: Nil) (Face Value ₹ 1,000,000 per unit)	2,720.00	-
	<b>21,917.34</b>	<b>26,058.17</b>
<b>iii. Investments in mutual funds</b>		
<i>(Trade, quoted, measured at FVTPL)</i>		
Aditya Birla Sun Life Liquid Fund-Growth-Direct (Formerly Aditya Birla Sun Life Cash Plus-Growth-Direct) 779,670 units (31 March 2022: 338,066 units) (Face Value ₹ 100 per unit)	2,830.85	1,159.99
Aditya Birla Sun Life Floating Rate Fund-Growth-Direct Plan Nil units (31 March 2022: 359,839 units) (Face Value ₹ 100 per unit)	-	1,020.32
Aditya Birla Sun Life Saving Fund 108,523 units (31 March 2022: Nil units) (Face Value ₹ 100 per unit)	510.34	-
Axis Liquid Fund-Direct Growth 361,394 units (31 March 2022: 107,543 units) (Face Value ₹ 1000 per unit)	9,037.99	2,542.40
Axis Ultra Short Term Fund-Direct Growth 89,523,140 units (31 March 2022: 114,069,859 units) (Face Value ₹ 10 per unit)	11,810.86	14,222.23

(This space has been intentionally left blank)



(Amount in ₹ lakhs, except otherwise stated)

	As at 31 March 2023	As at 31 March 2022
<b>B Current investments (cont'd)</b>		
<b>iii. Investments in mutual funds (cont'd)</b>		
<i>(Trade, quoted, measured at FVTPL)</i>		
Axis Overnight Fund-Direct Growth 42,755 units (31 March 2022: Nil units) (Face Value ₹ 1000 per unit)	506.88	-
Axis Floater Fund-Direct Growth Nil units (31 March 2022: 186,254 units) (Face Value ₹ 1000 per unit)	-	1,914.61
Axis Money Market Fund-Direct Growth Nil units (31 March 2022: 130,412 units) (Face Value ₹ 1000 per unit)	-	1,502.07
HDFC Ultra Short Term Fund-Direct Growth 104,292,512 units (31 March 2022: 50,970,767 units) (Face Value ₹ 10 per unit)	13,668.47	6,326.90
HDFC Liquid Fund-Direct Plan-Growth 175,038 units (31 March 2022: 71,811 units) (Face Value ₹ 1000 per unit)	7,742.27	3,005.09
HDFC Low Duration Fund - Direct Plan - Growth Option 1,918,863 units (31 March 2022: 12,874,582 units) (Face Value ₹ 10 per unit)	1,007.79	6,410.02
HDFC Floating Rate Debt Fund - Direct Plan - Growth Nil units (31 March 2022: 10,624,571 units) (Face Value ₹ 10 per unit)	-	4,259.94
HDFC Money Market Fund-Direct Plan 51,344 units (31 March 2022: Nil units) (Face Value ₹ 1000 per unit)	2,527.00	-
ICICI Prudential Liquid Fund - Direct Plan - Growth 2,507,674 units (31 March 2022: 1,047,676 units) (Face Value ₹ 100 per unit)	8,355.20	3,302.86
ICICI Prudential Ultra Short Term Fund- Direct Plan Growth 45,855,514 units (31 March 2022: 43,165,213 units) (Face Value ₹ 10 per unit)	11,602.04	10,321.19
ICICI Prudential Floating Rate Interest - Fund - Dir. - G Nil units (31 March 2022: 542,811 units) (Face Value ₹ 100 per unit)	-	1,957.96
ICICI Prudential Saving Fund- Direct Plan -Growth 326,867 units (31 March 2022: 647,063 units) (Face Value ₹ 100 per unit)	1,512.06	2,832.28
ICICI Prudential Money Market Fund- Direct 779,237 units (31 March 2022: Nil units) (Face Value ₹ 100 per unit)	2,527.14	-
Invesco India Money Market Fund - Direct Plan - Growth Nil units (31 March 2022: 30,668 units) (Face Value ₹ 1000 per unit)	-	779.28
Kotak Liquid Fund Direct Plan Growth 39,873 units (31 March 2022: 43,673 units) (Face Value ₹ 1000 per unit)	1,813.59	1,879.28
Kotak Low Duration Fund- Direct Plan -Growth 49,429 units (31 March 2022: 205,341 units) (Face Value ₹ 1000 per unit)	1,512.84	5,958.20
Kotak Saving Fund - Direct Plan Growth 38,704,319 units (31 March 2022: Nil units) (Face Value ₹ 10 per unit)	14,734.00	-
Mahindra Ultra Short Term Yojana Fund - Direct Growth Nil units (31 March 2022: 126,883 units) (Face Value ₹ 1000 per unit)	-	1,433.29
Mahindra Low Duration Bachat Yojana -Direct -Growth - (Formerly Mahindra Manulife Low Duration Fund- Direct -Growth) Nil units (31 March 2022: 98,866 units) (Face Value ₹ 1000 per unit)	-	1,383.82
DSP Liquity Fund-Direct Plan-Growth 51,100 units (31 March 2022: 82,895 units) (Face Value ₹ 1000 per unit)	1,643.98	2,522.50
DSP Ultra Short Term Fund-Direct Plan-Growth 16,114 units (31 March 2022: Nil units) (Face Value ₹ 1000 per unit)	503.96	-
SBI Magnum Ultra Short Duration Fund - Direct Growth 108,617 units (31 March 2022: Nil units) (Face Value ₹ 1000 per unit)	5,602.93	-
SBI Magnum Low Duration Fund - Direct Growth 32,735 units (31 March 2022: Nil units) (Face Value ₹ 1000 per unit)	1,003.35	-
Nippon India Liquid Fund -Direct Growth Plan - Growth Option 28,545 units (31 March 2022: 19,283 units) (Face Value ₹ 1000 per unit)	1,571.95	1,004.26
Mahindra Liquid Fund - Direct Growth 1,272,005 units (31 March 2022: 1481,279 units) (Face Value ₹ 1000 per unit)	18.63	20.50
	<b>1,02,044.12</b>	<b>75,758.99</b>
	<b>1,30,430.32</b>	<b>1,04,852.55</b>
<b>Other disclosures for current investments:</b>		
- Aggregate amount of quoted investments	1,08,512.98	78,794.38
- Aggregate amount of unquoted investments	21,917.34	26,058.17
- Aggregate amount of impairment in value of investments	-	-

(\*) Listed in the recognised stock exchange during the year





	As at 31 March 2023	As at 31 March 2022
<b>9 Loans</b>		
<b>Current</b>		
Secured, considered good		
Loan to body corporates	3,000.00	3,000.00
Unsecured, considered good		
Loan to body corporates	11,225.96	6,492.18
	<u>14,225.96</u>	<u>9,492.18</u>

**Note:**

(1) The Group does not have any loans which are either credit impaired, disputed or where there is a significant increase in credit risk.

(2) No loans receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any loan receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Details of loan given by the Group as required in terms of Sec 186(4) of Companies Act, 2013

Name of Borrower	Purpose	Rate of Interest	As at	
			31 March 2023	31 March 2022
Kalpataru Properties (Thane) Pvt. Ltd	Business Purpose	12.00%	7,893.84	6,492.18
Neo Pharma Pvt Ltd	Business Purpose	12.00%	3,332.12	-
Mcleod Russel India Ltd	Business Purpose	14.00%	3,000.00	3,000.00

	As at 31 March 2023	As at 31 March 2022
<b>10 Other financial assets</b>		
<b>A Non - current</b>		
Security deposits	489.44	323.60
Bank deposit with remaining maturity of more than 12 months (refer note a)	919.76	1,033.40
	<u>1,409.20</u>	<u>1,357.00</u>

**Note:**

a) Bank deposits include deposits amounting to ₹ 367.93 lakhs (31 March 2022: ₹ 1011.79 lakhs) which are hypothecated with banks against issuance of Bank Guarantee on behalf of the Group.

<b>B Current</b>		
Security deposits	94.58	109.78
Interest accrued but not due on:		
- bank deposits	208.37	83.33
- bonds	280.69	152.22
Other receivables [refer note (i) below]	3,445.33	2,698.18
	<u>4,028.97</u>	<u>3,043.51</u>

(i) Renewable Energy Certificates (RECs) are a mechanism for incentivizing producers of electricity from renewable energy sources. The relevant regulations have been put in place by the Central Electricity Regulatory Commission (CERC). Since the Holding Company is in the business of generating renewable energy it is eligible to receive REC's which can be sold in CERC approved power exchanges. The Holding Company had 354,400 unsold REC's as at 31 March 2017. Effective April 2017, as per the order of CERC, the floor price of REC was reduced from ₹ 1,500 per unit to ₹ 1,000 per unit which was referred to the Hon'ble Supreme Court and based on the directions, the differential floor rate of ₹ 500 per unit was deposited by the buyer with CERC until further notice. Total receivable outstanding as on 31 March 2023 is ₹ 1,772.00 lakhs towards differential rate of renewable energy certificates. The Holding Company is closely monitoring the status of the same and believe that since the amount has already been deposited with CERC by the buyers there is no risk of default from the customers and thus based on the above fact as well as legal opinion obtained, management believes that the Holding Company has reasonable chances of succeeding on the matter and anticipates there is no uncertainty with respect to the recovery of such receivables.

	As at 31 March 2023	As at 31 March 2022
<b>11 Income tax assets (net)</b>		
<b>A Non - current</b>		
Advance income tax (net of provision for tax)	536.93	634.45
	<u>536.93</u>	<u>634.45</u>
<b>B Current</b>		
Advance income tax (net of provision for tax)	3.27	-
	<u>3.27</u>	<u>-</u>

**Note:**

Refer note 33 for disclosures relating to income tax.

	As at 31 March 2023	As at 31 March 2022
<b>12 Inventories</b>		
(Valued at lower of cost and net realizable value)		
Raw Materials	3,957.32	-
Stock-in-trade	6,147.79	2,707.26
	<u>10,105.11</u>	<u>2,707.26</u>

(This space has been intentionally left blank)

*Handwritten signature*



	As at 31 March 2023	As at 31 March 2022
<b>13 Trade receivables</b>		
Considered Good - Unsecured		
Unsecured, considered good		
EPC division	26,784.46	18,811.39
Wind division	15,161.45	17,451.54
Retention money receivables	22,185.31	22,138.68
	<u>64,131.22</u>	<u>58,401.61</u>
Unsecured, credit impaired		
- Receivables from related parties	-	-
- Others	-	-
<b>Total trade receivables</b>	<u>-</u>	<u>-</u>

**Note**

- a) Receivables of EPC division of the Holding Company are hypothecated with Banks against non-fund based facilities availed by the Holding Company.  
b) No trade receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.  
c) Trade receivables are mainly due from PSU and State Electricity Boards, which are not exposed to default risk. As per management assessment, no provision is made for expected credit loss due to very low credit risk of receivables. Further management has also considered past experience of losses on receivables. The Group has not recognised provision for doubtful receivables in any of the previous periods.

**Notes:**

The movement in allowances for credit losses is as follows:

	As at 31 March 2023	As at 31 March 2022
Balance as at beginning and at end of the period	-	-
Additions/(reversals) during the year	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>

(d) Trade receivables ageing schedule is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due*	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2023</b>							
(i) Undisputed Trade receivables:							
- considered good	33,971.15	12,016.20	2,922.93	6,532.42	4,304.85	3,201.03	62,948.58
- considered doubtful	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
(ii) Disputed Trade receivables:							
- considered good	-	-	-	-	-	1,182.64	1,182.64
- considered doubtful	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
<b>As at 31 March 2022</b>							
(i) Undisputed Trade receivables:							
- considered good	32,118.21	10,664.33	6,670.18	2,552.04	2,517.78	2,696.43	57,218.97
- considered doubtful	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
(ii) Disputed Trade receivables:							
- considered good	-	-	-	-	-	1,182.64	1,182.64
- considered doubtful	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-

\* Not Due includes retention money receivable from customers.

(e) Till previous year, the Holding Company was executing a project in Afghanistan which is presently on hold due to Force Majeure event (around August 2021). As on 31 March 2023, total receivables from the project is ₹ 5,052.70 lakhs (including retention). The project is approved by the government of Afghanistan for Da Afghanistan Brishna Sherkat (DABS) "100% State owned corporation supplying electricity to the residents of Afghanistan" and facilitated by multilateral agency (Asian Development Bank). The Holding Company is closely monitoring the status and expects to resume work once the geopolitical environment in Afghanistan is stable. Also the Holding Company has received communications from DABS to resume the project stating that the amount will be funded from DABS own budget. Further, the bank guarantee issued for the aforesaid ongoing project cannot be enforced as per the terms and conditions of the underlying contract. The management based on the facts of the matter and communications received from DABS is hopeful of recovering the entire receivables in the due course.

(f) During the previous years, the Holding Company has executed and completed a project for Bengal Energy Limited (BEL) for a contract value of ₹ 15,500 lakhs. This project was completed in the year 2012 and was handed over to BEL as per the terms of the contract and is presently being used by them in their normal course of business. Total receivable outstanding as on 31 March 2023 pertaining to this project is ₹ 1,182.64 lakhs which is under arbitration proceedings currently and a new arbitrator has been appointed by the Hon'ble High Court in October 2022 post which the proceedings has been resumed. The matter was listed for hearing on 17 May 2023 on which date the arbitrator has directed the Holding Company to submit multiple responses and documents, wherein an adjournment was sought by the Holding Company. The matter is proposed to be listed on 4 June 2023 for next hearing. The management based on the legal opinion obtained, believes that the Holding Company has reasonable chances of succeeding on the matter and anticipates there is no uncertainty with respect to the recover of such receivables.

(g) The Holding Company is into generation of renewable power which is sold to various DISCOM's including Tamil Nadu Generation & Distribution Corporation Limited (TANGEDCO). As at 31 March 2023, total receivables from wind division includes receivable amounting to ₹ 5,640.59 lakhs pertaining towards differential tariff revision from financial year 2018-19 to till date and receivables amounting to ₹ 2,514.73 lakhs towards Late Payment Surcharge on receivables from sale of energy. The differential tariff matter is supported by the order from APTEL which is in favour of the Holding Company and Late Payment Surcharge on receivables from sale of energy is agreed as per the terms of the Power Purchase Agreement between the Holding Company and TANGEDCO. The management believes that the Holding Company has reasonable chances of recovering the receivables based on such favourable orders, legal opinion obtained and the power purchase agreement.

(h) Refer note 41 for information about credit risk and market risk of trade receivables.

(i) There are no receivables which have a significant increase in credit risk.





	As at 31 March 2023	As at 31 March 2022
<b>14 Cash and cash equivalents</b>		
Balances with banks:		
- current accounts	4,826.01	4,194.64
- deposit accounts (with original maturity less than 3 months)	-	339.24
Cash on hand	14.38	14.41
	<u>4,840.39</u>	<u>4,548.29</u>

	As at 31 March 2023	As at 31 March 2022
<b>15 Bank balances other than cash and cash equivalents</b>		
<b>Other bank balances</b>		
Margin money	0.29	0.29
Bank deposits (Refer Note a and b)	9,762.72	103.47
<b>Earmarked balances</b>		
Unclaimed/Unpaid Dividend Accounts	12.28	16.13
	<u>9,775.29</u>	<u>119.89</u>

**Note:**

a) Bank deposits include deposits amounting to ₹ 6,706.33 lakhs (31 March 2022: ₹ 103.47 lakhs) which are hypothecated with banks against issuance of Bank Guarantee on behalf of the Group.

b) Bank deposits amounting to ₹ 1.53 lakhs (31 March 2022: ₹ 2.08 lakhs) are lien with customers and statutory authorities as security and registration deposits.

	As at 31 March 2023	As at 31 March 2022
<b>16 Other Assets</b>		
<b>A Non Current</b>		
Advances other than Capital Advances	0.46	0.46
	<u>0.46</u>	<u>0.46</u>
<b>B Current</b>		
Advances to suppliers and others	4,323.19	4,210.71
Prepaid expenses	429.18	730.47
Contract assets ** (refer note 38)	13,775.05	15,492.93
Other assets*	70.67	54.71
	<u>18,598.09</u>	<u>20,488.82</u>

\* Includes balance of gratuity fund in excess of gratuity liability ₹ Nil (31 March 2022 : ₹ 47.38 Lakhs)

\*\* These are not yet due as on the reporting date.

(This space has been intentionally left blank)



	As at 31 March 2023	As at 31 March 2022
<b>17 Share capital</b>		
<b>Authorised</b>		
80,020,000 (31 March 2022 - 80,020,000) preference shares of ₹ 10 each	8,002.00	8,002.00
1,399,900,000 (31 March 2022 - 1,399,900,000) equity shares of ₹ 2 each	27,998.00	27,998.00
	<u>36,000.00</u>	<u>36,000.00</u>
<b>Issued, subscribed and paid up</b>		
107,619,019 (31 March 2022 - 11,00,00,000) equity shares of ₹ 2 each	2,152.38	2,200.00
	<u>2,152.38</u>	<u>2,200.00</u>

**(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:**

	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
Balance as at the beginning of the year	11,00,00,000	2,200.00	11,00,00,000	2,200.00
Less: Shares bought back (refer note d)	23,80,981	47.62	-	-
Balance as at the end of the year	<u>10,76,19,019</u>	<u>2,152.38</u>	<u>11,00,00,000</u>	<u>2,200.00</u>
<b>Issued and subscribed share capital</b>	<u>10,76,19,019</u>	<u>2,152.38</u>	<u>11,00,00,000</u>	<u>2,200.00</u>

**(b) Terms and rights attached to shares**

**Rights, preferences and restrictions attached to equity shares**

The Group has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholdings.

**(c) In the period of five years immediately preceding 31 March 2023**

(i) No additional shares were allotted as fully paid-up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years.

(ii) The Holding Company has allotted 112,682,400 number of equity shares of ₹ 2 each as fully paid up pursuant to the scheme of amalgamation sanctioned by the Hon'ble National Company Law Tribunal, bench at Allahabad ('NCLT') vide its order dated 20 July 2018 without payment being received

(iii) The Company has bought back 2,682,400 equity shares during the preceding five financial years.

**(d) Buy back of equity shares in the current year**

The Board of Directors at its meeting held on 11 July 2022 approved a proposal to buyback fully paid up equity shares of the Holding Company having a face value of ₹ 2 each from the existing shareholders (except promoters, promoter group and person in control of the Holding Company) from open market through stock market mechanism (i.e., through National Stock Exchange of India Limited and BSE Limited) at a maximum buyback price not exceeding ₹ 325.00 per equity share and maximum buyback size up to ₹ 13,000.00 lakhs, to be completed by 19 January 2023. The buyback of equity shares through the stock exchange commenced on 20 July 2022 and was completed on 19 January 2023. During this buyback period, the Holding Company had purchased and extinguished a total of 2,380,981 equity shares from the stock exchange at a volume weighted average buyback price of ₹ 291.69 per equity share comprising 2.16% of the pre buyback paid up equity share capital of the Holding Company. The buyback resulted in a cash outflow of ₹ 6,945.03 lakhs (excluding transaction costs and tax on buyback). The Holding Company funded the buyback from its free reserves as explained in Section 68 of the Companies Act, 2013. In accordance with Section 69 of the Companies Act, 2013, as at 31 March 2023, the Holding Company has created 'Capital Redemption Reserve of ₹ 47.62 lakhs equal to the face value of the above shares bought back as an appropriation from the general reserve.

**(e) Dividend**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Group declares and pays dividends in Indian rupees. Groups are required to pay / distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Interim dividend for fiscal 2023	-	-
Final dividend for fiscal 2022	2,199.20	-
Interim dividend for fiscal 2022	-	-
Final dividend for fiscal 2021	-	4,400.00

During the year ended 31 March 2023, on account of the final dividend for fiscal 2022 the Group has incurred a net cash outflow of ₹ 2,199.20 lakhs.

The Board of Directors of the Holding Company, at its meeting on 29 May 2023, recommended a final dividend of ₹ 6 per equity share for the financial year ended 31 March 2023. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Holding Company, and if approved, would result in a net cash outflow of approximately ₹ 6,457.14 lakhs.

(f) None of the securities are convertible into shares at the end of the reporting period



17 Share capital (cont'd)

(h) Particulars of shareholders holding more than 5% shares of a class of shares in the Holding Company

	31 March 2023		31 March 2022	
	Number of shares	% of shareholding	Number of shares	% of shareholding
<b>Equity shares of ₹ 2 each fully paid up, held by:</b>				
Varanasi Commercial Ltd.	2,46,04,800	22.86%	2,46,04,800	22.37%
Kusum Industrial Gases Ltd.	1,45,91,000	13.56%	1,45,91,000	13.26%
Techno Leasing & Finance Company Pvt Ltd	1,37,88,000	12.81%	1,37,88,000	12.53%
DSP India T.I.G.E.R fund	86,64,020	8.05%	87,90,127	7.99%
Techno Power Projects Ltd	64,08,000	5.95%	64,08,000	5.83%
HDFC Mutual Fund - HDFC Multicap fund	61,63,000	5.73%	61,63,000	5.60%
Kotak Equity Hybrid fund	48,56,971	4.51%	58,01,915	5.27%

(i) Shareholding of promoters in the Holding Company are as follows:

Promoter Name	31 March 2023		31 March 2022		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Varanasi Commercial Ltd	2,46,04,800	22.86%	2,46,04,800	22.37%	0.49%
Kusum Industrial Gases Ltd	1,45,91,000	13.56%	1,45,91,000	13.26%	0.29%
Techno Leasing & Finance Company Pvt Ltd	1,37,88,000	12.81%	1,37,88,000	12.53%	0.28%
Techno Power Projects Ltd	64,08,000	5.95%	64,08,000	5.83%	0.13%
Checons Ltd	23,53,806	2.19%	23,53,806	2.14%	0.05%
Trimurti Associates Pvt Ltd	20,34,924	1.89%	20,34,924	1.85%	0.04%
Pragya Commerce Pvt Ltd	14,35,506	1.33%	14,35,506	1.31%	0.03%
Raj Prabha Gupta	6,91,240	0.64%	6,91,240	0.63%	0.01%
Ankit Saraiya	2,16,000	0.20%	2,16,000	0.20%	0.00%
Avantika Gupta	72,000	0.07%	72,000	0.07%	0.00%
Padam Prakash Gupta	6,000	0.01%	6,000	0.01%	0.00%

18 Other equity

Reserves and surplus

	As at 31 March 2023	As at 31 March 2022
Capital redemption reserve [refer (i) below]	101.27	53.65
General reserve [refer (ii) below]	1,19,172.80	1,26,208.50
Capital reserves [refer (iii) below]	1,572.66	1,572.66
Retained earnings [refer (iv) below]	69,492.92	53,060.00
<b>Other comprehensive income</b>		
Equity instruments through OCI [refer (v) below]	525.56	578.21
Debt instruments through OCI [refer (vi) below]	-	-
	<b>1,90,865.20</b>	<b>1,81,473.02</b>

A Movement in reserves:

(i) Capital redemption reserve

Opening balance	53.65	53.65
Add: transfer during the year	47.62	-
<b>Closing balance</b>	<b>101.27</b>	<b>53.65</b>

(ii) General reserve

Opening balance	1,26,208.50	1,26,208.50
Less: utilised for the purpose of buy-back	(6,897.41)	-
Less: transaction cost related to buy-back	(90.67)	-
Less: transfer to capital redemption reserve for the purpose of buy-back	(47.62)	-
<b>Closing balance</b>	<b>1,19,172.80</b>	<b>1,26,208.50</b>

(iii) Capital reserve

Opening balance	1,572.66	1,572.66
<b>Closing balance</b>	<b>1,572.66</b>	<b>1,572.66</b>

(iv) Retained earnings

Opening balance	53,060.00	31,192.40
Add: Transfer during the year	18,685.96	26,389.36
Add: Transfer from OCI on sale of equity share	-	408.81
Add: Transfer from OCI on remeasurement of defined benefit obligation	(53.84)	15.03
Less: Interim dividend paid	-	(545.60)
Less: Final dividend paid	(2,199.20)	(4,400.00)
<b>Closing balance</b>	<b>69,492.92</b>	<b>53,060.00</b>

	As at 31 March 2023	As at 31 March 2022
<b>18 Other equity (cont'd)</b>		
<b>(v) Equity Instruments through OCI</b>		
Opening balance	578.21	396.84
Less: transfer to retained earnings on sale of equity share	-	(408.81)
Less: transfer during the year (net of tax)	(52.65)	590.18
<b>Closing balance</b>	<b>525.56</b>	<b>578.21</b>
<b>(vi) Debt Instruments through OCI</b>		
Opening balance	-	-
Less: transfer to retained earnings on defined benefit obligations	(53.84)	(15.03)
Less: transfer during the year (net of tax)	53.84	15.03
<b>Closing balance</b>	<b>-</b>	<b>-</b>

**B The description, nature and purpose of each reserve within other equity are as follows:**

**(a) Capital redemption reserve:** In accordance with Section 69 of the Indian Companies Act, 2013, the Group creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from the general reserve.

**(b) General reserve:** Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Holding Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.

Consequent to introduction of the Act, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Group can optionally transfer any amount from the surplus of profit and loss to the General reserves. This reserve is utilised in accordance with the specific provisions of the Act.

**(c) Capital reserve:** Capital reserve is utilised in accordance with provision of the Act.

**(d) Retained earnings:** Retained earnings represents the profits earned by the Group till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**(e) Equity instruments through OCI:** The Group has elected to recognise changes in the fair value of certain investments in equity securities through other comprehensive income. These changes are accumulated within the head 'equity instruments through OCI' shown under the head other equity.

**(f) Debt instruments through OCI:** This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off or when such instruments are impaired.

(This space has been intentionally left blank)





**Techno Electric & Engineering Company Limited**
**Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023**

(Amount in ₹ lakhs, except otherwise stated)

	As at 31 March 2023	As at 31 March 2022
<b>19 Deferred tax liabilities,</b>		
<b>Deferred tax liabilities:</b>		
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	1,171.93	6,089.18
Provision for gratuity	-	33.07
Fair valuation on equity instruments measured at FVTOCI	159.48	175.10
Fair valuation on investments measured at FVTPL	463.96	395.63
Retention by customers	5,559.81	5,571.86
<b>Total deferred tax</b>	<b>7,355.18</b>	<b>12,264.84</b>
<b>Deferred tax assets:</b>		
Provision for compensated absence	103.54	34.75
Provision for foreseeable losses	40.77	-
Provision for gratuity	12.97	-
<b>Total deferred tax assets</b>	<b>157.28</b>	<b>34.75</b>
MAT Credit Entitlement	23.77	23.77
<b>Deferred tax liabilities / (assets) [net]</b>	<b>7,174.13</b>	<b>12,206.32</b>

**(a) Movement in deferred tax assets/(liabilities)**

Particulars	Balance as at 01 April 2022	Recognised in Statement of Profit and loss	Recognised in Other comprehensive Income	Balance as at 31 March 2023
<b>Deferred tax liabilities:</b>				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	6,089.18	(4,917.25)	-	1,171.93
Provision for gratuity	33.07	(14.96)	(18.11)	-
Fair valuation on equity instruments measured at FVTOCI	175.10	-	(15.62)	159.48
Fair valuation on investments measured at FVTPL	395.63	68.33	-	463.96
Retention by customers	5,571.86	(12.05)	-	5,559.81
<b>Deferred tax assets:</b>				
Provision for compensated absence	34.75	68.79	-	103.54
Provision for foreseeable losses	-	40.77	-	40.77
Provision for gratuity	-	12.97	-	12.97
	<b>12,230.09</b>	<b>(4,998.46)</b>	<b>(33.73)</b>	<b>7,197.90</b>
<b>MAT Credit Entitlement</b>	<b>23.77</b>	<b>-</b>	<b>-</b>	<b>23.77</b>
<b>Deferred tax (assets) / liabilities [net]</b>	<b>12,206.32</b>	<b>(4,998.46)</b>	<b>(33.73)</b>	<b>7,174.13</b>
	<b>Balance as at 01 April 2021</b>	<b>Recognised in Statement of Profit and loss</b>	<b>Recognised in Other comprehensive Income</b>	<b>Balance as at 31 March 2022</b>
<b>Deferred tax liabilities:</b>				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	5,728.84	360.34	-	6,089.18
Provision for gratuity	28.72	(0.70)	5.05	33.07
Fair valuation on equity instruments measured at FVTOCI	-	-	175.10	175.10
Fair valuation on investments measured at FVTPL	258.16	137.47	-	395.63
Retention by customers	5,622.38	(50.52)	-	5,571.86
<b>Deferred tax assets:</b>				
Provision for compensated absence	62.37	(27.62)	-	34.75
	<b>11,575.73</b>	<b>474.21</b>	<b>180.15</b>	<b>12,230.09</b>
<b>MAT Credit Entitlement</b>	<b>39.27</b>	<b>(15.50)</b>	<b>-</b>	<b>23.77</b>
<b>Deferred tax (assets) / liabilities [net]</b>	<b>11,536.46</b>	<b>489.71</b>	<b>180.15</b>	<b>12,206.32</b>

(This space has been intentionally left blank)





	As at 31 March 2023	As at 31 March 2022
<b>20 Other liabilities</b>		
<b>A Non - current</b>		
Contract liabilities (*) (refer note 38 (G))	18,427.80	12,980.37
	<b>18,427.80</b>	<b>12,980.37</b>
<b>B Current</b>		
Advance received from others / customers	680.65	-
Statutory dues	362.64	132.99
	<b>1,043.29</b>	<b>132.99</b>

**Note:**

(\*) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. Thus, it represents amounts received as advance from customers that will be adjusted against the subsequent invoices raised once the performance obligations are satisfied.

	As at 31 March 2023	As at 31 March 2022
<b>21 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note B)	243.65	119.86
Total outstanding dues of creditors other than micro enterprises and small enterprises (*)	51,778.98	41,753.73
	<b>52,022.63</b>	<b>41,873.59</b>

(\*) The above balance consists of payables amounting to ₹ 30,775.63 lakhs (31 March 2022: ₹ 19,004.92 lakhs), towards which the Company has issued letter of credits. These letter of credits have been issued under various lending arrangements of the Company and are secured by pari-passu charge against property, plant and equipment of Engineering, Procurement and Construction (EPC) division, fixed deposits, trade receivables and inventories.

**A Trade payables ageing:**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2023</b>						
Undisputed dues:						
- MSME	5.93	237.72	-	-	-	243.65
- Others	8,851.51	36,615.40	3,043.33	2,665.26	603.48	51,778.98
Disputed dues:						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
	<b>8,857.44</b>	<b>36,853.12</b>	<b>3,043.33</b>	<b>2,665.26</b>	<b>603.48</b>	<b>52,022.63</b>
<b>As at 31 March 2022</b>						
Undisputed dues:						
- MSME	99.36	20.50	-	-	-	119.86
- Others	22,721.16	10,901.40	7,466.14	357.67	307.36	41,753.73
Disputed dues:						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
	<b>22,820.52</b>	<b>10,921.90</b>	<b>7,466.14</b>	<b>357.67</b>	<b>307.36</b>	<b>41,873.59</b>

(This space has been intentionally left blank)



	As at 31 March 2023	As at 31 March 2022
<b>22 Other financial liabilities</b>		
<b>A Current</b>		
Unpaid dividends	12.28	12.48
Accrued salaries and benefits	728.23	558.78
Payable towards corporate social responsibility	141.53	2.16
Creditors for capital goods	2,973.42	-
Payable towards other expenses*	131.81	18.64
	<b>3,987.27</b>	<b>592.06</b>

\* These are not yet due as on the reporting date.

	As at 31 March 2023	As at 31 March 2022
<b>23 Provisions</b>		
<b>Provision for employee benefits:</b>		
Gratuity (refer note 35)	65.47	-
Compensated absences	330.73	138.06
<b>Others:</b>		
Provision for foreseeable losses*	161.98	-
	<b>558.18</b>	<b>138.06</b>

\*As per the requirement of Ind AS 37, the management has estimated future expense with regard to onerous contracts where the unavoidable costs of meeting the obligations under the contract exceeds the economic benefits expected to be received under it. The table below gives information about movement in provision for future losses

**Movement of Provision for foreseeable losses:**

	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	-	-
Addition during the year	161.98	-
Reversals during the year	-	-
Closing balance	<b>161.98</b>	<b>-</b>

	As at 31 March 2023	As at 31 March 2022
<b>24 Current tax liabilities (net)</b>		
Provision for tax (net of advance tax)	654.71	-
	<b>654.71</b>	<b>-</b>

**Note:**

Refer note 33 for disclosures relating to income tax.

(This space has been intentionally left blank)



	Year ended 31 March 2023	Year ended 31 March 2022
<b>25 Revenue from operations</b>		
a) Sale of products and service		
- Contract revenue	81,647.60	97,876.44
- Sale of power	1,087.93	1,093.36
	82,735.53	98,969.80
b) Other operating revenue	214.32	947.00
	<b>82,949.85</b>	<b>99,916.80</b>
Refer note 38 for disaggregated revenue informations.		
	Year ended 31 March 2023	Year ended 31 March 2022
<b>26 Other income</b>		
Interest income:		
- on fixed deposits with banks	553.45	87.20
- from financial assets measured at FVTPL	1,160.39	991.96
- from others	1,344.44	838.79
Dividend income	2,084.55	4,478.52
Net gain on sale and remeasurement of investments measured at FVTPL	1,965.20	8,539.79
Net gain on sale of property, plant and equipment	34.36	0.79
Net gain on foreign currency transactions and translation	321.30	396.81
Miscellaneous income	0.71	103.98
	<b>7,464.40</b>	<b>15,437.84</b>
	Year ended 31 March 2023	Year ended 31 March 2022
<b>27 Cost of materials consumed</b>		
Inventory at the beginning of the year	-	-
Add: Purchases during the year and other direct costs	69,977.48	76,709.72
	69,977.48	76,709.72
Less: Inventory at the end of the year	3,957.32	-
	<b>66,020.16</b>	<b>76,709.72</b>
	Year ended 31 March 2023	Year ended 31 March 2022
<b>28 Changes in inventories of stock-in-trade</b>		
Opening stock of stock-in-trade	2,707.26	624.18
Closing stock of stock-in-trade	6,147.79	2,707.26
	<b>(3,440.53)</b>	<b>(2,083.08)</b>
	Year ended 31 March 2023	Year ended 31 March 2022
<b>29 Employee benefits expense</b>		
Salaries, wages and bonus (*)	3,761.73	3,022.96
Contribution to provident and other funds (refer note 35) (**)	274.51	240.03
Staff welfare expenses	182.75	129.81
	<b>4,218.99</b>	<b>3,392.80</b>
* The Managing Director of the Holding Company has waived his remuneration for the year ended 31 March 2023 and 31 March 2022.		
** Due to change in policy of leave, carry forward of excess provision has been reversed during the year ended 31 March 2022.		
	Year ended 31 March 2023	Year ended 31 March 2022
<b>30 Finance costs</b>		
Interest expense:		
- cash credit and working capital demand loan	525.17	89.16
Other borrowing costs		
- guarantee commission	420.47	470.21
- other finance charges	120.12	78.95
	<b>1,065.76</b>	<b>638.32</b>

(This space has been intentionally left blank)

*Handwritten signature*





(Amount in ₹ lakhs, except otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
<b>31 Depreciation and amortisation expense</b>		
Depreciation of tangible assets (refer note 4 and 36)	711.90	695.12
Depreciation of right-of-use assets (refer note 6)	48.05	48.04
Amortisation of intangible assets (refer note 7)	-	1.12
	<b>759.95</b>	<b>744.28</b>
	Year ended 31 March 2023	Year ended 31 March 2022
<b>32 Other expense</b>		
Power and fuel	142.55	121.92
Repairs and maintenance:		
- Plant and machinery	248.43	234.94
Insurance	401.82	396.52
Rent (refer note 6 (c))	921.36	1,006.92
Rates and taxes	367.83	372.81
Payment to auditors	43.00	17.32
Service charge	1,085.07	789.90
Travelling and conveyance	836.52	598.74
Legal and professional fees	1,021.77	787.87
Director sitting fees (refer note 37)	22.25	11.75
Bank charges	63.64	72.24
Impairment of Goodwill on consolidation	95.02	-
Corporate social responsibility expenses	527.37	476.91
Provision for foreseeable losses	161.98	-
Miscellaneous expenses	1,545.73	1,205.86
	<b>7,484.34</b>	<b>6,093.70</b>
	Year ended 31 March 2023	Year ended 31 March 2022
<b>33 Income taxes</b>		
<b>A. Components of income tax expense</b>		
<b>I. Tax expense pertaining to continuing operations recognised in the Statement of Profit and Loss</b>		
Current tax	4,401.09	5,911.87
Deferred tax	145.90	5.33
Prior year taxes	97.76	-
	<b>4,644.75</b>	<b>5,917.20</b>
<b>II. Tax expense pertaining to discontinued operations recognised in the Statement of Profit and Loss</b>		
Current tax	7,446.07	151.79
Deferred tax	(5,144.36)	484.38
	<b>2,301.71</b>	<b>636.17</b>
<b>III. Tax on other comprehensive income</b>		
<b>Deferred tax</b>		
Income taxes relating to remeasurements of defined benefit liability / (asset)	(18.11)	5.05
Income tax on fair valuation of equity and debt instruments	(15.62)	175.10
	<b>(33.73)</b>	<b>180.15</b>
<b>B. Reconciliation of effective tax rate pertaining to continuing operations</b>		
The reconciliation between the statutory income tax rate and the effective income tax rate is as follows :		
<b>Profit before tax</b>	14,305.58	29,858.90
Enacted tax rates in India (%)	25.17%	25.17%
<b>Computed tax expense</b>	3,600.43	7,514.89
Expenses not deductible in determining taxable profit	526.01	123.80
Income exempt from taxation/taxable separately	(524.64)	(1,450.81)
Income taxable at rate different from effective tax rate	-	(302.48)
Deferred tax asset not recognised on elimination of inter-company profit	769.54	-
Deferred tax liability/ (asset) created during the year	145.90	5.33
Prior year taxes	97.76	-
Other adjustments	29.75	26.47
<b>Total income tax expense as per the statement of profit and loss</b>	<b>4,644.75</b>	<b>5,917.20</b>

(This space has been intentionally left blank)



(Amount in ₹ lakhs, except otherwise stated)

## 33 Income taxes (cont'd)

C. The following tables provides the details of income tax assets and income tax liabilities:

Advance tax (refer note a)	540.20	634.45
Current tax liabilities (net) (refer note b)	654.71	-
<b>Net position [Asset / (liability)]</b>	<b>1,194.91</b>	<b>634.45</b>

## a. Advance Tax (current &amp; non - current)

Opening balance	634.45	136.80
Prior year taxes	(97.76)	214.50
Transfer from current tax liabilities	3.51	283.15
	<b>540.20</b>	<b>634.45</b>

## b. Current tax liabilities

Opening balance	-	-
Provision for tax	11,847.16	6,063.64
Advance tax paid during the year	(10,000.94)	(4,600.00)
TDS deducted during the year	(1,195.02)	(1,746.79)
Transferred to from current tax assets	3.51	283.15
	<b>654.71</b>	<b>-</b>

## Net position

**(114.51)** **634.45**

## 34 Earnings per equity share (EPS)

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>
Profit after tax	18,685.96	26,389.36
Weighted average number of equity shares	10,92,27,026	11,00,00,000
Basic and Diluted earnings per equity share (face value of ₹ 2 each)	17.10	23.99

(This space has been intentionally left blank)





	As at 31 March 2023	As at 31 March 2022
<b>35 Employee benefits</b>		
Net defined benefit obligation (Gratuity)	(657.11)	(591.17)
Net defined benefit asset (Gratuity)	591.64	638.55
(Liability) recognised in Balance Sheet	<u>(65.47)</u>	<u>47.38</u>
Non-current	-	-
Current	(65.47)	47.38
	<u>(65.47)</u>	<u>47.38</u>

For details about the related employee benefits expenses, refer note 29.

**Defined contribution plans**

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss on an accrual basis. The amount recognised as an expense towards contribution to provident and pension fund for the year aggregated to ₹ 232.72 lakhs (31 March 2022: ₹ 205.21 lakhs). The balance amount charged to the Statement of Profit and Loss on an accrual basis pertains towards gratuity and esi.

**Defined benefit plans**

(a) The Group operates one post-employment defined benefit plan for gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days basic salary for each year of completed service at the time of retirement/exit.

(b) These defined benefit plans expose the Group to actuarial risks, such as currency risk, interest risk and market (investment) risk.

**Inherent risk**

The plan is defined benefit in nature which is sponsored by the Group and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Group, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyse present value of defined benefit obligations, expense recognised in Statement of Profit and Loss, actuarial assumptions and other information.

**Reconciliation of the net defined benefit (asset)/ liability:**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(I) Reconciliation of present value of defined benefit obligation</b>		
(a) Balance at the beginning of the year	591.17	559.50
(b) Current service cost	46.87	42.27
(c) Interest cost	40.13	39.79
(d) Past service cost	-	-
(e) Benefits paid	(70.59)	(34.84)
(f) Actuarial (gains) / losses recognised in other comprehensive income:		
- change in financial assumptions	7.13	(21.06)
- experience adjustments	42.40	5.51
<b>Balance at the end of the year</b>	<u>657.11</u>	<u>591.17</u>
<b>(II) Reconciliation of present value of plan assets</b>		
(a) Balance at the beginning of the year	638.55	623.12
(b) Interest income	46.10	45.74
(c) Employer contributions	-	-
(d) Benefits paid	(70.59)	(34.84)
(e) Return on plan assets recognised in other comprehensive income	(22.42)	4.53
<b>Balance at the end of the year</b>	<u>591.64</u>	<u>638.55</u>
<b>(III) Net liability recognised in the Balance Sheet</b>		
(a) Present value of defined benefit obligation	(657.11)	(591.17)
(b) Fair value of plan assets	591.64	638.55
<b>Net defined benefit obligations in the Balance Sheet</b>	<u>(65.47)</u>	<u>47.38</u>
<b>(IV) Expense recognised in Statement of Profit or Loss</b>		
(a) Current service costs	46.87	42.27
(b) Interest costs	40.13	39.79
(c) Expected return on plan assets	(46.10)	(45.74)
(d) Past service costs	-	-
<b>Expense recognised in the Statement of Profit and Loss</b>	<u>40.90</u>	<u>36.32</u>
<b>(V) Remeasurements recognised in Other Comprehensive Income</b>		
(a) Actuarial gain on defined benefit obligation	49.53	(15.55)
(b) Return on plan asset excluding interest income	22.42	(4.53)
<b>Amount recognised in Other Comprehensive Income</b>	<u>71.95</u>	<u>(20.08)</u>
<b>(VI) Maturity profile of the defined benefit obligation:</b>		
Expected Future payments (undiscounted):		
Not Later than 1 year	132.73	93.56
Later than 1 year and not later than 5 years	147.61	120.90
More than 5 years	1,260.00	1,180.53
	<u>1,540.34</u>	<u>1,394.99</u>

**Note:**

The average duration of the defined benefit plan obligation at the end of the reporting period is 16 years (31 March 2022: 15 years)





35 Employee benefits (cont'd)

Reconciliation of the net defined benefit (asset)/ liability:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(VII) Actuarial assumptions</b>		
Principal actuarial assumptions at the reporting date		
(a) Discount rate (%)	7.22%	7.34%
(b) Future salary growth (%)	6.00%	6.00%
(c) Attrition rate (%)	1.00%	1.00%
(d) Retirement age (years)	60	60
(e) Expected average remaining working life of employee (years)	16	15
(f) Mortality rate	IALM 2012-2014 Ultimate	IALM 2012-2014 Ultimate

Note:

- (a) Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14) Ultimate.
- (b) The estimates of future salary increases considered in actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- (c) Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

**(VIII) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Change in discount rate		
Present value of obligation at the end of the year		
- Effect due to increase of 0.50 %	(30.15)	(27.10)
- Effect due to decrease of 0.50 %	32.69	29.43
(b) Change in salary growth		
Present value of obligation at the end of the year		
- Effect due to increase of 0.50 %	31.23	29.52
- Effect due to decrease of 0.50 %	(30.00)	(27.41)
(c) Change in attrition rate		
Present value of obligation at the end of the year		
- Effect due to increase of 0.50 %	(0.05)	(0.05)
- Effect due to decrease of 0.50 %	0.05	0.04
(d) Change in mortality rate		
Present value of obligation at the end of the year		
- Effect due to increase of 10 %	(0.16)	(0.17)
- Effect due to decrease of 10 %	0.16	0.16

**(IX) Expected Contribution during the next annual reporting period**

Particulars	As at 31 March 2023	As at 31 March 2022
The Group's best estimate of contribution during the next year	50.00	-

**(X) Major categories of Plan Assets (as percentage of Total Plan Assets)**

Particulars	As at 31 March 2023	As at 31 March 2022
Investment Funds	83.17%	83.24%
Cash & Cash Equivalents	2.19%	0.43%
Special Deposit Scheme	4.61%	4.28%
Government of India Assets	4.39%	6.45%
Corporate Bonds	4.39%	4.07%
Others	1.23%	1.53%

**(XI) Risk exposure:**

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the Group is exposed to follow risks -

- a) Salary increase: Higher than expected increases in salary will increase the defined benefit obligation.
- b) Investment risk: Since the plan is funded then asset liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can Effect the defined benefit obligation.
- c) Discount rate: The defined benefit obligation calculated use a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- d) Mortality and disability: If the actual deaths and disability cases are lower or higher than assumed in the valuation, it can Effect the defined benefit obligation.
- e) Withdrawals: If the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can effect defined benefit obligation.

*Handwritten signature*



36 Discontinued Operations

The Holding Company, consequent to the approvals received from the Board of Directors on 30 May 2022 and from the shareholders on 19 July 2022, has decided to dispose its 111.9 MW of wind assets situated in the state of Tamil Nadu to further focus on their core EPC business and to explore other opportunities for diversification. During the current year ended 31 March 2023, the Holding Company has entered into memorandum of understanding ("the MoUs") for partial sale of its 108.9 MW of wind assets situated in the state of Tamil Nadu with multiple buyers. Accordingly, in line with the requirements of Ind AS 105 "Non-current assets Held for Sale", effective 01 October 2022, depreciation on such assets have been discontinued and respective wind assets have been designated as assets held for sale.

On completion of partial sale transaction of 105.3 MW of wind assets, the Holding Company has recognised net profit of ₹ 6,785.61 lakhs as an exceptional item in the consolidated financial statements during the year ended 31 March 2023. Further, the operating profit of such 108.9 MW wind assets has been shown under "Discontinued Operations" in the consolidated financial statements. The prior period disclosures and figures relating to the discontinued operations has been represented separately, in line with the requirements of Ind AS 105.

a) Profit from discontinued operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from operations</b>		
Sale of power	7,846.23	7,469.85
<b>Total Income</b>	<b>7,846.23</b>	<b>7,469.85</b>
<b>Expenses</b>		
Employee benefits expense	74.77	65.34
Depreciation and amortisation expense	1,695.45	3,381.63
Other expenses	1,534.96	1,303.21
<b>Total Expenses</b>	<b>3,305.18</b>	<b>4,750.18</b>
<b>Profit before exceptional items and tax</b>	<b>4,541.05</b>	<b>2,719.67</b>
Exceptional items - gain on sale of discontinued operations	6,785.61	-
Tax expenses (Refer Note No 33)	2,301.71	636.17
<b>Profit for the year from discontinued operations</b>	<b>9,024.95</b>	<b>2,083.50</b>

b) Net cash flows attributable to the discontinued operations

Net cash generated from operating activities	9,646.49	6,692.75
Net cash (used) in investing activities	40,908.49	-
Net cash generated from financing activities	-	-
<b>Net cash (outflows)/ inflows</b>	<b>50,554.98</b>	<b>6,692.75</b>

(This space has been intentionally left blank)





(Amount in ₹ lakhs, except otherwise stated)

## c) Assets and liabilities of discontinued operations

	As at 31 March 2023
<b>ASSETS</b>	
(1) Non - current assets	
(a) Property, plant and equipment	1,173.61
<b>Total non-current assets</b>	<b>1,173.61</b>
(2) Current assets	
(a) Financial assets	
(i) Trade receivables	14,351.95
(ii) Other financial assets	3,352.95
( Other current assets	11.40
<b>Total current assets</b>	<b>17,716.30</b>
<b>LIABILITIES</b>	
(1) Current liabilities	
(a) Financial liabilities	
(i) Trade payables	
(a) total outstanding dues of micro enterprises and small enterprises	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	210.36
(ii) Other financial liabilities	7.04
(b) Other current liabilities	1,414.12
<b>Total current liabilities</b>	<b>1,631.52</b>

## 37 Related party disclosures (as per Ind AS 24)

Names of related parties and description of relationship (where transactions have taken place during the year, except for control relationships where parties are disclosed irrespective of transactions)

## A. List of related parties and their relationship

Nature of relation	Name of the related party
(i) Entity Having Significant Influence Over the Company	Varanasi Commercial Ltd
(ii) Joint Venture	Kohima-Mariani Transmission Limited. (Ceased to be Joint Venture Company w.e.f. 16 November 2021)
(iii) Key Management Personnel (KMP)	Shri Padam Prakash Gupta - Managing Director and Key Management Person Shri Ankit Saraiya - Wholetime Director and Key Management Person Ms Avantika Gupta - Non-Executive Director and relative of Key Management Person Shri Vasudevan Kotivenkatesan - Non-Executive and Independent Director Shri Krishna Murari Poddar - Non-Executive and Independent Director Shri Samarendra Nath Roy - Non-Executive and Independent Director Shri Kadenja Krishna Rai - Non-Executive and Independent Director Ms. Dipali Khanna - Non-Executive and Independent Director Shri Pradeep Kumar Lohia - Chief Financial Officer and Key Management Person Shri Niranjan Brahma - Company Secretary and Key Management Person
(iv) Relative of Key Management Personnel (with whom transactions have taken place)	Mrs. Raj Prabha Gupta
(v) Entities where Key Management Personnel and their relatives have significant influence (with whom transactions have taken place)	Techno Power Projects Ltd Techno Leasing & Finance Company Pvt Ltd Checons Ltd Saffron Enclave Private Limited (upto 10 August 2022)

(This space has been intentionally left blank)




(Amount in ₹ lakhs, except otherwise stated)

**B. Transactions with Entity Having Significant Influence Over The Company**

Nature of transaction	Transaction Value		Balance Outstanding	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(i) Purchase of shares of Subsidiary Companies	1.52	-	-	-

**C. Transactions with Joint Venture**

Nature of transaction	Transaction Value		Balance Outstanding	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(i) Supply of Materials and rendering of service	-	7,126.44	-	-
(ii) Interest on delayed payments	-	947.00	-	-
(iii) Interest on loan given	-	66.30	-	-
(iv) Loan refunded	-	949.24	-	-

**D. Transactions with Key Management Personnel (KMP)**

Nature of transaction	Transaction Value		Balance Outstanding	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(i) Remuneration and Employee Benefits*				
Wholetime Director	24.00	24.00	8.26	7.08
Chief Financial Officer	33.53	22.85	6.66	6.66
Company Secretary	28.95	19.64	4.42	4.42
(ii) Director Sitting Fees	22.25	11.75	-	-

\*The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available

**E. Transactions with Relative of Key Management Personnel (KMP)**

Nature of transaction	Transaction Value		Balance Outstanding	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(i) Other expense	2.40	2.40	-	-

**F. Transactions with Entities where Key Management Personnel and their relatives have significant influence**

Nature of transaction	Transaction Value		Balance Outstanding	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(i) Other expense	29.81	-	-	-
(ii) Purchase of shares of Subsidiary Companies	3.22	-	-	-
(iii) Security deposit paid	18.88	-	-	-

**G. Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(This space has been intentionally left blank)





(Amount in ₹ lakhs, except otherwise stated)

38 Segment reporting

A Operating Segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

The Group's primary business segment is EPC (Construction). Based on the dominant source and nature of risk and returns of the Group, its internal organisation and management structure and its system of internal financial reporting, EPC business segment has been identified as the primary segment and the financial information are presented in the table below:

Particulars	EPC (Construction)	Others	Corporate (Unallocable)	Total
<b>Year ended 31 March 2023</b>				
<b>I Revenue</b>				
a Sales	81,861.92	1,087.93	-	82,949.85
b Others	355.66	-	4,050.46	4,406.12
c Interest revenue	-	-	3,058.28	3,058.28
d Total revenue	<b>82,217.58</b>	<b>1,087.93</b>	<b>7,108.74</b>	<b>90,414.25</b>
<b>II Result</b>				
a Segment result/ operating Profit before tax and interest	8,227.44	191.25	6,952.65	15,371.34
b Interest expense	-	-	1,065.76	1,065.76
c Provision for taxation	-	-	4,644.75	4,644.75
d Net profit	<b>8,227.44</b>	<b>191.25</b>	<b>1,242.14</b>	<b>9,660.83</b>
<b>III Other information</b>				
a Segment assets	1,08,695.81	5,335.02	1,43,967.49	2,57,998.32
b Segment liabilities	71,293.32	79.11	10,864.06	82,236.49
c Capital expenditure	69.76	-	9,459.72	9,529.48
d Depreciation and amortisation	117.71	605.98	36.26	759.95
<b>Year ended 31 March 2022</b>				
<b>I Revenue</b>				
a Sales	98,823.44	1,093.36	-	99,916.80
b Others	397.60	-	13,122.29	13,519.89
c Interest Revenue	-	-	1,917.95	1,917.95
d Total Revenue	<b>99,221.04</b>	<b>1,093.36</b>	<b>15,040.24</b>	<b>1,15,354.64</b>
<b>II Result</b>				
a Segment result/ operating Profit before tax and interest	15,343.86	189.13	14,964.23	30,497.22
b Interest expense	-	-	638.32	638.32
c Share of Profit from Joint Venture	-	-	364.00	364.00
d Provision for taxation	-	-	5,917.20	5,917.20
e Net profit	<b>15,343.86</b>	<b>189.13</b>	<b>8,772.71</b>	<b>24,305.70</b>
<b>III Other information</b>				
a Segment assets	80,367.33	5,330.27	1,08,878.96	1,94,576.56
b Segment liabilities	55,505.35	0.40	12,207.40	67,713.15
c Capital expenditure	166.25	-	-	166.25
d Depreciation and amortisation	110.41	597.62	36.25	744.28

Information related to discontinued operations

	Year ended 31 March 2023	Year ended 31 March 2022
a Segment Revenue	7,846.23	7,469.85
b Segment Results (including exceptional items)	11,326.66	2,719.67
c Segment Assets	18,889.91	57,022.67
d Segment Liabilities	1,631.52	210.24

(This space has been intentionally left blank)



**38 Segment reporting (cont'd)**

**B Geographical segment**

As the revenue from overseas sites does not exceed the minimum threshold limit for such disclosure, no separate disclosure for geographical segment (Secondary segment) is applicable.

**C Information about major customers**

Total revenues from three customers (31 March 2022 - three customers) of EPC division (construction) amounting to ₹ 40,999.62 lakhs (31 March 2022 - ₹ 50,734.14 lakhs) represents 49.43% (31 March 2022 - 50.78%) of the Group's total revenues.

Customer A : 19.11% (31 March 2022 - 50.78%)  
 Customer B : 14.69% (31 March 2022 - 50.78%)  
 Customer C : 15.63% (31 March 2022 - 50.78%)

**D There are no inter-segment revenues.**

**E Based on timing of revenue**

At a point in time  
 Over time

	Year ended 31 March 2023	Year ended 31 March 2022
At a point in time	66,486.22	70,503.75
Over time	16,249.31	28,466.05
	<b>82,735.53</b>	<b>98,969.80</b>

**F Contract balance**

The following table provides information about receivable, contract assets and contract liabilities from contract with customers:

Trade receivables  
 Contract assets  
 Contract liabilities

	As at 31 March 2023	As at 31 March 2022
Trade receivables	64,131.22	58,401.61
Contract assets	13,775.05	15,492.93
Contract liabilities	18,427.80	12,980.37
	<b>96,334.07</b>	<b>86,874.91</b>

**G Movement of contract balances**

**i Contract assets**

Opening balance  
 Addition during the year  
 Billed during the year  
 Closing balance

	As at 31 March 2023	As at 31 March 2022
Opening balance	15,492.93	15,233.91
Addition during the year	8,526.40	6,866.37
Billed during the year	(10,244.28)	(6,607.35)
Closing balance	<b>13,775.05</b>	<b>15,492.93</b>

**ii Contract liabilities**

Opening balance  
 Addition during the year  
 Billed during the year  
 Closing balance

	As at 31 March 2023	As at 31 March 2022
Opening balance	12,980.37	3,852.40
Addition during the year	11,927.43	11,950.18
Billed during the year	(6,480.00)	(2,822.21)
Closing balance	<b>18,427.80</b>	<b>12,980.37</b>

**H There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.**

**39 Contingent liabilities and commitments**

(to the extent not provided for)

**A Contingent liabilities:**

Claims against the company not acknowledged as debts:

- Indirect tax demands (VAT/CST/Entry tax)  
 Amount paid under protest ₹ 17.70 lakhs (31 March 2022: ₹ 18.27 lakhs)  
 - Income tax demands  
 Amount paid under protest ₹ 375.46 lakhs (31 March 2022: ₹ 375.46 lakhs)

	As at 31 March 2023	As at 31 March 2022
- Indirect tax demands (VAT/CST/Entry tax)	87.80	93.47
- Income tax demands	780.48	721.56
	<b>868.28</b>	<b>815.03</b>

**Note:**

(a) In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.  
 (b) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect to the above pending resolution of the respective proceedings.

**B Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net off capital advance)

	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net off capital advance)	7,388.55	
	<b>7,388.55</b>	





**40 Capital management**

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Group monitors the return on capital. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders, whereas debt includes borrowings which primarily includes the payables pertaining to the purchase of goods, less cash and cash equivalents.

The Group monitors capital on the basis of the following gearing ratio.

Particulars	Note	As at	
		31 March 2023	31 March 2022
Borrowings		-	-
Less: Cash and cash equivalents		4,840.39	4,548.29
<b>Net debt</b>		<b>(4,840.39)</b>	<b>(4,548.29)</b>
<b>Equity (including other equity)</b>		<b>1,93,020.22</b>	<b>1,83,675.84</b>
Gearing Ratio		-2.51%	-2.48%

(This space has been intentionally left blank)



*Handwritten signatures in blue ink.*



41 Financial instruments - fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Particulars	Note	Carrying amount		Cost	Total carrying amount	Fair value		
		Fair value through Profit or Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)			Level 1	Level 2	Level 3
<b>As at 31 March 2023:</b>								
<b>Financial assets</b>								
Investment in equity instruments	8	-	1,142.47	-	1,142.47	1,095.47	-	47.00
Investment in debt instruments	8	27,290.73	-	-	27,290.73	5,373.39	21,917.34	-
Investment in mutual funds	8	1,02,044.12	-	-	1,02,044.12	1,02,044.12	-	-
Loans	9	-	-	14,225.96	14,225.96	-	-	-
Other financial assets	10	-	-	5,438.17	5,438.17	-	-	1,409.20
Trade receivables	13	-	-	64,131.22	64,131.22	-	-	-
Cash and cash equivalents	14	-	-	4,840.39	4,840.39	-	-	-
Bank balances other than cash and cash equivalents	15	-	-	9,775.29	9,775.29	-	-	-
		<b>1,29,334.85</b>	<b>1,142.47</b>	<b>98,411.03</b>	<b>2,28,888.35</b>	<b>1,08,512.98</b>	<b>21,917.34</b>	<b>1,456.20</b>
<b>Financial liabilities</b>								
Other financial liabilities	22	-	-	3,987.27	3,987.27	-	-	-
Trade payables	21	-	-	52,022.63	52,022.63	-	-	-
		-	-	<b>56,009.90</b>	<b>56,009.90</b>	-	-	-
<b>As at 31 March 2022:</b>								
<b>Financial assets</b>								
Investment in equity instruments	8	-	1,077.40	-	1,077.40	1,030.40	-	47.00
Investment in other debt instruments	8	28,063.16	-	-	28,063.16	2,004.99	26,058.17	-
Investment in mutual funds	8	75,758.99	-	-	75,758.99	75,758.99	-	-
Loans	9	-	-	9,492.18	9,492.18	-	-	-
Other financial assets	10	-	-	4,400.51	4,400.51	-	-	1,357.00
Trade receivables	13	-	-	58,401.61	58,401.61	-	-	-
Cash and cash equivalents	14	-	-	4,548.29	4,548.29	-	-	-
Other bank balances	15	-	-	119.89	119.89	-	-	-
		<b>1,03,822.15</b>	<b>1,077.40</b>	<b>76,962.48</b>	<b>1,81,862.03</b>	<b>78,794.38</b>	<b>26,058.17</b>	<b>1,404.00</b>
<b>Financial liabilities</b>								
Other financial liabilities	22	-	-	592.06	592.06	-	-	-
Trade payables	21	-	-	41,873.59	41,873.59	-	-	-
		-	-	<b>42,465.65</b>	<b>42,465.65</b>	-	-	-

(This space has been intentionally left blank)



**41 Financial instruments - fair values and risk management (cont'd)**

**B. Measurement of fair values**

**Valuation process and technique used to determine fair value of financial assets and liabilities classified under fair value hierarchy other than Level 1:**

- (a) The fair value of cash and cash equivalents, other bank balances, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. Further, management also assessed the carrying amount of certain non-current loans and non-current other financial assets which are reasonable approximation of their fair values and the difference between the carrying amount and the fair values is not expected to be significant.
- (b) Investments in equity instruments are classified as FVTOCI. Fair value of unquoted investments is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This Level includes investment in unquoted equity shares. Fair value of quoted equity instruments are determined using quoted prices available in the market.
- (c) In case of derivatives, the fair value is determined using quoted forward exchange rates at the reporting dates in the respective commodities and currencies. There are no such significant unobservable inputs used for the valuation technique.
- (d) The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date.
- (e) In case of investments in debt instruments, the fair values in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates.
- (f) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statement are a reasonable approximation of their fair values, since the Group does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

**FAIR VALUE HIERARCHY**

- Level 1- Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1 and Level 2 during the year

**C. Level 3 fair values - Movement in the values of unquoted equity instruments**

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values.

Particulars	As at	
	31 March 2023	31 March 2022
Balance as at the beginning of the year	47.00	47.00
Fair value gain through Other Comprehensive Income:	-	-
- Net change in fair value (unrealised)	-	-
Loss allowance routed through profit and loss	47.00	47.00
Balance as at the end of the year		

(This space has been intentionally left blank)

62 d





**41 Financial instruments - fair values and risk management (cont'd)****D. Risk management**

The Group's financial liabilities comprise mainly trade payables. The Group's financial assets comprise mainly investments, loans, trade receivables, cash and cash equivalents and other balances with banks. The Group's financial risk management is an integral part of how to plan and execute its business strategies.

The Group's activities expose it to market risk, interest rate risk and foreign currency risk. The Board of Directors ('Board') oversee the management of these financial risks. The risk management policies of the Group guides the management to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Group's Management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance.

The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

In respect of trade and other receivables, the Group recognises lifetime expected credit losses on trade receivables using a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix. Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from government promoted agencies and receivables from private third parties. A substantial portion of the Group's trade receivables are from government promoted agencies having strong credit worthiness. Further the Group does not have a history of credit losses from such government promoted agencies, accordingly, provision for expected credit loss is not made in respect of trade receivables.

The credit risk for cash and cash equivalents, bank deposits, loans and financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

The following tables provide information about the exposure to credit risk for trade receivables as at 31 March 2023 and 31 March 2022:

	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at 31 March 2023	45,987.35	2,922.93	6,532.42	4,304.85	4,383.67	64,131.22
As at 31 March 2022	42,782.54	6,670.18	2,552.04	2,517.78	3,879.07	58,401.61

**(ii) Liquidity risk**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.



(This space has been intentionally left blank)

**41 Financial instruments - fair values and risk management (cont'd)**

**D. Risk management (cont'd)**

**(ii) Liquidity risk (cont'd)**

The table below analysis derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows

Particulars	Carrying amount	Contractual cash flows			
		Total	less than 1 year	1 - 2 years	2 - 5 years
<b>As on 31 March 2023:</b>					
Other financial liabilities	3,987.27	3,987.27	3,987.27	-	-
Trade payables	52,022.63	52,022.63	52,022.63	-	-
	<b>56,009.90</b>	<b>56,009.90</b>	<b>56,009.90</b>	-	-
<b>As on 31 March 2022:</b>					
Other financial liabilities	592.06	592.06	592.06	-	-
Trade payables	41,873.59	41,873.59	41,873.59	-	-
	<b>42,465.65</b>	<b>42,465.65</b>	<b>42,465.65</b>	-	-

**(iii) Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(a) Foreign currency risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

Exposure to currency risk	Currency	
	31 March 2023	31 March 2022
Trade payables (unhedged)	USD (in lakhs)	1.99
	INR	163.37
Trade receivables (unhedged)	Euro (in lakhs)	0.37
	INR	32.86
Trade receivables (unhedged)	USD (in lakhs)	77.76
	INR	6,393.17
		66.64
		5,059.70

*W L*

(This space has been intentionally left blank)





41 Financial instruments - fair values and risk management (cont'd)

D. Risk management (cont'd)

(iii) Market risk (cont'd)

(a) Foreign currency risk (cont'd)

Sensitivity analysis

A reasonably possible strengthening /weakening of the Indian Rupee against US dollars and Euros as at the reporting period would have affected the measurement of financial instruments denominated in US dollars and Euros and affects profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31 March 2023		31 March 2022	
	Profit or (loss)	Equity (net of tax)	Profit or (loss)	Equity (net of tax)
<b>Trade payables (unhedged)</b>				
INR/USD strengthening [5% movement]	8.17	6.11	76.90	57.54
INR/USD weakening [5% movement]	(8.17)	(6.11)	(76.90)	(57.54)
<b>INR/Euro strengthening [5% movement]</b>	1.64	1.23	-	-
INR/Euro weakening [5% movement]	(1.64)	(1.23)	-	-
<b>Trade receivables (unhedged)</b>				
INR/USD strengthening [5% movement]	(319.66)	(239.21)	(252.99)	(189.31)
INR/USD weakening [5% movement]	319.66	239.21	252.99	189.31

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long term and short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31 March 2023	31 March 2022
<b>Fixed rate instruments</b>		
Financial assets	2,28,888.35	1,81,862.03
Financial liabilities	56,009.90	42,465.65
	<b>2,84,898.25</b>	<b>2,24,327.69</b>
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

(This space has been intentionally left blank)





42 Financial ratios

SI No.	Ratio	Formula for computation	Measure (In times/percentage)	As at and for the year ended 31 March 2023	As at and for the year ended 31 March 2022	% Variance	Remarks
1	Current ratio	Current assets / Current liabilities	Times	4.40	4.77	-7.75%	Refer note 2 (e)
2	Debt-equity ratio	Not applicable	Times	-	-	-	-
3	Debt service coverage ratio	EBITDA / Debt service	Times	16.15	49.57	-67.43%	Refer note 2 (a)
4	Return on equity ratio	Profit after tax / Net worth	Percentage	9.92%	15.31%	-35.20%	Refer note 2 (b)
5	Inventory turnover ratio	Cost of goods sold / Average inventory	Times	14.14	63.90	-77.87%	Refer note 2 (c)
6	Trade receivables turnover ratio	Revenue from sales / Average trade receivables	Times	1.48	1.91	-22.61%	Refer note 2 (e)
7	Trade payables turnover ratio	Purchases / Average Trade Payables	Times	1.49	1.95	-23.73%	Refer note 2 (e)
8	Net capital turnover ratio	Revenue from operations / Working capital	Times	0.46	0.67	-31.24%	Refer note 2 (d)
9	Net profit ratio	Profit after tax / Revenue from operations	Percentage	20.58%	24.57%	-16.25%	Refer note 2 (e)
10	Return on capital employed	EBIT / Capital employed	Percentage	9.96%	9.68%	2.94%	Refer note 2 (e)
11	Return on investment	Not applicable	Percentage	Not applicable	Not applicable	Not applicable	Not applicable

Note 1:

- Debt = Non-current borrowings + current borrowings
- Net worth = Paid-up share capital + reserves created out of profit - accumulated losses + Equity component of other financial instruments (net of taxes)
- EBITDA = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- Debt service = Interest and lease payments + principal repayments
- Cost of goods sold = Cost of fuel consumed
- Purchase = cost of materials consumed + closing inventory of raw materials - opening inventory of raw materials
- Working Capital = current assets - current liabilities
- EBIT = Earnings before interest and tax and exceptional items
- Capital employed = tangible net worth (total assets - intangible assets) + total debt

Note 2:

- Decreased on account of increase in interest expense on mobilisation advance from parties
- Decreased on account of Profit on sale of Joint Venture, in the previous year which amounted to ₹ 11,003.26 lakhs and is not there in the current year
- Decreased on account of increase in closing inventory of the Group due to purchases made in the month of March 2023
- Decreased on account of increase in the net working capital due to increase in closing inventory and current investment of the Group
- Since the change in ratio is less than 25%, no explanation is required to be disclosed.

(This space has been intentionally left blank)



*ve l*

**Techno Electric & Engineering Company Limited**

**Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023**

(Amount in ₹ lakhs, except otherwise stated)

**43 Details related to borrowings secured against current assets**

The Holding Company is filing quarterly statement of Inventories, Trade payables (net off advance to suppliers), Advance from customers and Trade receivables for working capital facilities. The below is summary of Quarterly reconciliation of statement filed to the banks and books of accounts.

Quarter ended	Particulars	Amount as per books of accounts	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material variations
<b>For the year ended 31 March 2023</b>					
31 March 2023					
	- Trade Receivables	64,131.28	63,761.80	369.48	Refer Note 1
	- Inventories	8,647.79	6,147.79	2,500.00	Refer Note 1
	- Trade Payables (Net off Advance to suppliers)	50,672.86	30,311.39	20,361.47	Refer Note 1
	- Advance from Customers	18,427.80	18,427.80	-	
31 December 2022					
	- Trade Receivables	58,953.25	58,787.05	166.20	Refer Note 1
	- Inventories	4,713.45	4,713.45	-	
	- Trade Payables (Net off Advance to suppliers)	23,680.05	32,933.60	(9,253.55)	Refer Note 1
	- Advance from Customers	33,860.71	6,968.89	26,891.82	Refer Note 1
30 September 2022					
	- Trade Receivables	61,352.93	61,352.93	-	
	- Inventories	4,199.91	4,199.91	-	
	- Trade Payables (Net off Advance to suppliers)	26,039.93	32,340.90	(6,300.97)	Refer Note 1
	- Advance from Customers	24,333.35	14,333.35	10,000.00	Refer Note 1
30 June 2022					
	- Trade Receivables	55,582.58	55,658.94	(76.36)	Refer Note 1
	- Inventories	2,300.79	2,300.79	-	
	- Trade Payables (Net off Advance to suppliers)	22,907.74	33,736.98	(10,829.24)	Refer Note 1
	- Advance from Customers	16,772.30	6,272.30	10,500.00	Refer Note 1
<b>For the year ended 31 March 2022</b>					
31 March 2022					
	- Trade Receivables	58,401.61	48,318.13	10,083.48	Refer Note 1
	- Inventories	2,707.26	-	2,707.26	Refer Note 1
	- Trade Payables (Net off Advance to suppliers)	37,662.31	10,255.31	27,407.00	Refer Note 1
	- Advance from Customers	12,980.37	5,933.06	7,047.31	Refer Note 1
31 December 2021					
	- Trade Receivables	52,686.28	44,800.01	7,886.27	Refer Note 1
	- Inventories	6,947.54	-	6,947.54	Refer Note 1
	- Trade Payables (Net off Advance to suppliers)	36,686.04	8,076.55	28,609.49	Refer Note 1
	- Advance from Customers	15,460.07	6,739.43	8,720.64	Refer Note 1
30 September 2021					
	- Trade Receivables	58,646.27	48,803.75	9,842.52	Refer Note 1
	- Inventories	3,205.84	-	3,205.84	Refer Note 1
	- Trade Payables (Net off Advance to suppliers)	27,642.91	9,849.41	17,793.50	Refer Note 1
	- Advance from Customers	16,260.13	8,393.78	7,866.35	Refer Note 1
30 June 2021					
	- Trade Receivables	55,834.35	41,845.84	13,988.51	Refer Note 1
	- Inventories	737.18	-	737.18	Refer Note 1
	- Trade Payables (Net off Advance to suppliers)	25,893.33	8,344.50	17,548.83	Refer Note 1
	- Advance from Customers	16,837.84	9,165.01	7,672.83	Refer Note 1

**Note 1:**

The quarterly statements are submitted to banks were prepared and filed before the completion of financial statement closure activities including Ind AS adjustments / reclassification and regrouping as applicable, which led to these difference between final books of accounts and provisional quarterly statement submitted to banks.

*Handwritten signature*





**44 Other statutory information**

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with struck off companies.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in crypto currency or any form of virtual currency during the financial year.
- (v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- (x) The Group have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) There are no events or transactions after the reporting period which is required to be disclosed under Ind AS 10.

**45 Code of Social Security, 2020**

The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code on 13 November 2020. However, the same is yet to be notified. The Group will evaluate the impact and make necessary adjustments to the financial statements in the period when the Code will come into effect.

*(This space has been intentionally left blank)*



**Techno Electric & Engineering Company Limited**

**Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023**

(Amount in ₹ lakhs, except otherwise stated)

**Note 46: Group Information**

**A. Subsidiaries**

The Group's Subsidiary companies, along with country of Incorporation, place of operation and principal activities for the year ended 31st March 2023 and 31st March 2023 are set out below:

Name of the Company	Relation with TEECL	Principal Activity	Country of Incorporation	Place of Operation	Proportion of ownership interest (Incl. holding with nominee)	
					31-03-2023	31-03-2022
Techno Infra Developers Private Limited	Wholly Owned Subsidiary	IT Enabled Services	India	India	100.00%	100.00%
Techno Digital Infra Private Limited (Formerly Techno Clean Energy Private Limited.)	Wholly Owned Subsidiary	IT Enabled Services	India	India	100.00%	100.00%
Techno Green Energy Private Limited	Wholly Owned Subsidiary	Wind Energy Generation	India	India	100.00%	100.00%
Techno Wind Power Private Limited	Wholly Owned Subsidiary	Wind Energy Generation	India	India	100.00%	100.00%
Rajgarh Agro Products Limited*	Non -Wholly Owned Subsidiary	Agro Industry	India	India	96.10%	96.10%
Techno AMI Solutions Private Limited. (Formerly Jhajjar Power Transmission Private Limited.)	Wholly Owned Subsidiary	Smart Metering	India	India	100.00%	-
Techno Data Center Limited.(Formerly Techno Power Grid Company Limited.)	Wholly Owned Subsidiary	Service Industry	India	India	100.00%	100.00%

\*The subsidiary is not material to the Group, therefore information about the non-wholly owned subsidiary are not disclosed separately.

**B. Joint Venture**

Details of Joint Venture of the Group are set out below.

Name of the JV	Country of Incorporation	Place of Operation	Proportion of ownership interest		Carrying amount	
			31-03-2023	31-03-2022	31-03-2023	31-03-2022
Kohima-Mariaia Transmission Company Limited**	India	India	-	-	-	-
TOTAL					-	-

\*\* Ceased to be JV w.e.f. 16 November 2021

(This space has been intentionally left blank)



*Handwritten signature in blue ink.*

Techno Electric & Engineering Company Limited  
 Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023  
 (Amount in ₹ lakhs, except otherwise stated)

47. Additional Information  
 a) Additional Information for the year ended 31st March 2023

S. No.	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount ( ₹. In Lakhs)	As % of consolidated net profit	Amount ( ₹. In Lakhs)	As % of consolidated OCI	Amount ( ₹. In Lakhs)	As % of consolidated TCI	Amount ( ₹. In Lakhs)
	<b>Parent</b> Techno Electric & Engineering Company Limited .	101.44%	1,95,799.94	116.87%	21,837.48	100.00%	(106.49)	116.96%	21,730.99
	<b>Subsidiaries (Indian)</b>								
1	Techno Infra Developers Private Limited	1.77%	3,406.82	-0.35%	(65.89)	-	-	0.00%	(65.89)
2	Techno Digital Infra Private Limited (Formerly Techno Clean Energy Pvt. Ltd.)	0.00%	0.27	0.00%	(0.67)	-	-	0.00%	(0.67)
3	Techno Green Energy Private Limited	0.00%	0.40	0.00%	(0.67)	-	-	0.00%	(0.67)
4	Techno Wind Power Private Limited	0.00%	0.33	0.00%	(0.67)	-	-	0.00%	(0.67)
5	Techno Data Center Limited.(Formerly Techno Power Grid Company Limited.)	1.52%	2,930.06	0.45%	84.46	-	-	0.45%	84.46
6	Rajgarh Agro Products Limited	0.03%	67.36	-0.02%	(4.58)	-	-	-0.02%	(4.58)
7	Techno AMI Solutions Private Limited. (Formerly Jhajjar Power Transmission Private Limited.)	0.00%	0.09	-0.03%	(5.89)	-	-	-0.03%	(5.89)
	<b>Non controlling interest in all subsidiaries</b>	0.00%	2.64	0.00%	(0.18)	-	-	0.00%	(0.18)
	<b>Joint Venture (investment as per equity method)</b> Kohima - Mariani Transmission Limited.	0.00%	-	-	-	-	-	0.00%	-
1	<b>Consolidation adjustment (inter - company elimination)</b>	-4.76%	(9,187.69)	-16.90%	(3,157.61)	-	(0.00)	-17.00%	(3,157.61)
		<b>100.00%</b>	<b>1,93,020.22</b>	<b>100.00%</b>	<b>18,685.78</b>	<b>100.00%</b>	<b>(106.49)</b>	<b>100.00%</b>	<b>18,579.29</b>

The above figures for parent, its subsidiaries and joint venture are before inter - company eliminations.

(This space has been intentionally left blank)



Handwritten signature in blue ink, appearing to be 'V.L.L.' or similar.



47. Additional Information for the year ended 31st March 2022  
b) Additional Information for the year ended 31st March 2022

S. No.	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹. In Lakhs)	As % of consolidated net profit	Amount (₹. In Lakhs)	As % of consolidated OCI	Amount (₹. In Lakhs)	As % of consolidated TCI	Amount (₹. In Lakhs)
	<b>Parent</b> Techno Electric & Engineering Company Limited	99.80%	1,83,303.86	98.66%	26,034.34	100.00%	605.21	98.69%	26,639.55
	<b>Subsidiaries (Indian)</b>								
1	Techno Infra Developers Private Limited	0.25%	460.22	-0.22%	(57.66)	-	-	-0.21%	(57.66)
2	Techno Digital Infra Pvt. Ltd (Formerly Techno Clean Energy Pvt. Ltd.)	0.00%	(0.06)	0.00%	(0.07)	-	-	0.00%	(0.07)
3	Techno Green Energy Private Limited	0.00%	0.07	0.00%	(0.07)	-	-	0.00%	(0.07)
4	Techno Wind Power Private Limited	0.00%	-	0.00%	(0.07)	-	-	0.00%	(0.07)
5	Techno Data Center Ltd.(Formerly Techno Power Grid Company Ltd.)	1.55%	2,845.59	0.01%	3.85	-	-	0.01%	3.85
6	Rajgarh Agro Products Limited	0.04%	71.95	-0.02%	(4.25)	-	-	-0.02%	(4.25)
	<b>Non controlling interest in all subsidiaries</b>	0.00%	2.82	0.00%	(0.16)	-	-	0.00%	(0.16)
	<b>Joint Venture (investment as per equity method)</b>								
1	Kohima - Mariani Transmission Ltd.	0.00%	-	1.38%	364.00	-	-	1.35%	364.00
	<b>Consolidation adjustment (inter - company elimination)</b>	-1.64%	(3,008.61)	0.19%	49.29	-	-	0.18%	49.29
		<b>100.00%</b>	<b>1,83,675.84</b>	<b>100.00%</b>	<b>26,389.20</b>	<b>100.00%</b>	<b>605.21</b>	<b>100.00%</b>	<b>26,994.41</b>

The above figures for parent, its subsidiaries and joint venture are before inter - company eliminations.

48. Previous year figures have been re-grouped / re-classified wherever necessary, to conform to current year's classification. The impact of such reclassification/regrouping is not material to the financial statements.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration Number: 001076/N/5000013

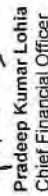
  
Manoj Kumar Gupta  
Partner  
Membership No.: 083906

Place: Kolkata  
Date: 29 May 2023

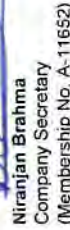
For and on behalf of the Board of Directors of  
Techno Electric & Engineering Company Limited



P. P. Gupta  
Managing Director  
(DIN No. 00055954)

  
Pradeep Kumar Lohia  
Chief Financial Officer

  
S.N. Roy  
Director  
(DIN No. 00408742)

  
Niranjan Brahma  
Company Secretary  
(Membership No. A-11652)



## INDEPENDENT AUDITOR'S REPORT

To the Members of Techno Electric & Engineering Company Limited

Report on the Audit of Consolidated Financial Statements.

### Opinion

1. We have audited the accompanying consolidated financial statements of **Techno Electric & Engineering Company Ltd.** ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group") and its joint venture (upto November 15, 2021, date on which ceases to be joint venture), which comprise the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies and other explanatory informations prepared based on the relevant records (hereinafter referred to as ("the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated total comprehensive income (comprising consolidated profit and consolidated other comprehensive income) their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated financial statements' section of our report. We are independent of the Group and its joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context:



Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p><b>A. Revenue Recognition-</b> The accuracy of amounts recorded as revenue is an inherent risk due to the complexity involve. The application of revenue recognition accounting standards Ind AS 115 is complex and involves a number of judgments and estimates. Revenue is recognised when the control of the underlying products has been transferred to customer along with the satisfaction of the Company's performance obligation under a contract with customer.</p> <p>Further in EPC contract, revenue is accounted for under the percentage completion method which also requires significant judgments and estimates in particular with respect to estimation the cost to complete.</p> <p>Due to the estimates, judgment and complexity involved in the application of the revenue recognition accounting standards, we have considered this matter as a key audit matter. The Company's accounting policies relating to revenue recognition are presented in note 5.12 to the financial statements.</p>	<p>As part of our audit, we understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition and evaluated the design and operative effectiveness of the financial controls from the above through our test of control procedures.</p> <ul style="list-style-type: none"> <li>• Tested a sample of sales transactions for compliance with the Company's accounting principles to assess the completeness, occurrence and accuracy of revenue recorded. Also revenue is recognised when the Company satisfies a performance obligation.</li> <li>• performing procedures to ensure that the revenue recognition criteria adopted by Company for all major revenue streams is appropriate and in line with the Company's accounting policies.</li> <li>• We tested the company's system generated reports, based on which revenue is accrued at the year end, and performed tests of details on the accrued revenue and accounts receivable balances recognized in the balance sheet at the year end.</li> <li>• We evaluated the management's process to recognize revenue over a period of time, total cost estimates, status of the projects and re-calculated the arithmetic accuracy of the same.</li> <li>• We examined contracts with exceptions including contracts with low or negative margins, loss making contracts, etc. to determine the level of provisioning. We examined contracts with exceptions including contracts with low or negative margins, loss making contracts, etc. to determine the level of provisioning.</li> <li>• Our tests of detail focused on transactions occurring within proximity of the year end and obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents or system generated reports. We considered the appropriateness and accuracy of any cut-off adjustments.</li> <li>• Traced disclosure information to accounting records and other supporting documentation.</li> </ul> <p><b>Our Observation:</b></p> <p>Based on the audit procedures performed we did not obtain any material exceptions in the revenue recognition.</p>





Descriptions of Key Audit Matter	How we addressed the matter in our audit
<p><b>B. Valuation and existence of Investment in Bonds, Debentures, Commercial Papers and Mutual Funds.</b></p> <p>Valuation and existence of current investments in bonds, debentures, commercial papers and mutual funds designated at fair value through profit or loss (the Investments) are valued at Rs. 1,01,001.65 lakhs in holding company's books and represent 40.20% of total assets of the holding company. Further disclosures on the Investments are included at Note 9 to the financial statements. This was an area of focus for our audit and the area where significant audit effort was directed. As at March 31, 2022, all Investments are in debentures, bonds, commercial papers &amp; mutual funds and are actively traded with readily available net asset value of the investment.</p>	<p>Understanding of the business processes employed by the Company for accounting for, and valuing, their investment portfolio. We obtained accounts confirmation for the investment in bonds, debentures and mutual funds and verified that the company was the recorded owner of all current investments. Our audit procedures over the valuation of the Investments included agreeing the fair valuation of all Investments held at March 31, 2022 to the Net Assets Value provided by the respective Mutual funds &amp; market quotes provided by the agents for the bonds.</p> <p><b>Our Observation:</b></p> <p>Based on the audit procedures performed we are satisfied with valuation and existence of current investment.</p>

#### Information Other than the consolidated financial statements and auditor's report thereon

5. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual reports, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

#### Management's Responsibility for the consolidated financial statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.





7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the Group's ability and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the Group's financial reporting process and of its joint venture.

#### **Auditors' Responsibility for the audit of the Consolidated Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
  - e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.
12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

15. We did not audit the financial statements / financial information of six subsidiaries whose financial statements / financial information reflect total assets of Rs. 6,107.79 Lakhs and net assets Rs. 3377.76 Lakhs as at March 31, 2022 and total revenue of Rs. 5.03 lakhs, total profit /(loss) after tax of Rs. (42.22) Lakhs and total comprehensive income of Rs.(42.22) Lakhs for the year ended March 31 2022 and net cash outflow of Rs. 0.81 Lakhs for the year ended on that date as considered in the consolidated financial statements. The Statement also includes the Group's Share of net profit of Rs. 364.00 Lakhs for the period from April 1,2021 to November 15,2021 (date on which ceases to be joint venture) in respect of one joint venture, whose financial statements / financial information have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and that of joint venture is based solely on the reports of the other auditors.

Our opinion on the statement is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors.



## Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture companies incorporated in India, we give in the Annexure A, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.
17. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries and joint venture as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditors.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies including joint venture, incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
  - (g) The Holding Company and subsidiary companies incorporated as public companies in India have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, to the extent applicable.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:





- i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2022 on the consolidated financial position of the group and its joint venture – Refer Note No. 45 to the consolidated financial statements.
- ii. The provisions have been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2022.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group incorporated in India during the year ended March 31, 2022.
- iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and other auditors that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and other auditors that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiary companies which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



- v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year and Interim dividends declared and paid by Holding and one subsidiary company during the year is in accordance with section 123 of the Act to the extent it applies to declaration and payment of dividend. The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. Further, no other subsidiary company has declared any dividend for the year.



For Singhi & Co.  
Chartered Accountants  
Firm Registration No.302049E

  
(Navindra Kumar Surana)  
Partner

Membership Number 053816  
UDIN: 22053816AJWJOG3331

Place: Kolkata

Dated: May 30, 2022

## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 16 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of the **Techno Electric & Engineering Company Ltd.** on the consolidated financial statements for the year ended March 31, 2022).

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

SL	Name of Company	CIN	Holding Company/ Subsidiary/ Associate	Date of Respective Auditor's Report	Paragraph number in the respective CARO Reports
1	Techno Electric & Engineering Company Ltd.	L40108UP2005PLC094368	Holding Company	30-05-2022	3(ii)(b), 3(iii)(c), 3(iii)(e) & 3(xx)
2	Techno Digital Infra Private Limited	U72100WB2015PTC206293	Subsidiary Company	28-05-2022	3(xvii)
3	Techno Green Energy Private Limited	U40300WB2015PTC206298	Subsidiary Company	28-05-2022	3(xvii)
4	Techno Wind Power Private Limited	U40300WB2015PTC206294	Subsidiary Company	28-05-2022	3(xvii)
5	Techno Infra Developers Private Limited	U72100WB2014PTC201760	Subsidiary Company	28-05-2022	3(xvii)
6	Rajgarh Agro Products Limited	U40107WB2008PLC130357	Subsidiary Company	28-05-2022	3(xvii)

The company has disposed off its investment in joint venture on November 15, 2021. Consequently, reporting in respect of the joint venture has not been considered in above clause.



For Singhi & Co.  
Chartered Accountants  
Firm Registration No.302049E

*Navindra Kumar Surana*

(Navindra Kumar Surana)  
Partner  
Membership Number 053816  
UDIN: 22053816AJWJOG3331

Place: Kolkata  
Dated: May 30, 2022



## ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company, as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to these consolidated financial statement of **Techno Electric & Engineering Company Ltd.** ("the Holding Company"), and its subsidiary companies which are companies incorporated in India, as of that date.

#### Management's responsibility for internal financial controls

The respective Board of Directors of the Holding Company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of adequacy of the internal financial control over financial reporting with reference to financial statement is applicable, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial control based on "internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with respect to these consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the 'Other Matter' paragraph is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to these consolidated financial statements.



## Meaning of internal financial control with reference to consolidated financial statements

A company's internal financial control with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent limitation of internal financial control with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion


In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Place: Kolkata

Dated: May 30, 2022

For Singhi & Co.  
Chartered Accountants  
Firm Registration No.302049E

  
(Navindra Kumar Surana)  
Partner

Membership Number 053816  
UDIN: 22053816AJWJOG3331



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No.	Rs. in Lakhs	
		As at 31st March 2022	As at 31st March 2021
<b>ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Property, Plant and Equipments	6	42,421.24	46,333.03
(b) Other Intangible Assets	7	-	1.12
(c) Right-of-Use -Asset	8	3,389.94	232.03
(d) Goodwill on Consolidation		95.02	95.02
<b>(e) Financial Assets</b>			
(i) Investments	9	47.00	7,342.22
(ii) Loans	11	-	949.24
(iii) Other Financial Assets	15	1,357.00	946.28
(f) Non Current Tax Assets ( Net )	16	634.46	136.81
(g) Other Non Current Assets	17	0.46	3,206.27
<b>(2) Current Assets</b>			
(a) Inventories	10	2,707.26	624.18
<b>(b) Financial Assets</b>			
(i) Investments	9	1,04,852.55	64,035.42
(ii) Trade Receivables	12	58,401.62	53,022.97
(iii) Cash and Cash Equivalents	13	4,548.30	7,374.52
(iv) Bank Balances other than Cash and Cash Equivalents	14	119.89	705.82
(v) Loans	11	9,492.18	10,000.00
(vi) Other Financial Assets	15	3,043.53	4,552.63
(c) Other Current Assets	17	20,488.82	20,703.57
<b>Total Assets</b>		<b>2,51,599.27</b>	<b>2,20,261.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	18	2,200.00	2,200.00
(b) Other Equity	19	1,81,473.02	1,59,424.05
(c) Non controlling Interest		2.82	2.98
<b>LIABILITIES</b>			
<b>(1) Non - Current Liabilities</b>			
(a) Provisions	25	124.83	221.90
(b) Deferred Tax Liabilities (net)	23	12,206.32	11,505.46
(c) Other Non - Current Liabilities	24	12,980.37	3,852.40
<b>(2) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	20	-	4,000.31
(ii) Trade Payables due to Micro & Small Enterprise other than Micro & Small Enterprise	21	1,547.86	1,738.42
(iii) Other Financial Liabilities	22	33.23	52.64
(b) Other Current Liabilities	24	691.77	2,348.18
(c) Provisions	25	13.23	25.91
<b>Total Equity &amp; Liabilities</b>		<b>2,51,599.27</b>	<b>2,20,261.13</b>

Significant Accounting Policies 1-5

Accompanying Notes are integral part of the Consolidated financial statements

This is the Balance Sheet referred to in our report of even date

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E

Navindra Kumar Surana  
Partner  
Membership No 053816

Place : Kolkata  
Date: 30th May, 2022



P. K. Lohia  
Chief Financial Officer

N. Brahma  
Company Secretary  
Membership No A-11652

P. P. Gupta  
Managing Director  
DIN : 00055954

S. N. Jyoti  
Director  
DIN : 00408742



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	Note No.	Rs. in Lakhs	
		Year ended 31st March 2022	Year ended 31st March 2021
<b>I Revenue from Operations</b>	<b>26</b>	1,07,386.66	88,922.86
<b>II Other Income</b>	<b>27</b>	15,077.45	6,685.45
<b>III Total Income (I + II)</b>		<b>1,22,464.11</b>	<b>95,608.31</b>
<b>IV Expenses</b>			
Material, Stores & Services	<b>28</b>	76,709.72	56,903.47
Changes in Inventories of Finished Goods, Stock - in - Trade and Work - in - Progress	<b>29</b>	(2,083.08)	25.98
Employee Benefit Expenses	<b>30</b>	3,458.14	3,331.65
Finance Costs	<b>31</b>	562.77	784.58
Depreciation and Amortization Expenses	<b>32</b>	4,125.91	4,114.90
Other Expenses	<b>33</b>	7,081.08	7,054.20
<b>Total Expenses</b>		<b>89,854.54</b>	<b>72,214.78</b>
<b>V Profit / (loss) before exceptional items and tax (III - IV)</b>		<b>32,609.57</b>	<b>23,393.53</b>
<b>VI Exceptional items</b>			
Profit / (Loss) after exceptional items		<b>32,609.57</b>	<b>23,393.53</b>
Share of Profit / Loss) of Associates		<b>364.00</b>	<b>(184.17)</b>
<b>VII Profit / (loss) before tax (V + VI)</b>		<b>32,973.57</b>	<b>23,209.36</b>
<b>VIII Tax Expense</b>	<b>34</b>		
(1) Current tax		6,063.66	4,926.52
(2) Deferred tax		505.21	105.08
(3) MAT Credit Entitlement		15.50	-
		<b>6,584.37</b>	<b>5,031.60</b>
<b>IX Profit / (loss) for the year (VII - VIII)</b>		<b>26,389.20</b>	<b>18,177.76</b>
<b>X Other comprehensive income</b>			
A Items that will not be reclassified to statement of profit & loss.			
(i) Changes in fair value of equity investments		765.28	520.40
(ii) Remeasurement of defined benefit obligation		20.08	(2.93)
(iii) Income tax related to above items		(180.15)	(118.33)
<b>Other comprehensive income for the year</b>		<b>605.21</b>	<b>399.14</b>
<b>XI Total comprehensive income for the year (IX + X)</b>		<b>26,994.41</b>	<b>18,576.90</b>
<b>Profit/(Loss) attributable to</b>			
Owners of the Company		26,389.36	18,177.94
Non-Controlling Interest		(0.16)	(0.18)
<b>Other comprehensive income attributable to</b>			
Owners of the Company		605.21	399.14
Non-Controlling Interest		-	-
<b>Total comprehensive income attributable to</b>			
Owners of the Company		26,994.57	18,577.08
Non-Controlling Interest		(0.16)	(0.18)
<b>XII Earnings per equity share</b>	<b>35</b>		
(1) Basic		23.99	16.53
(2) Diluted		23.99	16.53

Significant Accounting Policies 1-5

Accompanying Notes are integral part of the Consolidated financial statements  
This is the Consolidated Statement of Profit & Loss referred to in our report of even date

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E

Navindra Kumar Surana  
Partner  
Membership No 053816



P. K. Lohia  
Chief Financial Officer

N. Brahma  
Company Secretary  
Membership No A-11652

P. P. Gupta  
Managing Director  
DIN : 00055954

S. M. Roy  
Director  
DIN : 00408742

Place : Kolkata  
Date: 30th May, 2022

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Rs. In Lakhs	
	As at 31st March 2022	As at 31st March 2021
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before tax and extraordinary items.	32,609.57	23,393.53
Adjustments for :		
Depreciation	4,125.91	4,114.90
(Profit)/Loss on Sale of fixed assets	(0.79)	-
Interest Income	(1,917.95)	(1,157.05)
Profit on Sale of Investments	(8,539.79)	(2,970.94)
Dividend Income	(4,478.52)	(2,308.13)
Interest Expenses	559.37	784.58
<b>Operating Profit before Working Capital Changes</b>	<b>22,357.80</b>	<b>21,856.89</b>
Adjustments for :		
Trade and other receivables	(477.41)	(2,048.18)
Inventories	(2,083.08)	25.99
Trade and other Payables	12,610.84	(3,890.55)
<b>Cash generated from operations</b>	<b>32,408.15</b>	<b>15,944.15</b>
Direct taxes paid (net of refunds)	(6,561.29)	(3,407.92)
<b>Net Cash flow from Operating Activities</b>	<b>25,846.86</b>	<b>12,536.23</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(3,372.19)	(5.30)
Sale of Fixed Assets	2.08	-
(Purchase)/Sale in Investments (Net)	(41,527.52)	(5,551.63)
Sale of Investments in Equity shares of Joint Venture Companies	17,674.67	6,557.44
Investments in Equity shares of Subsidiary Company	(500.00)	-
Fixed Deposit made (Net)	180.52	(100.61)
Refund/(Payment) of Loan (Net)	1,200.00	-
Loan refunded by Joint Venture Company	949.24	479.74
Loan given to Joint Venture Company	-	(200.00)
Loan given to Subsidiary Company	(2,725.91)	-
Interest Income	1,243.82	1,086.28
Payment of Security	-	(10,000.00)
Dividend Income	4,478.52	2,308.13
<b>Net Cash Used in Investing Activities</b>	<b>(22,396.77)</b>	<b>(5,425.95)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds/(Repayment) of Borrowings (Net)	(771.34)	4,000.31
Interest Paid	(559.37)	(784.58)
Dividend Paid	(4,945.60)	(6,600.00)
<b>Net Cash used in Financing activities</b>	<b>(6,276.31)</b>	<b>(3,384.27)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(2,826.22)</b>	<b>3,726.01</b>

W



l

Opening Balance of Cash & Cash Equivalents	7,374.52	3,648.51
<b>Closing Balance of Cash &amp; cash equivalents</b>	<b>4,548.30</b>	<b>7,374.52</b>

**Closing Balance of Cash & cash equivalents denotes Balances with banks**

Current Accounts	4,194.56	7,365.21
Fixed Deposit ( less than three months maturity )	339.24	-
Cash on hand	14.50	9.31
<b>4,548.30</b>	<b>7,374.52</b>	

- D. Previous Year's figures have been re-grouped and re-arranged wherever considered necessary.
- E. This Cash Flow Statement has been prepared under the indirect method set out in Ind AS - 7 'Statement of Cash Flows'
- F. Ind AS 7 require the entities to provide disclosures that enable users of Consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement (Refer Note No. 20).

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E

  
P. K. Lohia  
Chief Financial Officer

  
P. P. Gupta  
Managing Director  
DIN : 00055954

  
S.N. Roy  
Director  
DIN : 00408742

  
Navindra Kumar Surana  
Partner  
Membership No 053816

  
N. Brahma  
Company Secretary  
Membership No A-11652

Place : Kolkata  
Date: 30th May, 2022





CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

Equity Share Capital Particulars	Rs. In Lakhs
As at 1st April, 2020*	2,200.00
Changes in equity share capital during the year	-
As at 31st March 2021*	2,200.00
Changes in equity share capital during the year	-
As at 31st March 2022	2,200.00

Particulars	Reserves and Surplus			Other comprehensive income		Total
	Capital reserve	Capital Redemption Reserve	General Reserve	Equity Instruments Fair Value	Remeasurement of net defined benefit plans	
<b>As at 1st April, 2020*</b>	<b>1,572.66</b>	<b>53.65</b>	<b>1,14,208.50</b>	<b>(4.50)</b>		<b>1,47,446.96</b>
Transfer to General Reserve	-	-	-	-	-	-
Interim Dividend Paid	-	-	12,000.00	-	-	(6,600.00)
Equity Instruments through Other Comprehensive Income	-	-	-	520.40	(2.93)	520.40
Remeasurement of defined benefit obligation	-	-	-	(119.07)	0.74	(118.33)
Tax effect on Other Comprehensive Income	-	-	-	-	2.19	-
Transferred of OCI-Remeasurement of defined benefit obligations to Retained Earnings	-	-	-	-	-	-
<b>Total profit for the year</b>	<b>-</b>	<b>-</b>	<b>18,177.94</b>	<b>-</b>	<b>-</b>	<b>18,177.94</b>
<b>As at 31st March 2021*</b>	<b>1,572.66</b>	<b>53.65</b>	<b>1,26,208.50</b>	<b>396.84</b>	<b>-</b>	<b>1,59,424.05</b>
Interim Dividend Paid	-	-	-	-	-	(545.60)
Equity Instruments through Other Comprehensive Income	-	-	-	765.28	-	(4,400.00)
Remeasurement of defined benefit obligation	-	-	-	-	20.08	765.28
Tax effect on Other Comprehensive Income	-	-	-	(175.10)	(5.05)	20.08
Transferred of OCI-Equity Instruments to Retained Earnings	-	-	-	(408.81)	-	(180.15)
Transferred of OCI-Remeasurement of defined benefit obligations to Retained Earnings	-	-	-	-	(15.03)	-
<b>Total profit for the year</b>	<b>-</b>	<b>-</b>	<b>26,389.36</b>	<b>578.21</b>	<b>-</b>	<b>26,389.36</b>
<b>As at 31st March 2022</b>	<b>1,572.66</b>	<b>53.65</b>	<b>1,26,208.50</b>	<b>578.21</b>	<b>-</b>	<b>1,81,473.02</b>

\* There are no changes in Equity Share Capital and Other Equity due to prior period errors.

Significant Accounting Policies  
1-5  
Accompanying Notes are integral part of the Consolidated financial statements  
This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For Singh & Co.  
Chartered Accountants  
Firm's Registration No. 302049E  
Navindra Kumar Surana  
Partner  
Membership No 053816  
Place : Kolkata  
Date: 30th May, 2022



P. K. Lohia  
Chief Financial Officer

P. P. Gupta  
Managing Director  
DIN : 00055954

S. M. Brahma  
Director  
DIN : 00408742

*(Handwritten signature)*

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

**SIGNIFICANT ACCOUNTING POLICIES:**

**1. Group Overview**

Techno Electric & Engineering Company Limited (The Parent Company) is a recognized company in the power sector. It provides engineering, procurement and construction services to the three segments of power sector including generation, transmission and distribution. The Company is also engaged in generation of wind power through Wind Turbine Generators in the states of Tamil Nadu & Karnataka. The Company is recognized for its expertise in the domains of light construction and heavy engineering segments across the country's power sector. The Company is a public limited company incorporated and domiciled in India and has its registered office at C-218 Ground Floor (GR-2) Sector-63, Noida Gautam Buddha Nagar Uttar Pradesh- 201307, India.

Under the Companies Act, Group is defined as parent, subsidiaries, joint ventures and associates. For the purpose of these financial statements, the aforesaid definition under Companies Act, 2013 has been considered.

The financial statements are approved for issue by the Company's Board of Directors on 30<sup>th</sup> May, 2022.

**2. Basis of Preparation**

**a. Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended); guidelines issued by the Securities and Exchange Board of India (SEBI), other relevant provisions of the Act and other accounting principles generally accepted in India.

**b. Basis of Measurement**

The financial statements have been prepared on a historical cost convention, on accrual basis, except for following assets and liabilities which have been measured at fair value:

- Financial Instruments
- Defined Benefit Obligations

Historical cost is generally based on fair value of consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Accounting policies have been consistently applied except where a newly issued accounting

we



l

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022**

standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**3. Functional & Presentation Currency**

These Financial statements are presented in Indian Rupees (INR) which is also the company's functional currency and all amounts are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

**4. Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 5.19. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**5. Significant Accounting Policies**

**5.1. Basis of consolidation**

The Consolidated Financial Statements relate to the Company Techno Electric & Engineering Company Limited (Formerly Simran Wind Project Limited) and its subsidiaries - Techno Digital Infra Private Limited (Formerly Techno Clean Energy Private Limited), Techno Green Energy Private Limited, Techno Wind Power Private Limited, Techno Infra Developers Private Limited, Rajgarh Agro Products Ltd., Techno Data Center Limited (Formerly Techno Power Grid Company Ltd.) and joint venture Kohima Mariani Transmission Limited (ceased to be Joint Venture w.e.f. 16.11.2021).

The proportion of ownership interest in each subsidiary, associate & joint venture is as follows :

Name of the Company	Relation with TEECL	Country of Incorporation	Place of Operation	Proportion of ownership interest as at 31st March, 2022. (holding along with nominee)
Techno Infra Developers Private Limited	Subsidiary Company	India	India	100.00%
Techno Digital Infra Private Limited	Subsidiary Company	India	India	100.00%
Techno Green Energy Private Limited	Subsidiary Company	India	India	100.00%
Techno Wind Power Private Limited	Subsidiary Company	India	India	100.00%

*Handwritten mark*



*Handwritten mark*



## TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

### Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

Rajgarh Agro Products Ltd**	Subsidiary Company	India	India	96.10%
Techno Data Center Limited (Formerly Techno Power Grid Company Ltd.)	Subsidiary Company	India	India	100.00%
Kohima-Mariani Transmission Company Limited*	Joint Venture	India	India	-

\* Ceased to be JV w.e.f. 16.11.2021

\*\*The subsidiary is not material to the Group, therefore information above the non-wholly owned subsidiary are not disclosed separately.

The consolidated financial Statements have been prepared on the following basis:

The Financial Statements of the Company and its Subsidiary Companies 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 Ind AS 110 - 'Consolidated Financial Statements' notified under section 133 of the Companies Act, 2013.

Interest in associates and joint ventures are consolidated using equity method as per Ind AS 28 – Investment in Associates and Joint Ventures. Under the equity method, post-acquisition attributable profit/losses are adjusted in the carrying value of investment upto the Group investment in the joint venture and associate.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions except in 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.

The difference between the cost of investment in the Subsidiary companies, over the net assets at the time of acquisition of shares in the Subsidiary Companies are recognized in the Financial Statements as Goodwill.

Minority Interest's share of net assets of consolidated subsidiaries are identified and presented in the consolidated balance sheet separate from liabilities and equity of the Company's shareholders.

Any excess/short of the amount of investment in an associate over the parent's portion of equity of the associate, at the date of investment is considered as goodwill/capital reserve and has been included in carrying amount of investment and disclosed separately. The carrying amount of investment is adjusted thereafter for the post acquisition changes in the share of net asset of associates.

#### 5.2. Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, non-refundable taxes, directly attributable cost (including borrowings) of bringing the assets to its working conditions and locations and present value of any obligatory decommissioning cost for its intended use.



we

l

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

In case of constructed assets, cost includes cost of all materials used in construction, direct labour, allocation overheads and directly attributable borrowing cost.

Assets are depreciated to the residual values on a straight-line basis over the useful life prescribed in Schedule II to the Companies Act, 2013 except Office equipment and Furniture & Fixture which are depreciated on written down value method. Freehold land is not depreciated.

Depreciation on Wind Mills are calculated on the basis of useful life of 20 years based on technical advice as against 22 years in Schedule II to the Companies Act 2013 on straight line method.

The residual values and estimated useful life are reviewed at the end of each financial year, with effect of any changes in estimate accounted for on prospective basis. Each component of a Property Plant and Equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the other component of assets. The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013.

### 5.3. Intangible Assets

Identifiable intangible assets are recognised:-

- a) when the Company controls the asset,
- b) It is probable that future economic benefits attributed to the asset will flow to the Company and
- c) The cost of the asset can be reliably measured.

Computer software are capitalised at the amounts paid to acquire the respective license for use and are amortised over the useful life prescribed in Schedule II to the Companies Act, 2013 on straight line basis.

### 5.4. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

### 5.5. Inventories

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is determined using the weighted average cost basis.

However materials and other supplies held in the use of production of Inventories (Finished Goods, Work In Progress) are not written down below the cost if the finished products in which they will be used are expected to be sold at or above the cost.

*me*



*l*

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

5.6. Leases

**The Group as lessor**

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**The Group as lessee**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

**Lease Liability**

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- a. Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- b. Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- c. The amount expected to be payable by the lessee under residual value guarantees;
- d. The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- e. Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- a. The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

ve



l

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022**

- b. A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

**Right of Use (ROU) Assets**

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

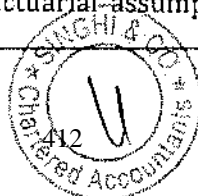
The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

**5.7. Employee Benefits**

- a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- b) Compensated absence is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.
- c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognized as an expense in the year in which employees have rendered services.
- d) The cost of providing gratuity, a defined benefit plan, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other



*Handwritten signature*

*Handwritten mark*

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022**

comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

The Company operates a defined benefit plan for gratuity, which requires contributions to be made to a separately administered fund. The fund is managed by a trust. The trust has appointed an insurance company to manage the funds of the trust. These benefits are fully funded.

**5.8. Foreign Currency Reinstatement and Translation**

Transactions in foreign currency are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognized in statement of profit and loss. Differences arising on settlement of monetary items are also recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction.

**5.9. Financial instruments - Initial Recognition, Subsequent Measurement and Impairment**

**i. Initial recognition and measurement**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular purchase and sale of financial assets are accounted for at trade date.

**ii. Subsequent Measurement**

**Non-Derivative Financial Instruments**

**A. Financial Assets**

**a) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

**c) Financial assets at fair value through profit and loss**

*hl*



*d*

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

A financial asset which is not classified in any of the above categories are subsequently fair valued through statement of profit and loss.

**B. Financial Liabilities**

**i. Initial recognition and measurement**

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than liabilities through profit and loss) are added to or deducted from the fair value measured on initial recognition of the financial liabilities.

**ii. Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**a) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

**b) De-recognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109 - 'Financial Instruments'. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**c) Impairment of financial assets**

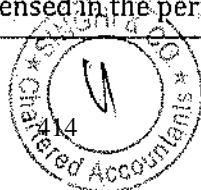
In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of Ind-AS 11 and Ind-AS 18. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR

**5.10. Borrowing costs**

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

All other borrowing costs are expensed in the period in which they occur.

*Handwritten mark*



*Handwritten mark*



Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

**5.11. Taxation**

Income tax expense represents the sum of current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such cases the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income and such change could be for change in tax rate.

**i. Current Tax**

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**ii. Deferred Tax**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

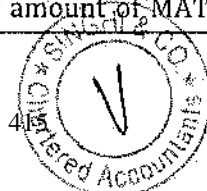
Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**iii. Minimum Alternate Tax**

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset. The said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no

r/w



l

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**5.12. Revenue recognition and other income**

The Company earns revenue primarily from sale of goods. It also earns revenue from its Construction Projects which includes Engineering, & Construction services and from Power Generation.

Ind AS 115 "Revenue from Contracts with Customers", that replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts" and related interpretations, introduce one single new model for recognition of revenue which includes a 5-step approach and detailed guidelines. Among other, such guidelines are on allocation of revenue to performance obligations within multi-element arrangements, measurement and recognition of variable consideration and the timing of revenue recognition.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

**a) Revenue from sale of goods and services**

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services are recognized when services are rendered.

**b) Revenue from construction contracts**

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the period in which estimates are revised.

**c) Revenue from Power Generation**

Power generation income is recognized on the basis of units of power generated, net of wheeling and transmission loss, as applicable, when no significant uncertainty as to the measurability or collectability exists.

Renewal Energy Certificate Income is accounted on accrual basis at the rate sold at the Power Exchanges. At the year-end Renewal Energy Certificate Income is recognised at the minimum floor price specified by the Central Regulator of CERC / last traded price at the exchange.

**d) Generation Based Incentive**

Generation based Incentive is recognized on accrual basis i.e. on the basis of units of power generated, as referred above for which necessary claims have been lodged / is in the process of being lodged with the concerned authorities.

**e) Contract Assets**



**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022**

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Unbilled receivables where further subsequent performance obligation is pending are classified as contract assets when the company does not have unconditional right to receive cash as per contractual terms. Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

**f) Impairment of Contract asset**

The Company assesses a contract asset for impairment in accordance with Ind AS 109. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of Ind AS 109.

**g) Contract Liability**

Contract Liability is recognised when there are billings in excess of revenues and it also includes consideration received from customers for whom the company has pending obligation to transfer goods or services.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

**h) Modification in contract**

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of goods or services.

**i) Interest and Dividend Income**

**Interest**

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

**Dividend**

Dividend income is recognized when the Company's right to receive the amount has been established.

**5.13. Dividend Distribution**

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable is recognized directly in equity.

*ue*



*l*

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

**5.14. Earnings per share**

Earnings per Share (EPS) is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**5.15. Provisions and contingencies**

**a) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

**b) Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**c) Contingent Assets**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

**5.16. Investment in joint ventures and associates**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not having control or joint control over those policies.

Interest in associates and joint ventures are consolidated using equity method as per Ind AS 28 – Investment in Associates and Joint Ventures. Under the equity method, post-acquisition attributable profit/losses are adjusted in the carrying value of investment upto the Group investment in the joint venture and associate.



Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

**5.17. Current versus non-current classification**

1. The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

The Company has presented non-current assets and current assets, non-current liabilities and current liabilities in accordance with Schedule III, Division II of The Companies Act, 2013.

2. An asset is classified as current when it is:
  - a) Expected to be realized or intended to be sold or consumed in normal operating cycle,
  - b) Held primarily for the purpose of trading,
  - c) Expected to be realized within twelve months after the reporting period, or
  - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

3. A liability is classified as current when it is:
  - a) Expected to be settled in normal operating cycle,
  - b) Held primarily for the purpose of trading,
  - c) Due to be settled within twelve months after the reporting period, or
  - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

4. The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.
5. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

**5.18. Segment Reporting**

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. All operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Segment revenues and expenses are directly attributed to the related segment. Revenues 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 attributed to the related 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



**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022**

written off, share capital, reserves and surplus, deferred tax assets / liability and provision for tax.

**5.19. Use of Assumptions, Judgments and Estimates**

The key assumption, judgment and estimation at the reporting date, that have significant risk causing the material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumption, judgment and estimation on parameters available on the financial statement were prepared. Existing circumstances and assumption about future development, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumption when they occur.

**a) Revenue**

The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

The measurement of construction contracts in progress is based on an assessment of the stage of each project and expectations concerning the remaining progress towards completion of each contract, including the outcome of disagreements. The assessment of stage, income and expenses, including disagreements, is made by the project management on a project-by-project basis.

The assessment of disagreements relating to extra work, extensions of time, demands concerning liquidated damages, etc., is based on the nature of the circumstances, knowledge of the client, the stage of negotiations, previous experience and consequently an assessment of the likely outcome of each case. For major disagreements, external legal opinions are a fundamental part of the assessment.

Estimates concerning the remaining progress towards completion depend on a number of factors, and project assumptions may change as the work is being performed. Likewise, the assessment of disagreements may change as the cases proceed. Actual results may therefore differ materially from expectations. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

**b) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost of disposal and its value in use. It is determined for every individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there is an improvement in recoverable amount.

*Handwritten signature*



*Handwritten mark*



Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

**c) Defined benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, mortality rate and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**d) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**e) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**f) Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

**g) Provisions and Contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS 37), 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

**h) Estimation uncertainty relating to the global health pandemic on COVID-19**

The Company has considered internal and external information up to the date of approval of financial statements in assessing the recoverability of property plant and equipment, receivables, intangible assets, cash and cash equivalent and investments. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

*W*



*l*

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022

5.20 Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23<sup>rd</sup> March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 applicable from 1<sup>st</sup> April, 2022, as below:

- Ind As 16- Proceeds before intended use – The amendments mainly prohibit an entity from deducting from cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendment to have any significant impact in its financial statements.
- Ind As 37 – Onerous Contracts – Costs of Fulfilling a Contract – The amendments specify that the cost of fulfilling 'a contract comprises' costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.
- Ind As 103 – Reference to Conceptual Framework – The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind As 103. The Company does not expect the amendment to have any significant impact in its financial statements.
- Ind As 109 – Annual Improvements to Ind AS (2021) – The amendments clarify which fees an entity includes when it applies the '10 percent' test of Ind As 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.
- Ind As 106 - Annual Improvements to Ind AS (2021) – The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

*ve*



*l*

6. Property, Plant and Equipments

Particulars	Rs. In Lakhs							
	Land	Buildings	Plant & equipment	Plant & equipment - Wind Division	Furniture & fixtures	Vehicles	Office equipment	Total
<b>Gross Block (at cost)</b>								
As at 1st April, 2020	2,111.69	58.71	445.20	66,814.43	589.64	251.98	465.78	70,737.43
Additions	-	-	-	-	-	-	5.30	5.30
Disposals	-	-	-	-	-	-	-	-
As at 31st March 2021	2,111.69	58.71	445.20	66,814.43	589.64	251.98	471.08	70,742.73
Additions	-	-	0.39	-	130.87	16.65	18.34	166.25
Disposals	-	-	-	-	-	(25.82)	-	(25.82)
Exchange Difference	-	-	-	-	-	-	-	-
As at 31st March, 2022	2,111.69	58.71	445.59	66,814.43	720.51	242.81	489.42	70,883.16
<b>Depreciation</b>								
As at 1st April, 2020	-	6.40	190.66	19,185.44	415.66	119.49	395.96	20,313.61
Charge for the Year	-	1.22	35.75	3,966.34	44.80	22.49	25.49	4,096.09
Disposals	-	-	-	-	-	-	-	-
As at 31st March 2021	-	7.62	226.41	23,151.78	460.46	141.98	421.45	24,409.70
Charge for the Year	-	1.22	30.56	3,966.34	44.25	21.73	12.65	4,076.75
Disposals	-	-	-	-	-	(24.53)	-	(24.53)
As at 31st March, 2022	-	8.84	256.97	27,118.12	504.71	139.18	434.10	28,461.92
<b>Net Block</b>								
As at 1st April, 2020	2,111.69	52.31	254.54	47,628.99	173.98	132.49	69.82	50,423.82
As at 31st March 2021	2,111.69	51.09	218.79	43,662.65	129.18	110.00	49.63	46,333.03
As at 31st March, 2022	2,111.69	49.87	188.62	39,696.31	215.80	103.63	55.32	42,421.24

Note:

- 1) All the immovable property are held by the Company in its own name during the year ended 31st March, 2022 and 31st March, 2021
- 2) The Company has not revalued its Property, Plant and Equipment including Intangible assets and ROU during the year ended 31st March, 2022 and 31st March, 2021
- 3) Property, Plant & Equipment of EPC division are hypothecated against working Capital facilities availed by the Company (Refer Note No. 20)

7. Other Intangible Assets

Particulars	Rs. In Lakhs	
	Computer software	Total
<b>Gross Block (at cost)</b>		
As at 1st April, 2020	61.74	61.74
Additions	-	-
Disposals	-	-
As at 31st March 2021	61.74	61.74
Additions	-	-
Disposals	-	-
As at 31st March, 2022	61.74	61.74
<b>Depreciation</b>		
As at 1st April, 2020	57.47	57.47
Charge for the year	3.15	3.15
Disposals	-	-
Adjustments	-	-
As at 31st March 2021	60.62	60.62
Charge for the year	1.12	1.12
Disposals	-	-
Adjustments	-	-
As at 31st March, 2022	61.74	61.74
<b>Net Block</b>		
As at 1st April, 2020	4.27	4.27
As at 31st March 2021	1.12	1.12
As at 31st March, 2022	(0.00)	(0.00)

*nl*

*l*



TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED  
 NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

8 - Right of Use Asset

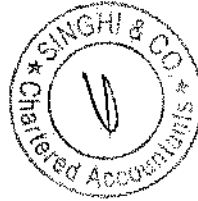
Particulars	Rs. In Lakhs	
	Lease hold Land	Total
Gross Block (at cost)		
As at 1st April, 2020	263.38	263.38
Disposals	-	-
As at 31st March 2021	263.38	263.38
Addition	3,205.95	3,205.95
Disposals	-	-
As at 31st March, 2022	3,469.33	3,469.33
Depreciation:		
As at 1st April, 2020	15.69	15.69
Charge for the year	15.66	15.66
Disposals	-	-
Adjustments	-	-
As at 31st March 2021	31.35	31.35
Charge for the year	48.04	48.04
Disposals	-	-
Adjustments	-	-
As at 31st March, 2022	79.39	79.39
Net Block		
As at 1st April, 2020	247.69	247.69
As at 31st March 2021	232.03	232.03
As at 31st March, 2022	3,389.94	3,389.94

Note:

1) All the lease deeds of leasehold land are held by the Company in its own name during the year ended 31st March, 2022 and 31st March, 2021

*Handwritten signature*

*Handwritten signature*



9. Investments

a) Non Current Investments

Particulars	Face Value (Rs.)	As at 31st March 2022		As at 31st March 2021	
		No of Shares	Value (Rs. In Lakhs)	No of Shares	Value (Rs. In Lakhs)
<b>Non Current Investments</b>					
<b>Investment in Equity Instruments ( at fair value through OCI)-Quoted</b>					
Suzlon Energy Limited	2.00	-	-	2,04,08,000	1,020.40
					1,020.40
<b>Investments in Equity Instruments (Unquoted)</b>					
<b>a) Joint Venture Company (At Cost)</b>					
Kohima-Marani Transmission Ltd.	10.00	-	-	1,90,63,044	6,671.42
Add share of Profit brought forward					-
Add share of Profit / ( Loss ) for the year					(397.02)
					6,274.40
<b>b) Other Companies ( at fair value through OCI )</b>					
Tega India Ltd. ( Rs 70/- , Previous Year Rs 70/-)	10.00	7	-	7	-
Techno Leasing & Finance Co. Pvt. Ltd. ( Rs 100/- , Previous Year Rs 100/-)	10.00	10	-	10	-
Techno International Ltd.	10.00	1,70,060	44.24	1,70,060	44.77
North Dinajpur Power Ltd.	10.00	9,000	0.90	9,000	0.74
Techno Ganganagar Green Power Generating Co. Ltd.	10.00	8,994	0.33	8,994	0.38
Techno Birbhum Green Power Generating Co. Ltd.	10.00	8,994	0.74	8,994	0.75
Telojan Techno Agro Ltd.	10.00	7,494	0.79	7,494	0.78
			47.00		47.42
<b>Total Non Current Investments</b>			<b>47.00</b>		<b>7,342.22</b>

b) Current Investments

Particulars	Face Value (Rs.)	As at 31st March 2022		As at 31st March 2021	
		No of Units	Value (Rs. In Lakhs)	No of Units	Value (Rs. In Lakhs)
<b>Current Investments-</b>					
<b>Investment in preference shares ( at fair value through Profit &amp; Loss )</b>					
Zee Entertainment Enterprise Limited	2.00	-	-	3,25,97,481.00	619.33
					619.33
<b>Investment in Equity Instruments ( at fair value through OCI)-Quoted</b>					
Suzlon Energy Limited	2.00	1,12,00,000	1,030.40	-	-
			1,030.40		-
<b>Current Investments</b>					
<b>At fair value through Profit &amp; Loss</b>					
<b>Investment in Equity Instruments</b>					
Patran Transmission Company Ltd. *	10.00	-	-	1,30,00,000	1,925.25
					1,925.25
<b>Investments in Debentures / Bonds / Commercial Paper (Quoted)</b>					
<b>At fair value through Profit &amp; Loss</b>					
15.50% Aaditri Estate Developers Pvt Ltd NCD (Ser-A)	10,00,000	1	10.00	1	10.00
15.50% Aaditri Estate Developers Pvt Ltd NCD (Ser B)	10,00,000	541	5,410.00	541	5,410.00
16% Exquisite Shelters Pvt Ltd NCD	10,00,000	1	10.00	1	10.00
9.00% Shriram Transport - NCD Series Sub 17-18 02 Option 1	10,00,000	100	1,000.99	100	1,000.74
9.25% Edelweiss Finvest Private Ltd 04/01/2028	1,00,000	11	11.23	11	11.23
9.50% Sankhya Financial Services Pvt Ltd NCD (Ser- I) 29/03/2024	10,00,000	796	8,125.42	796	8,119.20
10.5% Tajwalkars Healthclubs Limited Loa 01Jun20	10,00,000	-	-	150	1,500.00
IFCI Deep Discount Bonds 7/7/32	-	-	-	10,530	1,053.00
IFCI Deep Discount Bond	-	-	-	28,340	2,125.50
Edelweiss Finance & Investments Ltd Sr E1G002A Br NCD 08/121	1,00,000	-	-	400	419.10
Edelweiss Finance & Investments Ltd Sr D1F001A Br NCD 16Jun21	1,00,000	-	-	3,580	3,828.09
Edelweiss Share Broking Limited 359D CP 10FEB23	-	1,000	4,663.53	-	-
Edelweiss Share Broking Limited 271D CP 19OCT22	-	1,000	4,790.11	-	-
8.30% SBI CARDS AND PAYMENT SERVICES LIMITED	10,00,000	200	2,032.00	-	-
STATE BANK OF INDIA SR II 7:72 BQ PERPETUAL FVRS1CR	1,00,00,000	10	1,004.00	-	-
Liquid Gold Series 3, Dec 2020 Series A PTC 17Dec20	1,00,000	1,000	1,005.88	1,000	1,002.95
			28,063.16		24,489.81

we



Particulars	As at 31st March 2022		As at 31st March 2021	
	No of Units	Value (Rs. in Lakhs)	No of Units	Value (Rs. in Lakhs)
<b>Investments in Mutual Funds (Unquoted)</b>				
<b>At fair value through Profit &amp; Loss</b>				
Aditya Birla Sun Life Liquid Fund-Growth-Direct (Formerly Aditya Birla Sun Life Cash Plus-Growth-Direct)	3,38,066	1,159.99	5,51,675	1,828.98
Aditya Birla Sun Life Floating Rate Fund-Growth	3,59,839	1,020.32	-	-
Axis Liquid Fund-Direct Growth	1,07,543	2,542.40	1,08,974	2,489.84
Axis Ultra Short Term Fund-Direct Growth	11,40,69,870	14,222.23	2,71,54,486	3,248.55
Axis Floater Fund-Direct Growth	1,86,254	1,914.61	-	-
Axis Money Market Fund-Direct Growth	130,412	1,502.07	-	-
Axis Overnight Fund-Direct Growth	-	-	1,01,303	1,102.09
HDFC Ultra Short Term Fund-Direct Growth	5,09,70,767	6,326.90	-	-
HDFC Liquid Fund-Direct Plan-Growth	71,821	3,005.09	38,690	1,534.97
HDFC Low Duration Fund - Direct Plan - Growth Option	1,28,74,582	6,410.02	85,69,838	4,077.09
HDFC Floating Rate Debt Fund-Direct Plan-Growth	1,06,24,571	4,259.94	90,44,785	3,463.32
ICICI Prudential Liquid Fund - Direct Plan - Growth	10,47,676	3,302.86	10,57,013	3,221.10
ICICI Prudential Ultra Short Term Fund - Direct Plan Growth	4,31,65,213	10,321.19	71,77,688	1,642.06
ICICI Prudential Floating Rate Interest - Fund - Dir. - G	5,42,881	1,957.96	-	-
ICICI Prudential Saving Fund- Direct Plan -Growth	6,47,063	2,832.28	7,86,936	3,302.68
Invesco India Money Market Fund	30,668	779.28	10,727	262.26
Kotak Liquid Fund Direct Plan Growth	43,673	1,879.28	24,049	1,000.19
Kotak Low Duration Fund- Direct Plan -Growth	2,05,341	5,958.20	2,05,092	5,688.50
Mahindra Ultra Short Term Yojana Fund - Direct Growth	1,26,883	1,433.29	54,593	593.68
Mahindra Low Duration Bachat Yojana -Direct -Growth - (Formerly Mahindra Manulife Low Duration Fund-Direct-Growth)	98,866	1,383.82	1,49,986	2,015.35
Mahindra Manulife Liquid Fund-Direct Growth	1,481	20.50	44,365	593.24
DSP Liquity Fund-Direct Plan-Growth	82,895	2,522.50	14,853	436.84
Nippon India Liquid Fund -Direct Growth Plan-Growth Option	19,283	1,004.26	9,941	500.29
		<b>75,758.99</b>		<b>37,001.03</b>
<b>Total Current Investments</b>		<b>1,04,852.55</b>		<b>64,035.42</b>
<b>Total Investments</b>		<b>1,04,899.55</b>		<b>71,377.64</b>
Aggregate amount of quoted Investments - Current		29,093.56		25,109.14
Market value of quoted Investments - Current		29,093.56		25,109.14
Aggregate amount of unquoted Investments - Current		75,758.99		38,926.28
Market value of unquoted Investments - Current		75,758.99		38,926.28
Aggregate amount of quoted Investments - Non Current		-		1,020.40
Aggregate amount of unquoted Investments - Non Current		47.00		7,342.22
Investment carried at cost		-		6,274.40
Investments carried at fair value through Other Comprehensive Income		1,077.40		1,067.82
Investments carried at fair value through Profit and Loss		1,03,822.15		64,035.42

\*The Company had sold its entire investment in Patran Transmission Company Ltd. and has recognized the gain on sale in FY 2018-19. As per the regulatory restriction only 74% of the investments in Patran Transmission Company Ltd. were transferred and remaining 26% were carried as other investment at their fair value. During the year, the company has transferred the remaining 26% of the investment in Patran Transmission Company Ltd. to the buyers.

W





10. Inventories

Particulars	Rs. in Lakhs	
	As at 31st March 2022	As at 31st March 2021
Stock-in-trade (trading goods)	2,707.26	624.18
<b>Total Inventories</b>	<b>2,707.26</b>	<b>624.18</b>

Inventories of EPC division are hypothecated with Banks against working capital facilities availed by the Company ( Refer Note No.20)

11. Loans

Particulars	Rs. in Lakhs	
	As at 31st March 2022	As at 31st March 2021
<b>Non - current</b>		
Unsecured, considered good	-	949.24
- Loans to Joint Venture Companies	-	949.24
<b>Total loans</b>		
<b>Current</b>		
Secured, considered good	3,000.00	10,000.00
- Loans to a Body Corporate*		
Unsecured, considered good	6,492.18	-
- Loans to a Body Corporate		
<b>Total loans</b>	<b>9,492.18</b>	<b>10,000.00</b>

\* Security & other details are given in Note No. 42

Disclosure under Regulation 34(3) of the SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 and Section 186(4) of the Companies Act, 2013.

Particulars	Rs. in Lakhs			
	As at 31st March 2022	Maximum Balance during the year 2021-22	As at 31st March 2021	Maximum Balance during the year 2020-21
<b>Details of Loans Given to</b>				
Jhajjar-KT Transco Pvt. Ltd.	-	-	-	394.75
Kohima-Mariani Transmission Ltd.	-	949.24	949.24	1,034.24

we l



TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED  
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

12. Trade Receivables

Particulars	Rs. in Lakhs	
	As at 31st March 2022	As at 31st March 2021
Considered Good, Secured, Considered Good, Unsecured Having significant increase in risk Credit Impaired	58,401.62	53,022.97
Less: Loss Allowance (Refer Note (c) below)		
<b>Total trade receivables</b>	<b>58,401.62</b>	<b>53,022.97</b>
Receivable from related parties	58,401.62	53,022.97
Others	58,401.62	53,022.97

- a) Trade Receivables of EPC Division are hypothecated with Banks against working capital facilities availed by the Company (Refer Note No. 20)
- b) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- c) Trade receivables are mainly due from PSU and State Electricity Boards, which are not exposed to default risk. As per management assessment, no provision is made for expected credit loss due to very low credit risk of receivables. Further management has also considered past experience of losses on receivables. The Company has not recognised provision for doubtful receivables in any of the previous periods.
- d) Ageing of Trade receivable is given below:

Rs. in Lakhs

Particulars	Outstanding from due date of payment as on March 31, 2022						Total
	Not Due**	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable							
- Considered good*	32,118.21	10,664.34	6,670.18	2,552.04	2,317.78	2,696.43	57,218.98
- Having significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivable							
- Considered good#	-	-	-	-	-	1,182.64	1,182.64
- Having significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>32,118.21</b>	<b>10,664.34</b>	<b>6,670.18</b>	<b>2,552.04</b>	<b>2,317.78</b>	<b>3,879.07</b>	<b>58,401.62</b>

Rs. in Lakhs

Particulars	Outstanding from due date of payment as on March 31, 2021						Total
	Not Due**	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable							
- Considered good*	30,740.01	5,582.94	3,765.28	4,941.22	3,597.34	3,213.51	51,840.33
- Having significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivable							
- Considered good#	-	-	-	-	-	1,182.64	1,182.64
- Having significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>30,740.01</b>	<b>5,582.94</b>	<b>3,765.28</b>	<b>4,941.22</b>	<b>3,597.34</b>	<b>4,396.18</b>	<b>53,022.97</b>

\* The Company is executing a project in Afghanistan, which is on hold due to Force Majeure event. As on 31/03/22 there is an outstanding receivable of Rs. 4633.49 lakhs (including retention). Since this project is Government project and funded by multilateral agency (Asian Development Bank) in view of the management the entire amount is recoverable and no provision is required.

\*\* Not Due includes Retention Money receivable from Customers.

# The matter has been referred to be settled through Arbitration. The Company is hopeful of realising the outstanding amount.

13. Cash and Cash Equivalents

Particulars	Rs. in Lakhs	
	As at 31st March 2022	As at 31st March 2021
Balances with banks		
Current Accounts (Refer Note (c) below)	4,194.56	7,365.21
Fixed Deposit (less than three months maturity) (Refer Note No. 14.2)	399.24	-
Cash on hand	14.50	9.31
	<b>4,548.30</b>	<b>7,374.52</b>

- a) There is no repatriation restrictions with regard to Cash & Cash Equivalents at the end of the reporting period or prior period.
- b) Cash & Cash equivalents are hypothecated with Banks against working Capital facilities availed by the Company (Refer Note No. 20)
- c) Includes balance of \$1581.50 (Equivalent Rs. 1.20 Lakhs) with a Bank at Afghanistan which is repatriable in the opinion of Management.

we



14. Bank Balances other than Cash and Cash Equivalents

Particulars	Rs. In Lakhs	
	As at 31st March 2022	As at 31st March 2021
Margin money (Refer Note No. 14.1)	0.29	0.29
Fixed Deposits with Banks (Refer Note No. 14.1 & 14.2)	103.47	691.01
Earmarked Balances	16.13	14.52
Unclaimed/Unpaid Dividend Accounts		
	<u>119.89</u>	<u>705.82</u>

14.1 Other Bank balances of EPC division are hypothecated with Banks against availing working capital facilities from Banks (Refer Note No. 20)

14.2. Total Current and Non Current Fixed Deposit of Rs. 1476.11 Lakhs (Previous Year Rs. 1317.39 Lakhs) includes:

- a) Fixed Deposit receipts of Rs. 1115.26 Lakhs (Previous Year Rs. 709.61 Lakhs) lodged with the Bankers of the Company as Margin against Bank Guarantees issued/to be issued in favour of the company.
- b) Fixed Deposit receipts of Rs. 2.08 Lakhs (Previous Year Rs. 1.81 Lakhs) are lodged with Client/Statutory Authorities as Security/Registration Deposits.

15. Other Financial Assets

Particulars	Rs. In Lakhs	
	As at 31st March 2022	As at 31st March 2021
<b>Non Current</b>		
Security deposits	323.60	319.90
Fixed Deposits with Banks (Refer Note No. 14.2)	1,033.40	626.38
<b>Total Other Non Current Assets</b>	<u>1,357.00</u>	<u>946.28</u>
<b>Current</b>		
Security Deposits	109.78	90.25
Interest Accrued but not due	235.57	256.65
Other Receivables*	2,698.18	4,205.73
<b>Total Other Current Assets</b>	<u>3,043.53</u>	<u>4,552.63</u>

\* Represents amount receivable on account of Renewable Energy Certificate.

16. Non Current Tax Assets (Net)

Particulars	Rs. In Lakhs	
	As at 31st March 2022	As at 31st March 2021
Advance Income Tax and TDS	11,853.04	30,933.38
Less: Provisions for Income Tax	11,718.58	30,796.57
<b>Net Current Tax Asset/ (Liability)</b>	<u>634.46</u>	<u>136.81</u>

17. Other Assets

Particulars	Rs. In Lakhs	
	As at 31st March 2022	As at 31st March 2021
<b>Non Current</b>		
Capital Advance (Refer Note No. 47)	-	3,205.81
Other Assets	0.46	0.46
	<u>0.46</u>	<u>3,206.27</u>
<b>Current</b>		
Advances to suppliers & others*	4,210.71	4,777.08
Prepaid Expenses	730.47	620.02
Contract Assets	15,492.93	15,233.91
Other Assets**	54.71	72.56
	<u>20,488.82</u>	<u>20,703.57</u>
<b>Total Other Assets</b>	<u>20,489.28</u>	<u>23,909.84</u>

\* Advance to Suppliers & others are hypothecated with Banks against working capital facilities availed by the Company (Refer Note No. 20)

\*\* Includes balance of gratuity fund in excess of gratuity liability Rs. 47.38 Lakhs (Previous Year Rs. 63.62 Lakhs)

*Handwritten signature*

*Handwritten signature*



18. Share Capital

Particulars	Rs. in Lakhs	
	As at 31st March 2022	As at 31st March 2021
<b>Authorised Share Capital</b>		
8,00,20,000 ( Previous Year 8,00,20,000 ) Preference Shares of Rs.10/- each	8,002.00	8,002.00
1,39,99,00,000 ( Previous Year: 1,39,99,00,000 ) Equity Shares of Rs.2/- each	27,998.00	27,998.00
	<b>36,000.00</b>	<b>36,000.00</b>
<b>Issued, subscribed &amp; paid up</b>		
11,00,00,000 ( Previous Year 11,00,00,000 ) Equity Shares of Rs.2/- each		
Shares at the beginning of the year	2,200.00	2,200.00
Shares at the end of the year	2,200.00	2,200.00
	<b>2,200.00</b>	<b>2,200.00</b>
<b>Total</b>	<b>2,200.00</b>	<b>2,200.00</b>

i) The reconciliation of the number of shares outstanding is set out below

Particulars	Equity Shares	
	As at 31st March 2022	As at 31st March 2021
	Nos	Nos
Shares at the beginning of the year	11,00,00,000	11,00,00,000
Shares at the end of the year	11,00,00,000	11,00,00,000

ii) List of share holders in excess of 5%

Name of Shareholder	Equity Shares			
	As at 31st March 2022		As at 31st March 2021	
	Nos	% of Holding	Nos	% of Holding
Varanasi Commercial Ltd.	2,46,04,800	22.37	2,46,04,800	22.37
Kusum Industrial Gases Ltd.	1,45,91,000	13.26	1,45,91,000	13.26
Techno Leasing & Finance Co. Pvt. Ltd.	1,37,88,000	12.53	1,37,88,000	12.53
DSP INDIA T.I.G.E.R.FUND	87,90,127	7.99	-	-
Techno Power Projects Ltd.	64,08,000	5.83	64,08,000	5.83
HDFC MUTUAL FUND- HDFC MULTICAP FUND	61,63,000	5.60	-	-
Kotak Debt Hybrid Fund	58,01,915	5.27	58,32,606	5.30
SBI Small Cap Fund	-	-	56,79,297	5.16

iii) Shares held by promoters at the end of the year

Promoter name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Varanasi Commercial Ltd.	2,46,04,800	22.37%	2,46,04,800	22.37%	-
Kusum Industrial Gases Ltd.	1,45,91,000	13.26%	1,45,91,000	13.26%	-
Techno Leasing & Finance Co. Pvt. Ltd.	1,37,88,000	12.53%	1,37,88,000	12.53%	-
Techno Power Projects Ltd.	64,08,000	5.83%	64,08,000	5.83%	-
Checons Limited	23,53,806	2.14%	23,53,806	2.14%	-
Trimurti Associates Private Limited	20,34,924	1.85%	20,34,924	1.85%	-
Pragya Commerce Private Limited	14,35,506	1.31%	14,35,506	1.31%	-
Raj Prabha Gupta	6,91,240	0.63%	92,440	0.08%	0.54%
Ankit Saraiya	2,16,000	0.20%	2,16,000	0.20%	-
Avantika Gupta	72,000	0.07%	72,000	0.07%	-
Padam Prakash Gupta	6,000	0.01%	6,000	0.01%	-
Padam Prakash Gupta (HUF)	-	0.00%	5,98,800	0.54%	-0.54%
<b>Total</b>	<b>6,62,01,276</b>	<b>60.18%</b>	<b>6,62,01,276</b>	<b>60.18%</b>	<b>-</b>

iv) Rights, Preferences and Restrictions attached to the Shares

The company has only one class of equity shares having par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in case of Interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholdings.

v) The Company does not have any Holding Company

vi) The Company has not reserved Equity Shares for issue under the Employee Stock Option Scheme.

vii) None of the securities are convertible into shares at the end of the reporting period

viii) The Company during the preceding five years :

-has allotted 11,26,82,400 number of equity shares of Rs. 2/- each as fully paid up pursuant to the scheme of amalgamation sanctioned by the Hon'ble National Company Law Tribunal, bench at Allahabad ('NCLT') vide its order dated 20th July, 2015 without payment being received in cash

-has not allotted any bonus shares

-the holding Company has completed the Buyback of 26,82,400 equity shares during the preceding five years.

ix) There are no calls unpaid by Directors / Officers

x) The Company has not forfeited any shares



x) Dividend

The dividend declared by the Company is based on profits available for distribution as reported in the financial statements of the Company. On May 30, 2022 the Board of Directors of the Company has proposed a dividend of Rs. 2.00 per Ordinary share of Rs. 2 each in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately Rs. 2,200 Lakhs.



19. Other Equity

Particulars	Rs. in Lakhs			
	As at 31st March 2022		As at 31st March 2021	
<b>Capital Reserve</b>				
As per last Balance Sheet	1,572.66		1572.66	
		1,572.66		1,572.66
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet	53.65		53.65	
		53.65		53.65
<b>General Reserve</b>				
As per last Balance Sheet	1,26,208.50		1,14,208.50	
Add transfer from Retained Earnings		1,26,208.50	12,000.00	1,26,208.50
<b>Retained Earnings</b>				
As per last Balance Sheet	31,192.40		31,616.65	
Add profit for the year	26,389.36		18,177.94	
Add Transfer from OCI on sale of Equity Shares	408.81			
Less: Transfer to General Reserves			(12,000.00)	
Interim Dividend Paid	(545.60)		(6,600.00)	
Final Dividend	(4,400.00)			
Transfer from OCI-Remeasurement of defined benefit Obligations	15.03	53,060.00	(2.19)	31,192.40
<b>Other Comprehensive Income</b>				
As per last Balance Sheet	396.84		(4.50)	
Add Movement in OCI during the year	785.36		517.48	
Add Tax effect on items classified under OCI	(180.15)		(118.33)	
Transfer to Retained Earnings on sale of Equity Shares	(408.81)			
Transfer of OCI-Remeasurement of defined benefit obligations to Retained Earnings	(15.03)	578.21	2.19	396.84
		<u>1,81,473.02</u>	<u>1,59,424.05</u>	

Description of Other Equity

**Capital Reserve**

The Company has created capital reserve on redemption of capital pursuant to past mergers and acquisitions.

**Capital Redemption Reserve**

The Company has created capital redemption reserve as per the requirement of the Companies Act on buyback of Equity Shares

**General Reserve**

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose.

**Retained Earnings:**

The reserve represents the cumulative profits of the Company and remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act 2013

**Other Comprehensive Income:**

**Actuarial Gain ( Loss) on Defined Benefit Obligations**

The Company transfers actuarial gain ( loss) arising at the time of valuation of defined benefit obligations to Actuarial Gain (loss) component of Other Comprehensive Income ( OCI).

**Gain ( Loss) on Equity Instruments accounted at FVTOCI**

The Company has elected to recognise change in fair value of certain investments in Other Comprehensive Income. These changes are accumulated within the FVTOCI equity investment reserve within equity. Realised gain/loss on derecognition of equity instrument measured at FVTOCI is transferred to Retained Earnings

Handwritten initials: WE d





20. Borrowings

Particulars	Rate of Interest	Rs. In Lakhs	
		As at 31st March 2022	As at 31st March 2021
Current			
Secured			
Working Capital Facility			
In Indian Rupees			
From banks		-	2,000.31
Unsecured			
In Indian Rupees			
From banks		-	2,000.00
			<u>4,000.31</u>

a) The Company enjoys financing facilities with Banks against hypothecation of Components, Raw-Materials, Work-in-Progress, Plant & Machinery, Book Debts and all moveable current assets of EPC division, equitable mortgage of Land at Rajpur, West Bengal. Outstanding Balance as on 31st March, 2022 - Nil (Previous year - Rs. 2,000.31 Lakhs)

b) Disclosure in respect of security created on assets of the EPC Division of Company against working capital facilities availed by the Company

Particulars	Rs. In Lakhs	
	As at 31st March 2022	As at 31st March 2021
Property Plant and Equipments	565.37	449.81
Inventories	2,707.26	624.18
Receivables	40,950.07	35,841.46
Other Current Assets*	4,210.71	4,777.08
Cash & Cash Equivalent	4,505.73	7,361.95
Other balances with Banks	19.82	606.26
Total	<u>52,958.96</u>	<u>49,660.74</u>

\* Excluding Contract Assets, Prepaid Expenses, Security Deposits & Other Assets

e) Reconciliation of Liabilities arising from Financing Activities

Items	Rs. In Lakhs			
	Non-Current Borrowings	Current Borrowings	Accrued Interest but not due	Total
Balance as at 31st March, 2021	-	4,000.31	-	4,000.31
Cash Flow (Net)	-	(4,000.31)	(83.65)	(4,083.96)
Forex Movement	-	-	-	-
Finance Costs	-	-	83.65	83.65
As at 31st March 2022	-	-	-	-

Handwritten initials: "he" and "e"



TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED  
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

21. Trade Payables

Particulars	Rs. In Lakhs	
	As at 31st March 2022	As at 31st March 2021
Current		
Total outstanding dues of micro enterprises and small enterprises	1,547.86	1,738.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	40,325.82	34,888.88
<b>Total</b>	<b>41,873.68</b>	<b>36,627.30</b>

(a) Ageing for Trade Payable are given below

Rs. In Lakhs.

Particulars	Outstanding as on March 31, 2022 from due date of payment					Total
	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed dues - MSME*	1,527.36	20.50	-	-	-	1,547.86
Undisputed dues - Others	21,293.60	10,901.05	7,466.14	357.67	307.36	40,325.82
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - others	-	-	-	-	-	-
<b>Total</b>	<b>22,820.96</b>	<b>10,921.55</b>	<b>7,466.14</b>	<b>357.67</b>	<b>307.36</b>	<b>41,873.68</b>

Rs. In Lakhs.

Particulars	Outstanding as on March 31, 2021 from due date of payment					Total
	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed dues - MSME*	1,101.30	337.12	-	-	-	1,738.42
Undisputed dues - Others	15,920.36	18,055.39	493.69	230.14	189.30	34,888.88
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - others	-	-	-	-	-	-
<b>Total</b>	<b>17,321.66</b>	<b>18,392.51</b>	<b>493.69</b>	<b>230.14</b>	<b>189.30</b>	<b>36,627.30</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

22. Other Financial Liabilities

Particulars	Rs. In Lakhs	
	As at 31st March 2022	As at 31st March 2021
Current		
Unclaimed /Unpaid dividends	12.48	14.52
Expenses payable	20.75	38.12
<b>Total</b>	<b>33.23</b>	<b>52.64</b>

23. Deferred Tax Liabilities (net)

Particulars	Rs. In Lakhs	
	As at 31st March 2022	As at 31st March 2021
Deferred Tax Assets		
Compensated Absence	34.75	62.37
Deferred Tax Liabilities		
On account of Depreciation	6,089.18	5,697.84
Gratuity	33.07	28.72
Fair value on Investments	570.73	258.16
Retention by Customers	5,571.86	5,622.38
	12,264.84	11,607.10
Less MAT Credit Entitlement	23.77	39.27
<b>Net Deferred Tax Liabilities</b>	<b>12,206.32</b>	<b>11,505.45</b>

we

l



TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED  
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022.

a) The movement of major components of deferred tax provision / adjustment during the year ended 31st March, 2022 is given below:

Particulars	Rs. In Lakhs			
	As at 31st March 2021	Recognised in Profit/ Loss	Recognised in OCI	As at 31st March 2022
<b>Deferred tax assets</b>				
Compensated Absence	62.37	(27.62)	-	34.75
	62.37	(27.62)	-	34.75
<b>Deferred Tax Liabilities</b>				
On account of Depreciation	5,697.84	391.34	-	6,089.18
Gratuity	28.72	(0.70)	5.05	33.07
Fair value on Investments	258.16	137.47	175.10	570.73
Retention by Customers	5,622.38	(50.52)	-	5,571.86
	11,607.10	477.59	180.15	12,264.84
Less MAT Credit Entitlement	39.27	(15.50)	-	23.77
<b>Net Deferred Tax Liabilities</b>	<b>11,505.46</b>	<b>520.71</b>	<b>180.15</b>	<b>12,206.32</b>

b) The movement of major components of deferred tax provision / adjustment during the year ended 31st March, 2021 is given below:

Particulars	Rs. In Lakhs			
	As at 1st April 2020	Recognised in Profit/ Loss	Recognised in OCI	As at 31st March 2021
<b>Deferred Tax Assets</b>				
Compensated Absence	73.49	(11.12)	-	62.37
	73.49	(11.12)	-	62.37
<b>Deferred Tax Liabilities</b>				
On account of Depreciation	5292.22	405.62	-	5,697.84
Gratuity	25.16	4.3	(0.74)	28.72
Fair value on Investments	310.40	(171.31)	119.07	258.16
Retention by Customers	5,767.02	(144.64)	-	5,622.38
	11,394.80	93.97	118.33	11,607.10
Less MAT Credit Entitlement	39.40	(0.13)	-	39.27
<b>Net deferred tax liabilities</b>	<b>11,281.91</b>	<b>105.22</b>	<b>118.33</b>	<b>11,505.46</b>

24 . Other Liabilities

Particulars	Rs. In Lakhs	
	As at 31st March 2022	As at 31st March 2021
<b>Non Current</b>		
Contract Liabilities	12,980.37	3,852.40
<b>Total</b>	<b>12,980.37</b>	<b>3,852.40</b>
<b>Current</b>		
Advance received from others	-	1,925.25
Employee benefits payable	558.78	392.50
Statutory dues	132.99	30.43
<b>Total</b>	<b>691.77</b>	<b>2,348.18</b>

25 . Provisions

Particulars	Rs. In Lakhs	
	As at 31st March 2022	As at 31st March 2021
<b>Non Current</b>		
Provision for employee benefits		
Compensated absences	124.83	221.90
<b>Total</b>	<b>124.83</b>	<b>221.90</b>
<b>Current</b>		
Provision for employee benefits		
Compensated absences	13.23	25.91
<b>Total</b>	<b>13.23</b>	<b>25.91</b>



26. Revenue from Operations

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
EPC (Construction)	97,876.44	78,919.36
Energy (Power)	8,563.22	9,951.86
Other Operating Revenue	947.00	51.64
<b>Total</b>	<b>1,07,386.66</b>	<b>88,922.86</b>

Refer note 40 for disaggregated revenue informations.

27. Other Income

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Interest Income	1,917.96	1,157.05
Dividend Income	4,478.52	727.40
Net Gain on fair value of changes in Investments	8,534.77	4,551.68
Profit on Sale of Fixed Assets	0.79	-
Miscellaneous Income	145.41	249.32
<b>Total</b>	<b>15,077.45</b>	<b>6,685.45</b>

\*Includes gain on Sale of Investment of Rs. 7248.05 Lakh (Previous Year Rs. 5224.86 Lakh)

28. Material, Stores & Services

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Materials, Stores and Services.*	76,709.72	56,903.47
<b>Total</b>	<b>76,709.72</b>	<b>56,903.47</b>

\* including payments to subcontractors and other services consumed

29. Changes in Inventories of Finished Goods, Stock - In - Trade and Work - in - Progress

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Inventory at the beginning of the year		
Traded Goods	624.18	650.17
	<b>624.18</b>	<b>650.17</b>
Inventories at the end of the year:		
Traded Goods	2,707.26	624.19
	<b>2,707.26</b>	<b>624.19</b>
<b>Total</b>	<b>(2,083.08)</b>	<b>25.98</b>

*hcl*

*l*



30 . Employee Benefit Expenses

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Salaries & Wages	2,987.88	2,860.35
Remuneration to Wholetime Director*	24.00	4.00
Contribution to Gratuity Fund	36.20	33.43
Compensatory Leave**	(103.08)	(1.49)
Contribution to Provident & Other Funds	205.21	198.48
Staff Welfare Expenses	307.93	236.88
<b>Total</b>	<b>3,458.14</b>	<b>3,331.65</b>

\* The Managing Director of Company has waived his remuneration for the year ended 31st March, 2022 and 31st March, 2021 and Whole Time Director has waived his remuneration from 1st April 2020 to 31st January, 2021 in the previous year.

\*\* Due to change in policy of leave carry forward excess provision has been reversed.

31 . Finance Costs

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Interest	92.56	213.36
Other borrowing costs	470.21	571.22
<b>Total</b>	<b>562.77</b>	<b>784.58</b>

32 . Depreciation and Amortization Expenses

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Depreciation of tangible assets	4,109.13	4,096.09
Amortization of intangible assets	1.12	3.15
Depreciation of ROU assets	15.66	15.66
<b>Total</b>	<b>4,125.91</b>	<b>4,114.90</b>

33 . Other Expenses

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Travelling & Conveyance	616.71	518.66
Rent	1,012.14	609.39
Rates & Taxes	31.45	19.87
Insurance	458.98	657.09
Service Charges	793.43	232.81
Brokerage & Comission	14.25	1.56
Operation & Maintenance Charges	1,383.18	1,283.39
Filing Fees	5.29	0.44
Legal & Professional Fees	690.43	617.29
Membership Fees	-	3.02
GST and other indirect taxes	352.93	559.90
Power & Fuel	122.17	199.58
Sundry Receivables Written off	-	1,100.71
Repairs to Plant & Machinery	10.25	6.01
Directors Sitting Fees	11.75	4.50
Auditors' Remuneration		
- as Statutory Auditor	9.45	9.37
- for Tax Audit	1.50	1.50
- for Certification and other services ( including Limited Review Fees)	6.25	8.02
- as reimbursement of expenses	0.09	-
Cost Audit Fees	0.20	0.20
Bank Charges	151.28	155.85
Exchange Rate difference	(396.81)	(4.48)
CSR expenditure u/s 135 of Companies Act, 2013	476.91	123.64
Miscellaneous expenses	1,329.25	945.88
<b>Total</b>	<b>7,081.08</b>	<b>7,054.20</b>



34 . Tax Expense

a) Income Tax expenses recognised

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Current tax	6,063.66	4,926.52
Deferred tax	505.21	105.08
MAT Credit Entitlement	15.50	-
<b>Total</b>	<b>6,584.37</b>	<b>5,031.60</b>

b) Current Tax includes reversal (net of provisions) of Rs. 82.82 Lakhs (previous year : Nil) pertaining to completed assessment during the year.

b ) Reconciliation of estimated Income Tax expense at Indian statutory tax rates to Income tax expenses reported in statement of profit and loss

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Income before Taxes	32,973.57	23,209.36
Applicable Tax Rate	25.17%	25.17%
Estimated Income Tax expense	8,298.79	5,841.33
<b>Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expenses</b>		
Effect of non deductible expenses	123.84	31.25
Effect of Income taxable at rate different from effective tax rate	(135.48)	-
Effect of Income exempt from Tax	(1,307.67)	(1,284.97)
Effect of DTL created at rate different from effective tax rate	(55.72)	(24.66)
Income Tax for Earlier years	(82.82)	-
Others	(256.56)	468.65
	<b>6,584.37</b>	<b>5,031.60</b>

35 . Earnings per equity share

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Net profit/ (loss) as per Statement of Profit & Loss (for calculation of Basic EPS) ( Rs. In Lakhs )	26,389.20	18,177.76
Net profit/ (loss) for calculation of Diluted EPS ( Rs. In Lakhs )	26,389.20	18,177.76
Weighted average number of equity shares in calculating Basic & Diluted EPS (Nos.)	11,00,00,000	11,00,00,000
<b>Basic &amp; Diluted earning per share ( Rs.)</b>	<b>23.99</b>	<b>16.53</b>

HE



l



36. FINANCIAL INSTRUMENTS

a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as on 31st March, 2022 are as follows:

Particulars	Rs. In Lakhs			
	Amortised Cost	Fair Value through PL	Fair Value through OCI	Total Carrying Value
<b>Assets:</b>				
Investments				
In Equity Shares	-	-	1,077.40	1,077.40
In Mutual Funds	-	75,758.99	-	75,758.99
In Corporate Bonds / Debentures / Commercial Papers	-	28,063.16	-	28,063.16
Cash & Cash Equivalents	4,548.30	-	-	4,548.30
Other Bank Balances	119.89	-	-	119.89
Loans*	9,492.18	-	-	9,492.18
Trade Receivables*	58,401.62	-	-	58,401.62
Other Financial Assets*	4,400.53	-	-	4,400.53
<b>Total</b>	<b>76,962.52</b>	<b>1,03,822.15</b>	<b>1,077.40</b>	<b>1,81,862.07</b>
<b>Liabilities:</b>				
Trade Payables*	41,873.68	-	-	41,873.68
Other Financial Liabilities*	33.23	-	-	33.23
<b>Total</b>	<b>41,906.91</b>	-	-	<b>41,906.91</b>

The carrying value and fair value of financial instruments by categories as on 31st March, 2021 are as follows:

Particulars	Rs. In Lakhs			
	Amortised Cost	Fair Value through PL	Fair Value through OCI	Total Carrying Value
<b>Assets:</b>				
Investments				
In Equity Shares of JV Co.	6,274.40	-	-	6,274.40
In Equity Shares	-	1,925.25	1,067.82	2,993.07
In Mutual Funds	-	37,001.03	-	37,001.03
In Corporate Bonds / Debentures	-	24,489.81	-	24,489.81
In Preference Shares	-	619.33	-	619.33
Cash & Cash Equivalents	7,374.52	-	-	7,374.52
Other Bank Balances	705.82	-	-	705.82
Loans*	10,949.24	-	-	10,949.24
Trade Receivables*	53,022.97	-	-	53,022.97
Other Financial Assets*	5,498.91	-	-	5,498.91
<b>Total</b>	<b>83,825.86</b>	<b>64,035.42</b>	<b>1,067.82</b>	<b>1,48,929.10</b>
<b>Liabilities:</b>				
Borrowings.**	4,000.31	-	-	4,000.31
Trade Payables*	36,627.30	-	-	36,627.30
Other Financial Liabilities*	52.64	-	-	52.64
<b>Total</b>	<b>40,680.25</b>	-	-	<b>40,680.25</b>

\*Value for these Financial Instruments have not been discounted as their carrying amounts are a reasonable approximation of their fair value

\*\* including Current Maturity

*ve*

*2*



b) Fair value hierarchy

This section explains the estimates and judgements made in determining the fair values of Financial Instruments that are measured at fair value and amortised cost and for which fair values are disclosed in financial statements. To provide an indication about reliability of the inputs used in determining the fair values, the company has classified its financial instruments into the three levels prescribed under accounting standards. An explanation of each level follows underneath the table:

Level 1: includes financial instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.

Level 2: Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.

Level 3: Includes those instruments for which one or more significant input are not based on observable market data.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of 31st March, 2022:

Particulars	Fair Value	Rs. In Lakhs		
		Fair value measurement using		
		Level 1	Level 2	Level 3
<b>Assets:</b>				
Investments				
In Equity Shares ( unquoted )	47.00	-	47.00	-
In Equity Shares ( quoted )	1,030.40	1,030.40	-	-
In Mutual Funds	75,758.99	75,758.99	-	-
In Corporate Bonds / Debentures / Commercial Papers	28,063.16	28,063.16	-	-
<b>Total</b>	<b>1,04,899.55</b>	<b>1,04,852.55</b>	<b>47.00</b>	<b>-</b>

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of 31st March, 2021

Particulars	Fair Value	Rs. In Lakhs		
		Fair value measurement using		
		Level 1	Level 2	Level 3
<b>Assets:</b>				
Investments				
In Equity Shares ( unquoted )	1,972.67	-	1,972.67	-
In Equity Shares ( quoted )	1,020.40	1,020.40	-	-
In Mutual Funds	37,001.03	37,001.03	-	-
In Corporate Bonds / Debentures	24,489.81	24,489.81	-	-
In Preference Shares	619.33	619.33	-	-
<b>Total</b>	<b>65,103.24</b>	<b>63,130.57</b>	<b>1,972.67</b>	<b>-</b>

c. Fair Value disclosure of Financial assets and Financial Liabilities measured at amortised cost

The carrying amount of cash and cash equivalents, bank balances, trade receivables, loans, other financial assets, trade payables and other financial liabilities are considered to be the same as their fair value due to their short-term nature and are in close approximation of fair value.

d. Investment in the Equity Shares of its Associates & Joint Venture

The Company's investment in the equity shares of its associates & joint venture is recognised at cost. The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiaries, associates & joint venture as deemed cost as on the date of transition to Ind AS.

e. Finance Income and Finance Cost Instrument Category wise classification

Finance Income and Finance Cost Instrument Category wise classification for the year ended 31st March, 2022

	Rs. In Lakhs		
	Amortised Cost	FVTOCI	FVTPL
<b>Income</b>			
Interest Income	926.00	-	991.96
	<b>926.00</b>	<b>-</b>	<b>991.96</b>
<b>Expense</b>			
Interest Expense	83.65	-	-
	<b>83.65</b>	<b>-</b>	<b>-</b>

*Handwritten signature*

*Handwritten mark*



Finance Income and Finance Cost Instrument Category wise classification for the year ended 31st March, 2021.

	Rs. In Lakhs		
	Amortised Cost	FVTOCI	FVTPL
<b>Income</b>			
Interest Income	195.37	-	961.68
	<u>195.37</u>	<u>-</u>	<u>961.68</u>
<b>Expense</b>			
Interest Expense	147.93	-	-
	<u>147.93</u>	<u>-</u>	<u>-</u>

The above amount of interest expenses does not include interest pertaining to taxation and other finance costs of Rs. 5.51 Lakhs and Rs 65.43 Lakhs for the year ended 31st March, 2022 and 31st March, 2021 respectively.

**37. FINANCIAL RISK MANAGEMENT**

**Financial risk factors**

The Company's activities expose it to a variety of financial risks : market risk, liquidity risk and credit risk.

**a ) Market risk**

**i) Foreign Currency Risk**

The primary market risk to the Company is foreign exchange risk. The Company is exposed to foreign exchange risk through its foreign currency loan , purchases from overseas suppliers and short term foreign currency loan. The Company pays off its foreign exchange exposure within a short period of time.

There is no borrowings in foreign currency as of 31st March 2022 and 31st March 2021.

**ii) Other Price Risk**

The Company's exposure to equity securities price risk from movement in market price of related securities classified either as fair value through OCI or as fair value through Statement of Profit and Loss.

**Assets:**

**b ) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company determines its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short and medium term requirements and strategic financing plan for long term.

The Company's principle source of liquidity are cash and cash equivalent, bank balances, cash flows from operations and investment in mutual funds. The Company believes that working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

*Handwritten signatures*



i) Maturity analysis

The table below provides details regarding the contractual maturities of financial liabilities as of 31st March, 2022

Rs. In Lakhs

Particulars	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Borrowings	-	-	-	-	-
Trade Payables	41,873.68	-	-	-	41,873.68
Other Financial Liabilities	33.23	-	-	-	33.23

The table below provides details regarding the contractual maturities of financial liabilities as of 31st March, 2021:

Rs. In Lakhs

Particulars	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Borrowings	4,000.31	-	-	-	4,000.31
Trade Payables	36,627.30	-	-	-	36,627.30
Other Financial Liabilities	52.64	-	-	-	52.64

ii) Financing arrangement

The Company had access to the undrawn borrowing facilities at the end of reporting period.

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Fund based facilities	16,100.00	21,099.69
Non Fund based facilities	1,60,161.03	1,44,460.87

Undrawn Fund based limit has been calculated based on available drawing power and Non Fund based has been calculated as per sanctioned limit

c) Credit Risk

Credit risk is the risk that counter party will not meet its obligation under a financial instrument leading to a financial loss. The company is exposed to credit risk from investments, trade receivables, cash and cash equivalents, bank balances, loans and other financial assets.

The maximum exposure of financial asset to credit risk are as follows :

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Investments	1,04,899.55	71,377.64
Cash & Cash Equivalents	4,548.30	7,374.52
Other Bank Balances	119.89	705.82
Loans	9,492.18	10,949.24
Trade Receivables	58,401.62	53,022.97
Other Financial Assets	4,400.53	5,498.91

Credit risk on cash and cash equivalent and bank balances is limited as the Company generally invest in deposits with recognised banks. Investments primarily include investments in liquid mutual fund units, quoted bonds and investment in subsidiaries, associates & joint venture. Loan is provided to joint venture company which is repayable on demand. Trade receivables are unsecured and are derived from revenue from customers who are primarily Public Sector Undertakings and hence the risk is limited. Other financial assets primarily includes the deposit made for tender participation, rent & electricity deposit and interest accrued but not due.

W L



### 38. CAPITAL MANAGEMENT

For the purpose of managing capital, Capital includes issued equity share capital and reserves attributable to the equity share holders.

The objective of the company's capital management are to:

- Safeguard their ability to continue as going concern so that they can continue to provide benefits to their shareholders.
- Maximise the wealth of the shareholder.
- Maintain optimum capital structure to reduce the cost of the capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirement of financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans and borrowings, less cash and cash equivalents:

Gearing Ratio is as follows :

Particulars		As at 31st March 2022	As at 31st March 2021
Net debt	( Rs. In Lakhs)	-	-
Total equity	( Rs. In Lakhs)	1,83,673.03	1,61,624.05
Gearing Ratio	No of Times	-	-

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021.

W L



39. Disclosures in accordance with IndAS 19 (2015) on "Employees Benefits":

a) Defined Contribution Plans

The Company made contributions towards Provident Fund, a defined contribution retirement benefit plan for qualifying employees. The Provident Fund Plan is operated by the Regional Provident Fund Commissioner. The contribution payable to these plans by the company are at rates specified in the rules of the scheme.

Expenses recognised for Defined Contribution Plan	Rs. in Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Particulars		
Company's Contribution to Provident fund	202.46	197.25
Company's Contribution to ESI	2.75	1.23
	<b>205.21</b>	<b>198.48</b>

b) Defined Benefit Plans

The Company offers the following employee benefits to its employees:

- i) Gratuity
- ii) Compensated Absence

Defined Benefit Obligations

The below tables set forth the changes in the projected benefit obligation and plan assets and amounts recognised in the standalone financial statements as at 31st March 2022 and 31st March 2021, being the respective measurement dates

Actuarial Valuation of Gratuity Liability ( Funded )

Changes in Present Value of Obligation	Rs. in Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Present value of obligation as on last valuation	559.50	577.32
Current Service Cost	42.27	43.83
Interest Cost	39.79	36.73
Actuarial gain/loss on obligations due to Change in Financial Assumption	(21.06)	(17.60)
Actuarial gain/loss on obligations due to Unexpected Experience	5.51	18.25
Benefits Paid	34.84	99.03
Present value of obligation as on valuation date	<b>591.17</b>	<b>559.50</b>

Changes in Fair Value of Plan Assets	Rs. in Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Fair value of Plan Assets at Beginning of period	623.12	677.29
Interest Income	45.74	47.14
Benefits Paid	34.84	99.03
Return on Plan Assets excluding Interest Income	4.53	(2.28)
Fair value of Plan Assets at End of measurement period	<b>638.54</b>	<b>623.13</b>

Table Showing Reconciliation to Balance Sheet	Rs. in Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Funded Status	47.38	63.62
Fund Asset	638.55	623.12
Fund Liability	591.17	559.50

*Handwritten signature*

*Handwritten signature*





Table Showing Plan Assumptions	Year ended 31st March 2022	Year ended 31st March 2021
Discount Rate	7.34% p.a.	6.96% p.a.
Expected Return on Plan Asset	7.34% p.a.	6.96% p.a.
Rate of Compensation Increase(Salary Inflation)	6.00% p.a.	6.00% p.a.
Average expected future service (Remaining working Life)	15	16
Mortality Table	IALM 2012-2014 Ultimate	IALM 2006-2008 Ultimate
Superannuation at age-Male	60	60
Superannuation at age-Female	60	60
Early Retirement & Disablement (All Causes Combined)	1% p.a.	1% p.a.

Rs. In Lakhs

Expense Recognized in statement of Profit/Loss	Year ended 31st March 2022	Year ended 31st March 2021
Current Service Cost	42.27	43.83
Past Service Cost (vested)	-	-
Net Interest Cost	(5.95)	(10.40)
Benefit Cost(Expense Recognized in Statement of Profit/loss)	36.32	33.43

Rs. In Lakhs

Other Comprehensive Income	Year ended 31st March 2022	Year ended 31st March 2021
Actuarial gain/loss on obligations due to Change in Financial Assumption	(21.06)	(17.60)
Actuarial gain/loss on obligations due to Unexpected Experience	5.51	18.25
Total Actuarial (gain)/losses	(15.55)	0.65
Return on Plan Asset, Excluding Interest Income	4.53	(2.28)
Balance at the end of the Period	(20.08)	2.93
Net(Income)/Expense for the Period Recognized in OCI	(20.08)	2.93

Rs. In Lakhs

Table Showing Allocation of Plan Asset at end Measurement Period	Year ended 31st March 2022	Year ended 31st March 2021
Central Government Securities	41.20	44.95
State Government Securities	-	0.80
PSU Bonds	26.00	26.00
Investment with Bank in Special Deposit Scheme Administered by Birla Sun Life Insurance Company Limited	27.30	27.30
Others	531.54	523.35
Cash & Cash Equivalents	9.77	-
Total	2.74	0.72
	638.55	623.12

Rs. In Lakhs

Table Showing Total Allocation in % of Plan Asset at end Measurement Period	Year ended 31st March 2022	Year ended 31st March 2021
Central Government Securities	6.45%	7.21%
State Government Securities	0.00%	0.13%
PSU Bonds	4.07%	4.17%
Investment with Bank in Special Deposit Scheme Administered by Birla Sun Life Insurance Company Limited	4.28%	4.38%
Accrued Interest on Investment	83.24%	83.99%
Cash & Cash Equivalents	1.53%	0.00%
Total	0.43%	0.11%
	100.00%	99.99%

we

l



## Mortality Table

Age	Mortality (Per Annum)
25	0.000984
30	0.001056
35	0.001282
40	0.001803
45	0.002874
50	0.004946
55	0.007888
60	0.011534
65	0.0170085
70	0.0258545

Rs. In Lakhs

Sensitivity Analysis	Year ended 31st March 2022	
	Increase	Decrease
Discount Rate (-/+ 0.5%)	564.07	620.60
Salary Growth (-/+ 0.5%)	620.69	563.76
Attrition Rate (-/+ 0.5%)	591.21	591.12
Mortality Rate (-/+ 10%)	591.33	591.00

Rs. In Lakhs

Sensitivity Analysis	31st March 2021	
	Increase	Decrease
Discount Rate (-/+ 0.5%)	532.11	589.35
Salary Growth (-/+ 0.5%)	589.33	531.88
Attrition Rate (-/+ 0.5%)	559.51	559.50
Mortality Rate (-/+ 10%)	559.60	559.41

Table Showing Cash Flow Information	Rs. In Lakhs
Next Year Total (Expected)	553.41
Minimum Funding Requirements	(35.07)

Table Showing Benefit Information Estimated Future payments ( Past Service)	
Year	Rs. In Lakhs
1	93.56
2	46.08
3	8.98
4	36.95
5	28.89
6 to 10	235.33
More than 10 years	945.20
Total Undiscounted Payments Past and Future Service	-
Total Undiscounted Payments related to Past Service	1,394.99
Less Discount For Interest	803.82
Projected Benefit Obligation	591.17

Table Showing Outlook Next Year Components of Net Periodic benefit Cost Next Year	Rs. In Lakhs
Current Service Cost (Employer portion Only) Next period	43.16
Interest Cost next period	39.96
Expected Return on Plan Asset	46.87
Benefit Cost	36.24



40. Segment Reporting:

- A) The Operating Segments have been reported in a manner consistent with the internal reporting and evaluation by Chief Operating Decision Maker (CODM) based on the guiding principles given in Ind AS 108 - Operating Segments notified under the Companies (Accounting Standard) Rules 2015, 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:

Rs. in Lakhs

	Year ended 31st March 2022				Year ended 31st March 2021			
	EPC (Construction)	Energy (Power)	Unallocable	Total	EPC (Construction)	Energy (Power)	Unallocable	Total
<b>A. REVENUE</b>								
1 Sales	98,823.44	8,563.22	-	1,07,386.66	78,919.36	10,003.50	-	88,922.86
2 Others	19.44	-	13,140.05	13,159.49	249.32	-	5,279.08	5,528.40
3 Interest Revenue	-	-	1,917.96	1,917.96	-	-	1,157.05	1,157.05
4 Total Revenue	98,842.88	8,563.22	15,058.01	1,22,464.11	79,168.68	10,003.50	6,436.13	95,608.31
<b>B. RESULT</b>								
1. Segment result/operating Profit before Tax and Interest	15,264.90	2,909.29	14,998.15	33,172.34	14,490.06	3,263.14	6,424.91	24,178.11
2. Interest Expenses	-	-	962.77	962.77	-	-	784.58	784.58
	15,264.90	2,909.29	14,435.38	32,609.57	14,490.06	3,263.14	5,640.33	23,993.53
3 Share of Profit/(Loss) from Joint Venture	-	-	-	364.00	-	-	-	(184.17)
Net Profits Before Tax	15,264.90	2,909.29	14,435.38	32,973.57	14,490.06	3,263.14	5,640.33	23,209.36
4 Provision for Taxation	-	-	6,584.37	6,584.37	-	-	5,011.60	5,011.60
Net Profit	15,264.90	2,909.29	7,851.01	26,389.20	14,490.06	3,263.14	608.73	18,177.76
<b>C. OTHER INFORMATION</b>								
1. Segment Assets	80,367.33	62,352.94	1,04,878.99	2,51,599.27	70,227.13	67,394.33	82,639.67	2,20,261.13
2. Segment Liabilities	55,505.45	210.64	12,210.15	67,926.24	46,415.05	713.25	11,508.78	58,637.08
3. Capital Expenditure	166.25	-	-	166.25	5.30	-	-	5.30
4. Depreciation	102.04	3,987.62	36.25	4,125.91	123.41	3,987.62	3.87	4,114.90

(B) Geographical Segment

As the revenues from overseas sites does not exceed the minimum threshold limit for such disclosure, no separate disclosure for Geographical segment ( Secondary Segment ) is applicable.

(C) Information about major customers

Total amount of revenues from customers (each exceeding 10% of total revenues of the Company) is Rs.50,734.14 Lakhs (Previous Year: Rs.36,310.02 Lakhs).

Handwritten initials: *he* and *l*



(D) There are no inter-segment revenues.

	Rs. in Lakhs	
	Year ended	Year ended
(E) Based on Timing of Revenue	31st March 2022	31st March 2021
At a Point in Time	79,920.61	67,181.10
Over Time	28,466.05	21,741.76
<b>Total</b>	<b>1,07,386.66</b>	<b>88,922.86</b>

	Rs. in Lakhs	
	Year ended	Year ended
(F) Contract Balances	31st March 2022	31st March 2021
The following table provides information about receivable, contract assets and contract liabilities from contract with customers		
Receivables which are included in Trade and Other Receivables	58,401.61	53,022.97
Contract Assets	15,492.93	15,233.91
Contract Liabilities	12,980.37	3,852.40

(G) The Company has recognised the differential tariff charge of Rs.0.975 per unit on electricity units (Energy Division) Rs. 1,904.07 Lakhs (Previous Year 3,636.37 Lakhs) billed during the financial year 2019-20, 2020-21 and 2021-22 aggregating to Rs.5,540.44 Lakhs vide APTEL impugned Order dated 28.1.2021 and the same has been shown under Revenue from Operations.

(H) There is no financing component and variable consideration in the transaction price.

*Handwritten signature*

*Handwritten mark*



## 41. Related Party Disclosures

## 41.1 Name of related parties and related party relationship

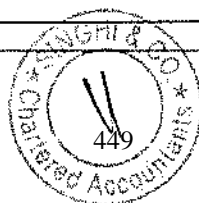
S.No.	Name of the party	Nature of relationship
1	Jhajjar KT Transco Pvt, Ltd.	Joint Venture Company (Ceased to be Joint Venture Company w.e.f. 28th September, 2020)
2	Kohima-Mariani Transmission Ltd.	Joint Venture Company (Ceased to be Joint Venture Company w.e.f. 16th November, 2021)
3	Shri Padam Prakash Gupta	Managing Director and Key Management Person
4	Shri Ankit Saraiya	Wholetime Director and Key Management Person
5	Ms Avantika Gupta	Non Executive Director & Relative of Key Management Person
6	Shri Rajendra Prasad Singh	Non-Executive and Independent Director (ceased to be director w.e.f. 03.06.2021)
7	Shri Vasudevan Kotivenkatesan	Non-Executive and Independent Director
8	Shri Krishna Murari Poddar	Non-Executive and Independent Director
9	Shri Samarendra Nath Roy	Non-Executive and Independent Director
10	Shri Kadenja Krishna Rai	Non-Executive and Independent Director
11	Ms. Dipali Khanna	Non-Executive and Independent Director
12	Shri Pradeep Kumar Lohia	Chief Financial Officer and Key Management Person
13	Shri Niranjan Brahma	Company Secretary and Key Management Person

## 41.2 Disclosure of significant transactions with related parties and the status of outstanding balances

## Transactions during the year

Particulars	Rs. in Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
<b>Jhajjar KT Transco Pvt. Ltd.</b>		
Rendering of services as per maintenance contract	-	263.54
Interest on loan given	-	17.52
Dividend Received	-	1,580.73
Loan given (Refund)	-	(394.75)
<b>Kohima-Mariani Transmission Ltd.</b>		
Supply of Materials & rendering of service	7,126.44	123.64
Interest received on delayed payments	947.00	-
Loan given	-	200.00
Interest on loan given	66.30	91.93
Loan given (Refund)	(949.24)	(85.00)
<b>Shri Ankit Saraiya</b>		
Remuneration to Wholetime Director	24.00	4.00
<b>Remuneration to Non- Executive and Independent Directors</b>		
Directors Sitting Fees	11.75	4.50
<b>Shri Pradeep Kumar Lohia</b>		
Employee Benefit expenses	22.85	28.40
<b>Shri Niranjan Brahma</b>		
Employee Benefit expenses	19.64	18.90

Handwritten signature and number '1'.



Outstanding Balances		Rs. In Lakhs	
Particulars	Year ended 31st March 2022	Year ended 31st March 2021	
Kohima-Mariani Transmission Ltd.*			
Loan given	-		949.24
Interest Receivable	-		158.81
Receivable	-		385.00

\* Includes transaction settled after cessation as Joint Venture Company on 15th November 2021.

#### 41.3 The Company has entered into consortium with

Sl No	Name of Joint arrangement	Nature of entity's relationship	Principal place of business	Proportion of participating share held
1	Jhajjar KT Transco Pvt. Ltd.*	Joint Venture	India	48.96%
2	Kohima-Mariani Transmission Ltd**	Joint Venture	India	26.00%

Details of proportionate share in Assets, Liabilities, Income and Expenditure of the Company in its Joint Ventures are given below

Name of Joint Venture Company :		Jhajjar KT Transco Pvt. Ltd.*		Rs. In Lakhs
Particulars	Year ended 31st March 2022	Year ended 31st March 2021		
Assets	-		-	
Liabilities	-		-	
Income	-		933.73	
Expenditure	-		647.86	

\*Income & Expenditures have been taken upto 27th September, 2020 on which date investment in JV Company was disposed off.

Name of Joint Venture Company :		Kohima-Mariani Transmission Ltd**		Rs. In Lakhs
Particulars	Year ended 31st March 2022	Year ended 31st March 2021		
Assets	-		35,903.37	
Liabilities	-		29,651.49	
Income	3,740.42		4,269.90	
Expenditure	3,254.12		6,311.01	

\*\* Income & Expenditures have been taken upto 15th November, 2021 on which date investment in JV Company was disposed off.

Transactions with the related parties are at arm's length prices. The amount outstanding are unsecured and will be settled in cash. No guarantees have been given or received during the year from any of the related parties. No expenses have been recognised in the current year or previous year for bad or doubtful debts in respect of the amount owed by related parties.

WA 1





42. The Company had given inter corporate deposits of Rs. 10,000 Lakhs to a McLeod Russell India Ltd. (Borrower) during earlier years which was secured against mortgage of immovable property and other securities provided by the borrower. Out of the same, the refund of Rs. 7,000 Lakhs has been received by the Company during the current year and the balance Rs. 3,000 Lakhs would be converted into equity shares of the borrower company as per the agreement entered by the Company.

#### 43. Leases

The Group's significant leasing/ licensing arrangements are mainly in respect of residential / office premises and equipments, which are operating leases. The aggregate lease payable on these leasing arrangements are charged as rent and equipment hire charges in the Statement of Profit & Loss.

44. Balances of Certain debtors and creditors are subject to confirmation and reconciliation. In the opinion of the management, current assets, loans and Advances will have value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

#### 45. Contingent Liabilities

Particulars	Rs. In Lakhs	
	Year ended 31st March 2022	Year ended 31st March 2021
Bank Guarantees given by the Company	-	545.64
Demand by various VAT/CST/ Entry Tax Authorities disputed by the Company (Payment made Rs. 18.27 Lakhs(Previous Year Rs. 18.27 Lakhs)	93.47	93.47
Demand by Income Tax Authorities disputed by the Company (Payment made Rs. 375.46 Lakhs(Previous Year Nil)	721.56	-

In the opinion of the Management, no provision is considered necessary for the contingent liabilities mentioned above on the ground that there are fair chances of successful outcome of appeals. Further, the management does not expect any reimbursement in respect of the above contingent liabilities.

#### 46. Sale of Investment in JV Company.

The Company has disposed off its investment in Joint Venture Company namely, Kohima Mariani Transmission Limited and hence, it ceased to be Joint Venture Company with effect from 16th November, 2021. Net gain on Investment includes Rs. 11036.28 Lakhs (Previous Year: Rs. 2709.97 Lakhs on sale of JV Company namely Jhajjar KT Transco Pvt. Ltd.) on account of sale of investment in Kohima Mariani Transmission Limited.

#### 47. Capital Commitment

Estimated amount of contract pending for execution on Capital Account Rs. Nil ( Previous Year -Rs. 3205.81 Lakhs) and Capital Advance paid Rs. Nil ( Previous Year- Rs. 3205.81 Lakhs)

*VP*



*l*

48. Unhedged Foreign Currency Exposure

Unhedged Foreign Currency Exposure for the year ended 31st March 2022

Rs. In Lakhs

Particulars	Currency	In Foreign Currency	Equivalent INR
Export Receivables	USD	66.64	5,059.70
Import Payables	USD	20.26	1,537.90

Unhedged Foreign Currency Exposure for the year ended 31st March 2021

Rs. In Lakhs

Particulars	Currency	In Foreign Currency	Equivalent INR
Export Receivables	USD	17.72	1,302.71
Import Payables	USD	23.42	1,721.70
Import Payables	Euro	4.05	349.00

49. Corporate Social Responsibility (CSR)

A CSR Committee has been formed by the company as per the provisions of Section 135 of the Companies Act, 2013. Disclosures of Corporate Social Responsibility expenditure is in line with the the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities"

Rs. in lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Amount of CSR expenditure to be incurred during the year	479.07	488.66
Amount spent during the year on:		
Construction/acquisition of any asset	420.41	0.00
On purposes other than (i) above	56.50	123.64
Shortfall at the end of the year	2.16	365.02
Total of previous years shortfall	627.66	262.64
Contribution to a trust controlled by the company	-	-
The nature of CSR activities undertaken by the Company	Rural Development, Healthcare and Education	Healthcare, Education

For movement in CSR, refer below:

Rs. In Lakhs

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Gross amount to be spent during the year	479.07	488.66
Actual spent	476.91	123.64
(Excess) /short spent*	2.16	365.02

Reason for CSR Funds unspent:

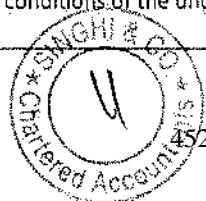
Due to pandemic during the financial year the amount remained unspent on CSR account.

50. Estimation of uncertainties relating to the Global health pandemic from COVID 19

The company has considered internal and certain external sources of information including economic forecasts and industry reports upto the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates the company expects to recover the carrying amount of Trade Receivables including unbilled receivables, investments, and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

51. The Company is executing a project in Afghanistan, which is on hold due to Force Majeure event. The Company is closely monitoring the situation and expect to resume work once the geopolitical environment in Afghanistan is resolved. The Company does not expect any material financial impact due to this event as the project is funded by multilateral agency (Asian Development Bank). Further, the bank guarantee issued for the aforesaid ongoing project cannot be enforced as per the terms and conditions of the underlying contract.

ml



2

52. Borrowings secured against current assets

The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities which are in agreement with the books of account other than those as set out below:

For year ended 31st March, 2022

Rs. In Lakhs

Quarter ended	Name of the Bank	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancy
Jun-21	ICICI BANK, State Bank of India,	56571.53	32680.83	23890.70	The amount reported to the Bank was on provisional basis and excludes Debtors pertaining to Wind division and Inventory.
Sep-21	IDBI Bank Limited, YES Bank Limited, Standard Chartered,				
Dec-21	Indusind Bank, Citi Bank NA,	61852.11	40409.97	21442.14	
Mar-22	HSBC, DBS, Axis Bank, RBL bank, EXIM Bank	59633.82	38060.57	21573.25	
		61108.87	42385.07	18723.80	

For year ended 31st March, 2021

Rs. In Lakhs

Quarter ended	Name of the Bank	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancy
Jun-20	ICICI BANK State Bank of India,	56201.57	35280.07	20921.50	The amount reported to the Bank was on provisional basis and excludes Debtors pertaining to Wind division and Inventory.
Sep-20	IDBI Bank Limited, YES Bank Limited, Standard Chartered,				
Dec-20	Indusind Bank, Citi Bank NA,	60559.45	37995.76	22563.69	
Mar-21	HSBC, DBS, Axis Bank, RBL bank, Exim Bank	59872.83	39785.61	20087.22	
		53647.15	35900.26	17746.89	

53. Additional Regulatory Information

No transactions to report the following disclosure requirements as notified by MCA pursuant to amended Schedule III for the current and previous financial year:

- Crypto or Virtual Currency
- Benami Property held under Benami transactions (Prohibition) Act, 1988 (45 of 1988)
- Loans and Advances repayable on demand or without specifying any terms or period of repayment to specified persons
- Undisclosed Income
- Registration of Charges and satisfaction of Charges
- Any advancement of fund through intermediary for other beneficiaries.
- Any transactions with companies struck off under Section 248 of the companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year. advancement of fund through intermediary for other beneficiaries.
- Relating to borrowed funds
  - Wilful defaulter
  - Utilisation of borrowed fund and share premium
  - Discrepancy in utilisation of borrowings
  - Current maturity of long term borrowings

*WA*      *l*



54: Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 55: Interest in Other Entities

A. Subsidiaries

The Group's Subsidiary companies, along with country of Incorporation, place of operation and principal activities for the year ended 31st March 2022 and 31st March 2021 are set out below:

Name of the Company	Relation with TEECL	Principal Activity	Country of Incorporation	Place of Operation	Proportion of ownership interest (incl. holding with nominee)	
					31-03-2022	31-03-2021
Techno Infra Developers Private Limited	Wholly Owned Subsidiary	IT enabled services	India	India	100.00%	100.00%
Techno Digital Infra Private Limited (Formerly Techno Clean Energy Private Limited)	Wholly Owned Subsidiary	IT enabled services	India	India	100.00%	100.00%
Techno Green Energy Private Limited	Wholly Owned Subsidiary	Wind Energy Generation	India	India	100.00%	100.00%
Techno Wind Power Private Limited	Wholly Owned Subsidiary	Wind Energy Generation	India	India	100.00%	100.00%
Bajgarh Agro-Products Limited*	Non-Wholly Owned Subsidiary	Agro-Industry	India	India	96.10%	96.10%
Techno Data Center Ltd. (Formerly Techno Power Grid Company Ltd.)	Wholly Owned Subsidiary	Service Industry	India	India	100.00%	100.00%

\*The subsidiary is not material to the Group, therefore information about the non-wholly owned subsidiary are not disclosed separately.

B. Interest in Joint Ventures

Details of Joint Venture of the Group are set out below:

Name of the JV	Country of Incorporation	Place of Operation	Proportion of ownership interest		Carrying amount	
			31-03-2022	31-03-2021	31-03-2022	31-03-2021
Kohima-Mariana Transmission Company Limited**	India	India	-	26.00%	-	6,274.40
TOTAL						6,274.40

\*\* Ceased to be JV w.e.f. 16.11.2021

we



TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED  
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

56. Financial information pursuant to Schedule III of Companies Act, 2013

S. No.	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated net profit	Amount (Rs. In Lakhs)	As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated net assets	Amount (Rs. In Lakhs)
	<b>Parent</b>	99.80%	1,83,303.86	98.66%	26,034.35	100.00%	605.21	98.69%	26,639.56
	<b>Subsidiaries (Indian)</b>								
1	Techno Infra Developers Pvt. Ltd.	0.25%	460.22	-0.22%	(57.66)	-	-	-0.21%	(57.66)
2	Techno Digital Infra Pvt. Ltd.	0.00%	(0.06)	0.00%	(0.07)	-	-	0.00%	(0.07)
3	Techno Green Energy Pvt. Ltd.	0.00%	0.07	0.00%	(0.07)	-	-	0.00%	(0.07)
4	Techno Wind Power Pvt. Ltd.	0.00%	-	0.00%	(0.07)	-	-	0.00%	(0.07)
5	Techno Data Centre Ltd. (Formerly Techno Power Grid Company Ltd.)	1.55%	2,845.59	0.01%	3.85	-	-	0.01%	3.85
6	Rajgarh Agro Products Ltd.	0.04%	71.95	-0.02%	(4.25)	-	-	-0.02%	(4.25)
	<b>Non controlling interest in all subsidiaries</b>	0.00%	2.82	0.00%	-	-	-	0.00%	-
	<b>Joint Venture (investment as per equity method)</b>								
1	Kohima - Mariani Transmission Ltd.	0.00%	-	1.38%	364.00	-	-	1.35%	364.00
	<b>Consolidation adjustment</b>	-1.64%	(3,008.61)	0.19%	49.12	-	-	0.18%	49.12
		<b>100.00%</b>	<b>1,83,675.84</b>	<b>100.00%</b>	<b>26,389.20</b>	<b>100.00%</b>	<b>605.21</b>	<b>100.00%</b>	<b>26,994.41</b>

The above figures for parent, its subsidiaries, associates and joint ventures are before inter company eliminations and consolidation adjustments.

57. The previous year figures have been regrouped and/or rearranged wherever considered necessary.

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E



*Navindra Kumar Surana*  
Navindra Kumar Surana  
Partner  
Membership No 053816

Place : Kolkata  
Date: 30th May, 2022

*P. K. Lohia*  
P. K. Lohia  
Chief Financial Officer

*P. P. Gupta*  
P. P. Gupta  
Managing Director  
DIN : 00055954

*N. Brahma*  
N. Brahma  
Company Secretary  
Membership No A-11652

*P. P. Gupta*  
P. P. Gupta  
Director  
DIN : 00408742

## GENERAL INFORMATION

1. Our Company was originally incorporated as 'Simran Wind Project Private Limited' as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 26, 2005 issued by the Registrar of Companies, Maharashtra at Pune. Subsequently, the registered office of our Company was changed from Maharashtra to West Bengal, pursuant to a certificate of registration of company law board order for change in state dated August 8, 2011 by RoC Bengal. Pursuant to shareholders resolution dated May 30, 2013 our Company converted from private to public and a fresh certificate of incorporation dated June 14, 2013 consequent upon change of name from 'Simran Wind Project Private Limited' to 'Simran Wind Project Limited' was issued by RoC Bengal. Thereafter pursuant to the shareholders resolution dated December 29, 2016 our Company changed its registered office from West Bengal to Uttar Pradesh, pursuant to which a certificate of incorporation dated June 23, 2017 was issued by the RoC. Subsequently, the name of our Company was changed to 'Techno Electric & Engineering Company Limited' pursuant to an order by the National Company Law Tribunal, Allahabad dated July 20, 2018 and a letter from the dated September 6, 2018, issued by the RoC. Pursuant to resolutions passed by our Board and shareholders on August 14, 2023 and September 26, 2023 respectively, we are in the process of shifting our registered office from the State of Uttar Pradesh to the State of Haryana.
2. At present our Company's Registered Office is located at C-218 Ground Floor (GR-2) Sector-63, Gautam Buddha Nagar, Noida 201 30, Uttar Pradesh, India.
3. The CIN of our Company is: L40108UP2005PLC094368.
4. Our Company Secretary and Compliance Officer is Niranjana Brahma. His contact details are as follows:  
**Niranjana Brahma**  
1B, Park Plaza, South Block  
71, Park Street  
Kolkata 700 016  
West Bengal, India  
**Tel:** +91 120 240 6030  
**E-mail:** desk.investors@techno.co.in
5. The Equity Shares are listed on BSE and NSE since December 4, 2018.
6. The authorized share capital of our Company as of the date of this Preliminary Placement Document is ₹ 3,60,00,00,000 divided into 1,39,99,00,000 Equity Shares of ₹ 2 each and 8,00,20,000 preference shares of ₹ 10 each. Our issued, subscribed and paid-up equity share capital as of the date of this Preliminary Placement Document is ₹ 21,52,38,038 divided into 10,76,19,019 Equity Shares of ₹ 2 each.
7. This Issue was authorized and approved by our Board of Directors on February 13, 2024 and approved by our Shareholders through a special resolution passed through a postal ballot dated April 22, 2024.
8. Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations to list the Equity Shares, issued pursuant to the Issue, on NSE and BSE each dated [●], 2024. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.
9. Copies of the Memorandum and Articles of Association will be available for inspection during usual business hours on all working days between 10.00 A.M. to 5.00 P.M. at our Registered Office.
10. Except as disclosed in this Preliminary Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.
11. No change in the control of the Company will occur consequent to the Issue.
12. Except as disclosed in this Preliminary Placement Document, there has been no material change in our consolidated financial condition or trading position of our Company since March 31, 2024, the date of the latest financial statements prepared and included herein.



13. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see “*Legal Proceedings*” on page 232.
14. As on the date of this Preliminary Placement Document, Walker Chandiok & Co LLP, Chartered Accountants, having Firm Registration No. 001076N/N500013 is the statutory auditor of our Company.
15. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.
16. The Floor Price for the Issue is ₹ [●] per Equity Share, calculated in accordance with Regulation 176 of the SEBI ICDR Regulations, as certified by Singhi & Co, Chartered Accountants. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the approval of the Shareholders accorded through a special resolution passed through a postal ballot dated April 22, 2024.
17. Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at his or her own risk.

## DETAILS OF PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment of Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them, is set forth below:

S. No.	Name of the proposed Allottee <sup>#</sup>	Percentage of the post-Issue share capital (%) <sup>*</sup>
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]

<sup>\*</sup> Based on the beneficiary position as on [●] (adjusted for Equity Shares Allocated in the Issue).

<sup>#</sup> The details of the proposed Allottees have been intentionally left blank and will be filled in before filing the Placement Document with the Stock Exchanges and issuing the Placement Document to such proposed Allottees.

These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

## **DECLARATION**

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

**SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:**

\_\_\_\_\_  
(Chairperson and Managing Director)

Date:

Place:

## **DECLARATION**

We, the Board of Directors of the Company certify that:

- (i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- (ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- (iii) the monies received under this Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

**Signed by:**

---

**Padam Prakash Gupta**  
(Chairperson and Managing Director)

I am authorized by the Fund Raising Committee, a committee constituted by the Board of Directors of the Company, vide resolution dated July 16, 2024, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter(s) subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

---

**Ankit Saraiya**  
(Whole-time Director)  
Date:  
Place:

**TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED**

**Registered Office**

C-218 Ground Floor (GR-2) Sector-63, Gautam Buddha Nagar, Noida 201 30, Uttar Pradesh, India.

**Corporate Office**

1B, Park Plaza, South Block, 71, Park Street 700 016, Kolkata, West Bengal, India.

**Website:** www.techno.co.in

**Contact Person:** Niranjan Brahma, Company Secretary and Compliance Officer

**Address:** B, Park Plaza, South Block, 71, Park Street 700 016, Kolkata, West Bengal, India

**Email:** desk.investors@techno.co.in | **Tel:** +91 120 240 6030

---

**LEAD MANAGER**

**ICICI Securities Limited**

ICICI Venture House  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Maharashtra, India

---

**DOMESTIC LEGAL COUNSEL TO THE COMPANY**

**Trilegal**

DLF Cyber Park, Tower C  
1st Floor, Phase II, Udyog Vihar  
Sector 20, Gurugram 122 008  
Haryana, India

---

**DOMESTIC LEGAL COUNSEL TO THE LEAD MANAGER**

**M/s. Crawford Bayley & Co. Advocates and Solicitors**

State Bank Buildings  
N.G. N. Vaidya Marg  
Fort, Mumbai 400 023  
Maharashtra, India

---

**STATUTORY AUDITORS**

**Walker Chandiok & Co LLP, Chartered Accountants**

21<sup>st</sup> floor, DLF Square, Jacaranda Marg  
DLF Phase II  
Gurugram 122 002  
Haryana, India

---

**INTERNATIONAL LEGAL COUNSEL TO THE LEAD MANAGER WITH RESPECT TO SELLING  
AND TRANSFER RESTRICTIONS**

**Hogan Lovells Lee & Lee**

50 Collyer Quay  
#10-01 OUE Bayfront  
Singapore - 049321

## SAMPLE APPLICATION FORM

“An indicative form of the Application Form is set forth below:”

(Note: The format of the Application Form included herein below is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the Lead Manager, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)



### TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)

CIN: L40108UP2005PLC094368;

Registered Office: C-218 Ground Floor (GR-2) Sector-63, Gautam Buddha Nagar, Noida 201 307, Uttar Pradesh, India;

Corporate Office: 1B, Park Plaza, South Block, 71, Park Street, Kolkata 700 016, West Bengal, India

Telephone: +91 120 240 6030;

Email: desk.investors@techno.co.in;

Website: www.techno.co.in

LEI Code: 33580085UVBJWYBSQ267; ISIN: INE285K01026

Name of Bidder: \_\_\_\_\_

Form No: \_\_\_\_\_

Date: \_\_\_\_\_

**QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH BY TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED (THE “COMPANY”) (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING UP TO ₹ [●] LAKHS UNDER SECTION 42 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE “COMPANIES ACT”) READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE “SEBI ICDR REGULATIONS”) (HEREINAFTER REFERRED TO AS THE “ISSUE”).**

**THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ [●] PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT OF NOT MORE THAN 5% OR SUCH PERCENTAGE AS PERMITTED UNDER THE SEBI ICDR REGULATIONS ON THE FLOOR PRICE.**

Only Qualified Institutional Buyers (“QIBs”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“FEMA Rules”), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. However, foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) are not permitted to participate in the Issue. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S under the U.S. Securities Act (“Regulation S”) and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled “Selling Restrictions” and “Transfer Restrictions” in the accompanying preliminary placement document dated July 16, 2024 (the “PPD”).

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 (“FEMA RULES”) IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS



**SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.**

**To,**  
**The Board of Directors**  
**Techno Electric & Engineering Company Limited**  
 C-218 Ground Floor (GR-2) Sector-63,  
 Gautam Buddha Nagar, Noida 201 307,  
 Uttar Pradesh, India

**Dear Sirs,**

On the basis of the serially numbered Preliminary Placement Document of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoter of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We confirm that we are not an FVCI. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

STATUS (Please ü)			
<b>FI</b>	Scheduled Commercial Banks and Financial Institutions	<b>AIF</b>	Alternative Investment Funds**
<b>MF</b>	Mutual Funds		
<b>FPI</b>	Eligible Foreign Portfolio Investors*	<b>NIF</b>	National Investment Fund
<b>VCF</b>	Venture Capital Funds**	<b>SI-NBFC</b>	Systemically Important NBFC
<b>IC</b>	Insurance Companies	<b>IF</b>	Insurance Funds
<b>OTH</b>	Others (Please Specify)		

\*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.

\*\*Sponsor and Manager should be Indian owned and controlled.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each Eligible FPIs, have submitted separate Application Forms, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of Equity Shares to be Allotted under each such scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Board of Directors of the Company, or any duly authorised committee thereof, is entitled, in consultation with ICICI Securities Limited (the "**Lead Manager**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**"), and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of this Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The Bid Amount payable by us for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the Bid/Issue Closing Date and such Bid Amount has been/will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if we withdraw the Bid before Issue Closing Date, or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further understand, agree and consent that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Manager; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Delhi and Haryana at New Delhi (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and

agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of National Stock Exchange of India Limited and BSE Limited (together, the “**Stock Exchanges**”), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor (“FPI”) as defined under the SEBI FPI Regulations (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, “**Eligible FPIs**”), have submitted separate Application Forms and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the price and number of Equity Shares Bid for under each such scheme. We undertake that we will sign and/or submit all such documents, provide such documents, and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the necessary approvals for applying in the Issue. We note that the Board of Directors of the Company, or any duly authorized committee thereof, is entitled, in consultation with ICICI Securities Limited (the “**Lead Manager**” or “**LM**”), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections “**Notice to Investors**”, “**Representations by Investors**”, “**Issue Procedure**”, “**Selling Restrictions**” and “**Transfer Restrictions**” sections of the Preliminary Placement Document and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Lead Manager, each of whom is entitled to rely on, and is relying on, these representations, undertakings and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the Preliminary Placement Document and the Application Form and have read it in its entirety including in particular, the section titled “**Risk Factors**” therein and we have relied only on the information contained in the Preliminary Placement Document and not on any other information obtained by us either from the Company, the Lead Manager or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares, otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Lead Manager, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Lead Manager. For the purposes of this representation: The expression ‘belong to the same group’ shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and ‘control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form, whether signed or not is submitted by an Eligible QIB, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of such Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.** We confirm that we have read the

representations, warranties and agreements contained in the sections entitled “*Selling Restrictions*” and “*Transfer Restrictions*” in the Preliminary Placement Document.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
MOBILE NO.			
TELEPHONE NO.		FAX.	
EMAIL			
FOR ELIGIBLE FPIs**	Registration Number:	For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs	Registration Number:
<p>* Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the Lead Manager.</p> <p>** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.</p> <p>*** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.</p>			

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the Lead Manager will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS											
Depository Name (Please ü)	National Security Depository Limited						Central Depository Services (India) Limited				
Depository Participant Name											
DP – ID	I	N									
Beneficiary Account Number											(16 digit beneficiary account. No. to be mentioned above)
The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. <b>However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.</b>											

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY [•] P.M. (IST), JULY [•], 2024	
Name of the Account	TECHNO ELECTRIC AND ENGINEERING COMPANY LIMITED QIP ESCROW ACCOUNT
Name of the Bank	ICICI Bank Limited
Address of the Branch of the Bank	
Account Type	Escrow Account
Account Number	
IFSC	

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of “*TECHNO ELECTRIC AND ENGINEERING COMPANY LIMITED QIP ESCROW ACCOUNT*”. Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

You are responsible for the accuracy of the bank account details mentioned below. You are aware that the successful processing of refunds, if any, shall be dependent on the accuracy of the bank details provided by you. The Company and the Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		PRICE PER EQUITY SHARE (RUPEES)	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		FAX NO.	
EMAIL			

OTHER DETAILS	ENCLOSURES ATTACHED
PAN*	Attested/ certified true copy of the following: <input type="checkbox"/> Copy of PAN Card or PAN allotment letter <input type="checkbox"/> Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF <input type="checkbox"/> Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank <input type="checkbox"/> Copy of notification as a public financial institution <input type="checkbox"/> FIRC <input type="checkbox"/> Copy of IRDAI registration certificate <input type="checkbox"/> Intimation of being part of the same group <input type="checkbox"/> Certified true copy of Power of Attorney <input type="checkbox"/> Other, please specify
Date of Application	
LEI	
Signature of Authorised Signatory (may be signed either physically or digitally)**	

\* It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.

\*\* A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.

Note:

- (1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the Preliminary Placement Document and the Placement Document.
- (2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the Lead Manager.
- (3) The duly filed Application Form along with all enclosures shall be submitted to the Lead Manager either through electronic form at the email mentioned in the Preliminary Placement Document or through physical delivery at the address mentioned in the Preliminary Placement Document.
- (4) This Application Form, the Preliminary Placement Document sent to you and the Placement Document which will be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.