

Directors' Report

To,
The Members of
Techno Electric & Engineering Company Limited

Your Directors take pleasure in presenting the 15th annual report, along with the audited accounts of the Company, for the year ended 31st March, 2020.

FINANCIAL PERFORMANCE

Brief financial details of its EPC business and Power Generation business are provided below:

	(₹ in Lakhs)	
	Year ended 31st March 2020	Year ended 31st March 2019
Profit before finance cost and depreciation	26,111.86	30,837.43
Less : Finance Cost	604.98	1,227.18
Depreciation	4,152.35	4,182.32
Profit before tax	21,354.53	25,427.93
Provision for taxation	3,685.45	7,268.61
Profit after taxation	17,669.08	18,159.32
Balance brought forward from previous year	26,573.72	23,414.40
	44,242.80	41,573.72
Appropriations		
Transfer to general reserve	15,000.00	15,000.00
Transfer to Capital Redemption Reserve pursuant to buyback of equity shares	53.65	-
Transfer from OCI - Re measurement of defined benefit obligations	(0.61)	-
Surplus carried to balance sheet and OCI	29,189.76	26,573.72
	44,242.80	41,573.72

DIVIDEND

Your Directors have not recommended any dividend for the financial year ended 31st March, 2020 and decided to reinvest the same in the business of the Company.

RESERVES

Your Directors have proposed to transfer ₹ 15,000.00 lakhs to General Reserve for the year under review.

OPERATIONAL PERFORMANCE

During the year under review, your Company has registered and achieved turnover of ₹ 78,434.94 lakhs from EPC Business, ₹ 6,472.52 lakhs from the Energy Sale (Power) Business and also earned other operating revenue of ₹ 2,709.15 lakhs. The profit after tax was at ₹ 17,669.08 lakhs.

During the year 2019-20 the following projects were completed successfully:

1. Substation Package – SS02 for i) 765 kV Champa Pooling station, ii) Extension of 765/400 kV Dharmjaygarh Substation (including 1 no. 125 MVAR, 420 kV Bus Reactor), iii) 765/400 kV Raigarh (Kotra) Pooling Station (including 1 no. 125 MVAR, 420 kV Bus Reactor) under WRSS-18, iv) Extension of 765 Kv Indore station : v) 400 kV Rajgarh Substation (including 1 no. 63 MVAR, 420 kV Reactor) under Khargaon TPS & vi) Procurement of 1 No. 50 MVAR, 420 kV Spare Reactor along with associated NGR & SA at ITARSI substation.
2. Establishment of 230kV GIS bay-1 No.at PGCIL substation,Tirunelveli for SIEMENS Gamesha.

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| <p>3. Contract for commissioning of 1 No. of 230KV GIS Terminal Bay Expansion work at Tirunelveli – PGCIL of Vestas Wind Technology India Pvt. Ltd.</p> | <p>Power System Improvement Project.
i) 220/132/33kV New Shillong (New) GIS,
ii) 220/132kV Mawngap GIS (Upgrade), iii) 220kV Byrnihat AIS (Extn)].</p> |
| <p>4. Contract for Rural Electrification work of Dhanbad Package comprising of Dhanbad, Bokaro & Ramgarh District in Jharkhand State under Dindayal Upadhyay Gram Jyoti Yojna (DDUJY) of Jharkhand Bijli Vitran Nigam Ltd.</p> | <p>3. Installation, testing and commissioning of 400/220 kV, 7X167 MVA Substation at New Kohima associated with North Eastern Region Strengthening Scheme-VI (NERSS-VI) of Kohima-Mariani Transmission Limited.</p> |
| <p>5. Contract for Substation package-SS02 for (i) Ext. of 400kV (AIS) / 220kV(GIS) Gaya S/S (including 1 No. 500MVA ICT) & 400kV (GIS)/220kV (AIS) New Siliguri S/S associated with Eastern Region strengthening Scheme-XVII (Part-B) & (ii) Extn. of 400kV Kishanganj GIS under HEP's for Bhutan.</p> | <p>4. Substation Package –NAG-SS-01 including Transformer for (i) 132/33kV Longnak (New) s/s & (ii) 132/33kV Longleg (New) s/s under Transmission System for Nagaland State associated with NER Power System Improvement of PGCIL.</p> |
| <p>6. Contract for Rural Electrification work of Chatra Package comprising of Chatra Districts in Jharkhand State under Dindayal Upadhyay Gram Jyoti Yojna (DDUGJY) of Jharkhand Bijli Vitran Nigam Limited.</p> | <p>5. Procurement of Plant, Design, Supply, Installation, testing & commissioning of 500 kV Arghande (Kabul) Substation of Da Afghanistan Breshna Sherkat.</p> |
| <p>7. Contract for Supply, Erection of material /equipment for (i) 440/220kV Substation at Ramadugu, Karimnagar (ii) 2 Nos. 400kV Quad bays at 400/220/132kV Substation at Narsapur, Medak District on Turnkey basis of Transmission Corporation of Telangana Limited.</p> | <p>6. Contract for Construction of 2 nos. 400 kV GIS Line Bays for Termination of Jeerat (New) – Jeerat (WBSETCL) 400 kV D/C Line (ERSS XVIII), Construction of 2 nos. of 400 kV GIS Line Bays for Termination of Sagardighi TPS – Subhasgram PGCIL 400 kV S/C Line (ERSS XV A) and Modification of Termination Arrangement of 4 nos. 400 kV Existing Feeders at Jeerat 400 kV Substation (ERSS XV B), District – 24 Parganas (North) in State of West Bengal of WBSETCL.</p> |
| <p>8. Contract for 220kv Terminal Bay Extension of 1 Bay (Bay # 230) with Hybrid GIS at Existing 765/400/220Kv PGCIL Bhuj Substation for Alfanar Power Pvt. Ltd.</p> | <p>7. Contract for Construction of 220/132/33 KV (2x160 + 3x50) MVA, GSS at Asthawan, District Nalanda including Residential Quarters with Construction of 02 Nos. 220 KV Line Bays & 06 Nos. 132 KV Line Bays at remote end on Turnkey Basis under State Plan on turnkey basis under State Plan of Bihar State Power Transmission Co. Ltd.</p> |

The following projects are on-going and are in advance stage of completion and are expected to be completed as per schedule:

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| <p>1. On-Shore Supply, Service and Off-Shore contract for GIS Substation package ASM-SS04 under NER Power System Improvement Project – World Bank Funded: Intra-State-Assam of PGCIL.</p> | <p>8. Contract for unmetered consumer to metered consumer and New Connection to left over rural / urban household under ESSD at Nirsa, Tundi, Mukunda, Gobindpur, Hirapur, Barwadda & Chirkunda under Pradhan Mantri Sahaj Har Ghar Yojna</p> |
| <p>2. GIS Sub-station Package MEG-SS-02 for Meghalaya associated with NER</p> | |

- Saubhagya Scheme of Jharkhand Bijli Vitran Nigam Limited.

9. Contract for Construction of 132kV Substations and Transmission Lines with associated feeder bays in Western and Central MP (SOR Based) on total Turn-Key Basis of Madhya Pradesh Power Transmission Co. Ltd.

During the year, the Company was successful in bagging many prestigious orders, the major amongst them are:

1. Contract for Turnkey implementation of AMI for 2.0 lakhs (1 lakh in Jammu City + 1 lakh in Srinagar City) with 5 years FMS including O&M for Power Development Department (PDD) of Government of J&K under PMDP.
2. Contract for the work providing all services i.e. of Flue gas Desulphurization (FGD) system Package for Bokaro "A" Thermal Power Station, BTPS "A" (1x500 MW) located at Bokaro, Jharkhand.
3. Contract for AIS Substation Package-SS29 for 765/400kV Bhadla-II PS (Jodhpur) New S/S under Transmission Scheme for Solar Energy Zones in Rajasthan
4. Contract for 33/11KV Substation, Distribution Substation along with associated lines and related works in Srinagar Circle of Jammu & Kashmir under IPDS-Package-A.
5. Contract for 33/11KV Substation, Distribution Substation along with associated lines and related works in Srinagar Circle of Jammu & Kashmir under PMDP-Package-A.
6. Contract for Supply & Erection of materials /equipment with Mandatory Spares, Transportation including transit insurance on for Site basis of all the materials/equipment and auxiliaries in all respect on lumpsum turnkey basis for 765/400 kV Substation at Lakadia and 765kV bay extension at Bhuj in the state of Gujrat

7. Contract for Construction of 220 GIS Substations at Thalassery & Kunnamkulam on Turnkey Basis (KIIFB Funding).
8. Contract for Construction of 2 nos. 220kV bays at Nallalam, 2 Nos of 400 kV bays at Madakkathara and Automation & SCADA system at Madakkathara on Turnkey basis (PSDF Funding).
9. Contract for Substation Package SS01 for Transmission Line Associated with Intrastate Transmission projects of Uttar Pradesh - Construction of 400/220 kV Rampur & 400/220/132 kV Sambhal GIS Substation (Rampur & Sambhal Project) through tariff based competitive bidding (TCBC) route.
10. 160 MVA, 220/132/33 KV Power Transformer with Urja Techniques mark 100 KVA 33KV/400V Aux. cum Earthing Transformer at CESC Ltd for Princep Street Substation T-2.
11. Design, engineering, manufacturing, testing & supply of Materials / Equipment, transportation including transit insurance on FOTR site basis of all the material/equipment and auxiliaries in all respect on turnkey basis for 2 No. 765kV at Lakadia Substation under LBTL Package.
12. Contract for Engineering, Procurement & Construction of Extension of Kara Substation & NEW 161/20 KV Substation at Mango in TOGO.
13. Contract for Bay Extension of 440/220 KV Bay at CGPL, Mundra SS & extra bays at Lakhadia SS under JKTL.

MATERIAL CHANGES AND COMMITMENTS

No material changes have occurred subsequent to the close of the financial year of the Company to which the Balance Sheet relates and the date of this report that have any effect on the financial position of the Company.

SIGNIFICANT AND MATERIAL ORDERS BY REGULATORS

No significant and material orders have been passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL FINANCIAL CONTROL AND INTERNAL AUDIT

The Company has adequate internal financial controls in place to manage its affairs. Proper policies and procedures are adopted by the Company 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 and the same is reviewed at regular intervals depending upon the situation of the business of the Company.

To maintain its objectivity and independence, the Internal Audit function reports directly to the Chairman of the Audit Committee.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls.

The Audit Committee reviews the reports submitted by the Internal Auditors in its meeting.

SUBSIDIARIES & ASSOCIATES

Material Subsidiary

Your Company doesn't have any material subsidiary.

Non-material Subsidiary and Associates

Your Company has the following non-material non-listed subsidiaries namely:

Techno Infra Developers Private Limited;

Techno Green Energy Private Limited;

Techno Clean Energy Private Limited;

Techno Wind Power Private Limited;

Techno Power Grid Company Limited; and

Rajgarh Agro Products Limited.

Your Company doesn't have any associate.

The Annual Reports of the subsidiary companies are not attached to the Annual report; however, the same shall be made available to any member for inspection at the Registered Office / Corporate Office of the Company during working hours and at the website at www.techno.co.in. Relevant financial information of the Subsidiary/s has been disclosed in this Annual Report in compliance with the general circular.

OUTLOOK, OPPORTUNITIES

The Country and the People are badly affected by the COVID-19 Pandemic and nation-wide lockdown. Several restrictions were imposed which affected the movement of individuals and economic activities. The Power supply decreased drastically during the lockdown period mainly, because of the shutdown of the industrial and commercial activities. The demand for electricity remained low during the lockdown period and increasing at a slow speed post lockdown. This implies that the growth in electricity demand shall remain weak, thereby adversely impacting more the coal power plants as compared to other power generation sources.

One of the key concerns in the Indian power sector has been the poor financial health of the Power distribution companies (discoms) most of which are state-owned utilities. Outstanding dues of discoms towards power generation companies is a cause of concern, indicating financial stress in some discoms. Due to the lockdown and its further impact in the near term, the financial situation of discoms is likely to be aggravated.

Due to the impact of COVID-19, the capacity addition targets for various sources is likely to be adversely impacted in the short run as (i) construction activities were stopped during the lockdown and will take some time to return to normal, (ii) disruption in the indigenous and

global supply chain may lead to difficulties with the availability of key components leading to delay in execution of projects, and (iii) the revenue for companies may be reduced due to weak demand that may lead to availability of less capacity left for capital expenditure.

Further, the key reforms may be delayed that may also affect the Power Sector as a whole.

Techno Electric, being one of the leading EPC Company have also been impacted but have tried its best to minimise the impact on its business. Some project execution have been adversely affected and delayed which have resulted in delayed realisation of payments from customers. However, the Company is optimistic in its approach and prepared to overcome the unusual situation and will bounce back to normal.

LISTING OF SHARES

The equity shares of the Company are listed with BSE Limited and the National Stock Exchange of India Limited.

DIRECTORS

As on 31st March, 2020, the Board had Six Independent (Non-Executive) Directors including one Woman Independent Director, One Managing Director (Executive), One Whole-time Director (Executive) and One Non-Independent Woman Director (Non-Executive).

New Appointment

Ms. Dipali Khanna (DIN 03395440), was appointed as an additional Independent Woman Director by the Board with effect from 30th September, 2019 on recommendation of the Nomination and Remuneration Committee. In terms of Section 161 of the Companies Act, 2013, Ms. Dipali Khanna, who holds office up to the date of ensuing Annual General Meeting shall be appointed as an Independent Director by the Shareholders of the Company at the ensuing Annual General Meeting. Accordingly, the Board recommends the appointment of Ms. Dipali Khanna as an Independent Woman Director, for the approval by the shareholders of the Company.

Ms. Dipali Khanna who is about 67 years, has completed the Leadership Program from Harvard

Business School and also obtained Masters Degree in Science (National Security) from National Defence College and Masters Degree in History from Delhi University. She has also obtained the Certificate Course from Cost & Management accountancy ICWA, Delhi.

She had Forty years of varied work experience in renowned Government organisations, with an emphasis on assisting Ministries in sourcing capital from the Government and developing policies and regulations to enable enhanced participation of the private sector in government initiatives. Ms. Khanna is Independent Board Member in some reputed companies including M/s. Hindustan Aeronautics Limited.

She was also a Member of Kelkar Committee, Ministry of Defence for Public-Private Partnership in Defence production process.

Continuation as Independent Director

Pursuant to Section 149 and 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors Mr. Kotivenkatesan Vasudevan (DIN: 00018023), Mr. Samarendra Nath Roy (DIN: 00408742), Mr. Krishna Murari Poddar (DIN: 00028012) and Mr. Kadenja Krishna Rai (DIN: 00629937) who were above 75 years, were required to be appointed by the shareholders to continue as Independent Director, has been appointed by the Shareholders at the Annual General meeting held on 28th September, 2019.

DIRECTOR RETIRING BY ROTATION SEEKING REAPPOINTMENT

Ms. Avantika Gupta, Non-Independent Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and seeking re-appointment, be re-appointed by the shareholders. A brief profile of Ms. Avantika Gupta is given below:

Ms. Avantika Gupta, aged about 30 years residing at 2B, Hastings Park Road, Block - C, Alipore, Kolkata - 700027 is a Bachelor of

Science (Economics & Finance) with Minor in Accountancy and Creative Writing from Bentley University in Waltham, Massachusetts, U.S.A with financial and commercial knowledge and experience of more than 4 years.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are –

Mr. Padam Prakash Gupta, Managing Director,
Mr. Ankit Saraiya, Whole-time Director,
Mr. Pradeep Kumar Lohia, Chief Financial Officer;
Mr. Niranjana Brahma, Company Secretary and Compliance Officer.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Company has received Statement on declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which regulation shall be applicable on the Company. The declaration is attached with the report as a separate annexure.

MEETINGS OF DIRECTORS

Board Meeting

During the year 2019-20, five meetings of the Board of the Company were held. For details of the meetings of the Board, please refer to the corporate governance report, which forms part of this report.

Independent Directors Meeting

The Independent Directors of the Company had met on 8th February, 2020 to review the performance of Non-Independent Directors and the Chairperson of the Company, including overall assessment on the effectiveness of the Board in performing its duties and responsibilities. The Board comprises Members having expertise in Technical, Banking, Finance and Cost.

The Directors evaluate their performance and contribution at every Board and Committee Meetings based on their knowledge, experience and expertise on relevant field vis-s-vis the business of the Company.

Board Evaluation

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Directors' appointment and remuneration and other matters provided in section 178(3) of the Act is available on Company's website at www.techno.co.in.

NOMINATION AND REMUNERATION COMMITTEE AND POLICY

The Nomination and Remuneration Committee of the Board comprises three Directors as its members with one Independent Director as its Chairman. It has formulated the policy for appointment of Directors and Key Managerial Personnel and determination of remuneration including the criteria for determining qualification, positive attributes independence of a Director and other matters as provided under sub-section (3) of section 178 of the Companies Act, 2013. In terms of the Policy, the Non-Executive Directors and the Independent Directors shall not receive any remuneration, except the sitting fees for attending meetings of the Board and its Committees. During the year under review, the Committee had recommended on the appointment, terms and conditions of Ms. Dipali Khanna (DIN: 03395440) as an Independent Director.

The details of the committee including its role and responsibilities are given in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has in place a Corporate Social Responsibility (CSR) Committee comprising of two Independent Directors and one Non-Executive Director. The Committee acts as per the CSR policy which provides guidelines to conduct CSR activities of the Company. The CSR policy is available on the website of the Company at www.techno.co.in. During the year, the Company has spent ₹ 1,05,24,800 on CSR activities. The detail statement on CSR activities, in terms of Section 135 of the Companies Act, 2013 ('Act'), is annexed to this report.

RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee comprising of three Directors. The purpose of risk management committee of the Board of Directors shall be to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks. The committee

has overall responsibility for monitoring and approving the risk policies and associated practices of the Company.

The risk management committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures. The role and responsibility of the Risk Management Committee has been briefly mentioned in the Corporate Governance Report. The details of the committee including its role and responsibilities are given in the Corporate Governance Report.

VIGIL MECHANISM

The Company has established the vigil mechanism that provides a formal mechanism for all Directors, employees and vendors and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Company. The Vigil Mechanism comprises the Whistleblower policy which intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. The policy neither releases employees from their duty of confidentiality in the course of their work, nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the Listing Regulations, the Company has in place a dividend distribution policy. The object of the policy is to share profit of the Company with the shareholders appropriately and to ensure funds are available for the growth of the Company. The policy inter alia describes the circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy for utilisation of retained earnings and the parameters with respect to different classes of shares for declaration of dividend. The said policy shall be available at the Company's website at www.techno.co.in.

AUDIT COMMITTEE

The Company has an Audit Committee in place with four Directors as its members with one Independent Director as its Chairman. The details of the committee including its role and responsibilities are given in the Corporate Governance Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has in place a Stakeholders Relationship Committee comprising of three Directors with one Independent Director as its Chairman. The Committee meets once in every quarter to look after the Grievances of Stakeholders. The Company is also registered with SCORES (the investor compliant/grievance platform), to facilitate the stakeholders to register their complaints / grievances. The details of the committee including its role and responsibilities are given in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- a) That in the preparation of the annual accounts, the applicable Accounting Standards were followed, along with proper explanation relating to material departures;
- b) That the selected accounting policies are reasonable and prudent so as to give a true and fair view of the Company's state of affairs and profit at the end of the financial year, and applied them consistently;
- c) That proper and sufficient care was taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities;
- d) That the accounts for the period ended 31st March, 2020 is on a going-concern basis.
- e) That proper internal financial control has been laid down and followed by the Company and that such internal

financial controls are adequate and are operating effectively.

- f) That proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEPOSITS

The Company has not accepted any deposits from public or others during the year under review.

AUDITORS

Statutory Auditor

The present Auditors, M/s. Singhi & Co., Chartered Accountants who was appointed for 5 years from the financial year 2017-18, are eligible to continue as Statutory Auditors for the financial year 2020-21 and have conveyed their eligibility and willingness to continue.

The Auditors have audited the books of accounts of the Company for the Financial Year ended 31st March, 2020 and have issued the Auditors' Report thereon. There are no qualifications or reservations or adverse remarks or disclaimers of the Auditors mentioned in the said Report.

Secretarial Auditor

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board appointed M/s. Babulal Patni, practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2019-20 and their report is annexed to this report. There are no qualifications or reservations or adverse remarks or disclaimers in the said Report.

The Board has also appointed M/s. Babulal Patni as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2020-21.

Cost Auditors

In terms of Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of Mr. Saibal Sekhar Kundu as the cost auditors of the Company for the year ending 31st March, 2021.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company.

The Cost Audit for the year under review is conducted on time and the Report for the year ended 31st March, 2020 will be forwarded to the Central Government within the statutory time limit.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, as amended vide The Companies (Amendment) Act, 2017 (notified on 31st July, 2018) the extract of the annual return is placed in the web address of the Company at www.techno.co.in at the following link:

http://www.techno.co.in/public/uploads/1/2019-10/extract_of_annual_return.pdf

SHARE CAPITAL

The Company had proposed to buyback 26,82,400 Equity Shares of ₹ 2 each at a price of ₹ 410/- per share for a total consideration of ₹ 109,97,84,000 in accordance with the provisions of Section 68 of the Companies Act, 2013 read with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014 during the year year 2018-19 which was completed on 22nd April, 2019. Post Buyback of shares, the issued, subscribed and paid up capital was reduced to ₹ 22,00,00,000 divided into 11,00,00,000 equity shares of ₹ 2 each.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

A sum of ₹ 3,54,864/- being the unpaid / unclaimed dividend for the year ended 31st March, 2012 has been transferred to the Investor Education and Protection Fund on 10th October, 2019 and a sum of ₹ 5,82,900/- being the unpaid / unclaimed dividend for the year ended 31st March, 2011 which was due to be transferred on or before 1st November, 2018 but couldn't be transferred on due date due to technical issue in the MCA website relating to linking of the CIN with the name of the Company, post amalgamation, has been transferred to the Investor Education and Protection Fund on 11th October, 2019. The dividend for the year ended 31st March, 2013 that remains unpaid / unclaimed is due for transfer in the current year which can be claimed by 2nd September, 2020.

The Company has also transferred 6300 shares related to the year 2010-2011 and 10951 shares related to the year 2011-2012 on which the dividend has been remained unpaid/unclaimed for a continuous period of seven years to the Investor Education and Protection Fund in compliance with rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

PARTICULARS OF EMPLOYEES

During the year, no employee of the Company was in receipt of remuneration of or in excess of the amount prescribed under the Companies Act, 2013. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report.

BUSINESS RESPONSIBILITY REPORT (BRR)

A Business Responsibility Report ('BRR') in the prescribed format as required by Securities and Exchange Board of India ('SEBI') for the stakeholders is annexed to this report.

Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015 read with Circular No. SEBI/LAD-NRO/GN/2015-16/27 dated 22nd December, 2015, as advised by SEBI, the Integrated Reporting has also been adopted.

We have also provided the requisite mapping of principles between the Integrated Report, the Global Reporting Initiative ('GRI') and the Business Responsibility Report as prescribed by SEBI. The same is annexed on our Annual Report.

REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance and a Certificate from Mr. Amarendra Kumar Rai, Proprietor, Amarendra Rai & Associates, Membership No. F8575, C.P. No.9373, confirming compliance with the requirements of the Corporate Governance is annexed to this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT

The loans or guarantee given by the Company for loans taken by others are within the limits prescribed under Section 186 of the Companies Act, 2013 and have not made any investments beyond the limits prescribed under the aforesaid section during the year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into contract or arrangement with related parties during the year under review within the guidelines of its policy and the Act and has not entered into any contract or arrangement with related parties in violation of its policy or the Act. The business transactions entered into with related parties have been disclosed in the notes to the annual accounts which form part of the Annual Report.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. A Committee with one Independent Member Mr. Ajay Agarwal, who is a consultant on the subject, is in place for prevention and redressal of the grievances relating to sexual harassment. The Company organises workshop on regular intervals to spread awareness about the sexual harassment.

MANAGEMENT DISCUSSION AND ANALYSIS

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

SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors wish to express their gratitude to the stakeholders, various customers and their consultants, different government departments and the Company's bankers for their continued support to the Company. The Directors look forward to their support in future.

For and on behalf of the Board of Directors

Place: Kolkata,
Date: June 30, 2020

(P. P. Gupta)
Chairman