

**REPORT OF AUDIT COMMITTEE
OF
TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED**

MEMBERS

Mr. K. Vasudevan, Chairman (Independent)
Mr. K. K. Rai, Member (Independent)
Mr. S. N. Roy, Member (Independent)

IN ATTENDANCE

Mr. N. Brahma, Company Secretary

1. Background

The Company has placed before the Audit Committee a draft Scheme of Amalgamation ("Scheme") for the merger of the Company with Simran Wind Project Limited ("Simran") a wholly-owned subsidiary of the Company for recommendation of the Scheme by the Audit Committee to the Board taking into consideration, inter alia, the joint Valuation Report by Independent Chartered Accountants, in terms of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("the Circular").

In view of the above, members of the Audit Committee of the Company have perused and discussed the following documents:

- i) Draft Scheme of Amalgamation;
- ii) Valuation Report dated 23rd June, 2017 issued by P. K. Jaiswal & Co., Chartered Accountants;
- iii) Fairness Opinion Report dated 27th June, 2017 issued by M/s. SPA Capital Advisors Ltd., SEBI Registered Merchant Banker;
- iv) Certificate from Statutory Auditors of the Company on Accounting Treatment prescribed in the Scheme and Net-worth Certificate for Pre and Post Scheme;

2. Proposed Scheme of Amalgamation

The salient features of the Scheme are as under:

The Scheme provides for merger of the Company with Simran.

The Appointed Date for the Scheme is fixed as opening of business hours on 1st April, 2017

The Scheme provides for transfer of assets and liabilities pertaining to the Company on a going concern basis.


Upon the Scheme coming into effect, all equity shares of Simran held by the Company shall stand cancelled without any further application, act or deed and fresh equity shares in the proportion of 1:1 shall be issued and allotted by Simran to the existing shareholders of the Company as on the record date.


In terms of the scheme of amalgamation, the Company will be amalgamated with Simran, followed by the dissolution without winding up of the Company.

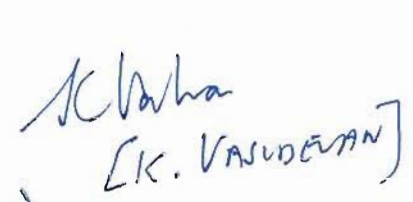
3. Recommendations of the Audit Committee:

The Audit Committee recommends the Draft Scheme for favourable consideration by the Board, Stock Exchange(s) and SEBI.

Date: July 06, 2017
Place: Kolkata


K. K. Rai


S. N. Roy


K. Vasudevan

