

REGISTERED OFFICE  
507 Eros Apartments, 56 Nehru Place  
New Delhi-110 019, India  
Tel : +91-11-26411931, 26415961  
Fax : + 91-11-26221521  
Email : info@technofabengineering.com  
CIN:L74210DL1971PLC005712



# TECHNOFAB ENGINEERING LIMITED

07 March 2017

**The National Stock Exchange of India  
Limited**

**Exchange Plaza, Plot No. C-1, G Block  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400051  
Symbol: TECHNOFAB**

**The BSE Limited**

**15<sup>th</sup> Floor, Phiroze Jeejeeboy Towers  
Dalal Street  
Mumbai – 400001**

**Security Code: 533216**

Subject: Intimation of Postal Ballot

Dear Madam/Sir,

This is to inform you that pursuant to Section 108 and 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company will conduct postal ballot for obtaining the approval of members for the resolutions as mentioned in the notice enclosed.

The Company has appointed Mr. Naresh Verma, Company Secretary in Practice (Membership No. FCS-5403) as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Further the Company is also providing its members facility to exercise their right to vote for the Postal Ballot by electronic means through e-Voting Services provided by Central Depository Services (India) Limited. The last date for receipt of duly filled and signed Postal Ballot Form is 7 April 2017. In respect of shareholders opting for e-voting mode as above, they should cast their vote online from 9:00 a.m. on 9th March 2017 till 5:00 p.m. on 7th April 2017. The result of the Postal ballot shall be announced on or before 9th April 2017 at the Registered Office of the Company and shall also be displayed on the Company's website [www.technofabengineering.com](http://www.technofabengineering.com) besides communicating to the Stock Exchanges on which the shares of the Company are listed.

In this connection, we attach herewith the following:

1. Notice of Postal Ballot;
2. Blank Postal Ballot Form; and

This is for your record and further dissemination.

**Thanking you,  
Yours Faithfully  
For Technofab Engineering Limited**

**Suman Kumar Verma  
Company Secretary**





Tel No.: +91-129-2270202 Fax No.: +91-129-2270201

**Registered Office :**

507, Eros Apartments, 56 Nehru Place,  
New Delhi-110019, India  
Tel No.: +91-11-26411931  
Fax No.: +91-11-26221521

**Corporate office:**

Plot 5, Sector-27C, Mathura Road  
Faridabad - 121 003, Haryana, India  
Email : cs@technofabengineering.com  
Website : www.technofabengineering.com  
**CIN: : L74210DL1971PLC005712**

**NOTICE OF POSTAL BALLOT AND E-VOTING**

Dear Members,

NOTICE is hereby given pursuant to section 110 of the Companies Act, 2013 read with Rule 22 of the Companies [Management and Administration] Rules, 2014 including any statutory modifications or re-enactments thereof [hereinafter referred to as "the Act"] and other applicable provisions, if any, that a resolution for appointment of Managing Director is proposed to be passed by Postal Ballot.

The Company is seeking your consent for the aforesaid proposals by way of Special Resolution as may be applicable in connection with the respective proposed resolution in compliance with the Act. The proposed resolution along with explanatory statement setting out the material facts and the reasons thereof are enclosed along with the Postal Ballot Form for your consideration. The attached Postal Ballot Form is to be used by the members for the purpose of exercising his/her vote in respect of the said resolution.

As required under Rule 20(3)(v) and Rule 22(3) of the Rules, advertisement for dispatch of notice and e-voting will be published in newspapers specifying the relevant matters therein.

**Electronic Voting [e-voting]:**

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (the "SEBI Listing Regulations") and provisions of Section 110 of the Act read with the Companies [Management and Administration] Rules, 2014, e-voting facility as an alternate is being provided to all the members which would enable them to cast their votes electronically instead of dispatching Postal Ballot Form. For the purpose, the Company has obtained the services of Central Depository Services [India] Limited ["CDSL"]. The detailed procedure for e-voting is enumerated in the instruction for shareholders voting electronically.

The Company has appointed Mr. Naresh Verma, Practicing Company Secretary as a Scrutinizer for conducting the Postal Ballot including e-voting process in a fair and transparent manner.

You are requested to peruse the proposed resolutions along with their Explanatory Statements and thereafter mark your assent or dissent by filling the necessary details and put your signature at the marked place in the Postal Ballot Form and return the same in the enclosed postage pre-paid business reply envelope, so as to reach the Scrutinizer on or before 5:00 p.m. on 7th day of April 2017 .

In respect of shareholders opting for e-voting mode as above, they should cast their vote online from 9:00 a.m. on 9th March 2017 till 5:00 p.m. on 7th April 2017 as per the instructions provided in Postal Ballot Form. Your assent / dissent received after 7th April 2017 would be strictly treated as if a reply from you has not been received. Upon completion of scrutiny of the Postal Ballot Forms, the Scrutinizer shall submit his report to the Chairman of the Company.

The result of the Postal ballot shall be announced on or before 9th April 2017 at the Registered Office of the Company and shall also be displayed on the Company's website www.technofabengineering.com besides communicating to the Stock Exchanges on which the shares of the Company are listed.

**SPECIAL BUSINESSES:**

**To pass with or without modification the following resolution as Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and all guidelines for managerial remuneration issued by the Central Government from time to time, subject to such other consent(s)/ approval(s) as may be required, consent be and is hereby accorded for reappointment of Shri Avinash C Gupta, who is of the age of 76 years, as Managing Director of the Company for a period of (3) three years with effect from April 1, 2017 on the terms and conditions including payment of remuneration as set out below:

- 1. Basic Salary:** Rs. 5.85 Lakh per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time, ensuring that any such revision shall be in compliance with Companies Act, 2013, taking into account the performance of the Company.
- 2. Housing:** Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof.
- 3. Medical Expenses:** Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.
- 4. Leave Travel Allowance:** For self and family, in accordance with Rules of the Company.
- 5. Club Fees:** Membership of Two Clubs in India (including admission and membership fee).
- 6. Entertainment:** Travelling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company.
- 7. Car & Telephone:** The Company shall provide car with driver and telephone at the residence of the Managing Director for business purposes of the Company.
- 8. PF Contribution:** Contribution to Provident Fund shall be as per the rules of the Company and applicable laws.
- 9. Gratuity:** Gratuity payable shall be as per rules of the Company and applicable laws.
- 10. Performance Incentive:** upto 2% of the net profit of the Company p.a. subject to the condition that total managerial remuneration during a financial year does not cross the threshold limit of 5% or 10% of the net profits of the Company, as the case may be, as per Section 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** in the event of no profit or the profits being inadequate in any financial year during the currency of tenure of his office, he shall be paid such salary, commission and perquisites not exceeding limits as set out in Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** in the event of no profit or the profit being inadequate in financial year of the Company during the currency of tenure of his office, the Company may pay salary, commission and perquisites to Shri Avinash C Gupta, in excess of limits as set out in Schedule V to the Companies Act, 2013, subject to approval of the Central Government at such conditions and modifications as may be prescribed by it while granting such approval and also subject to such other consents and approvals as may be required.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
3. Encashment of leave at the end of the tenure.

**RESOLVED FURTHER THAT** he shall be entitled to re-imbursment of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.

**RESOLVED FURTHER THAT** so long as Shri Avinash C Gupta functions as the Managing Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any committee thereof.

**RESOLVED FURTHER THAT** the Directors and Secretary of the Company be and are hereby authorized jointly or severally to do all such acts, matters, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors  
For Technofab Engineering Limited

Suman Kumar Verma  
Company Secretary  
M. No. F7409

Date: 7 March 2017  
Place: New Delhi

**Explanatory Statement to the accompanying Notice dated 7th March 2017**  
**[Pursuant to section 102 of the Companies Act, 2013]**

The term of office of Shri Avinash C Gupta, Managing Director of the Company is going to expire on 31st March 2017. In view of the foregoing, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, has at its Meeting held on 14th February 2017, approved the re-appointment of Shri Avinash C Gupta as Managing Director of the Company for a period of 3 years w.e.f April 01, 2017, on their existing remuneration and at the terms & conditions (as provided in the resolution) subject to the approval of shareholders in accordance with norms laid down in Sections 196, 197 and Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, herein after referred to as the "Act").

Mr. Avinash C. Gupta, 76 years, is the Chairman and Managing Director of the Company. The management team is led by him supported by two Whole-time Directors of the Company. He is a founder of the Company and has fifty (56) years of experience in the engineering industry. Mr. Gupta holds a Bachelor of Science degree from Punjab University. He has been associated with the engineering industry since 1960 and over the years has acquired experience in the planning and execution of electro mechanical contracts of a varied nature for projects in the areas of power, refineries, fertilizer, steel plants, ports, etc. Mr. Gupta spearheaded the Company and provides directions for growth and thereby established it to become amongst the leading engineering companies. The current age of Mr. Gupta is more than 70 years and the remuneration to be paid to him may also require the compliance of Schedule V of the Act. In view of the same, it has been decided to take approval of shareholders for the purpose of compliance of section 196(3) including Schedule V of the Act.

The statements pursuant to section II of Schedule V of the Act and Regulation 36(3) of SEBI (LODR) Regulations, 2015 are given in Annexure I & II of this statement.

The Board recommends Resolutions as set out in the Notice for approval of the Members.

None of the Directors and key managerial personnel or their relatives other than Shri Avinash C Gupta, Shri Arjun Gupta and Shri Nakul Gupta and their relatives are interested or concerned in the proposed resolutions as set out in the Notice.

**ANNEXURE-I TO THE NOTICE**  
**Statement Pursuant to Section II of Schedule V**

<b>I General Information</b>				
1.	Nature of Industry	The Company is in Construction & Engineering Industry		
2.	Date of expected date of commencement of production	Company was established in the year 1971 and had already commenced commercial production.		
3.	In case of new companies expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus.	Not Applicable		
4.	Financial Performance	Particulars	31.03.2016 Rs. In Million	31.03.2015 Rs. In Million
		Turnover	4631.08	4198.85
		PBT	161.45	122.00
		PAT	115.45	84.45
5.	Export Performance and Non Forex Collaborations.	For the year ended 31.03.2016 Foreign Exchange Earnings - Rs. 1142.82 Million Foreign Exchange Outgo - Rs. 653.91 Million		
6.	Foreign Investments of collaborators, if any	Not Applicable		

<b>II Information about the appointee.</b>		
1.	Background details	Shri Avinash C Gupta aged 76 years is the Founder & Chairperson of the Company and was re-appointed subject to approval by shareholders as Managing Director of the Company on April 01, 2017. He is Science Graduate and holds more than 56 years of experience in the field of Engineering & Construction business. Under his able leadership and guidance, the Company has been able to successfully come out with its IPO and has today become a multi location profit generating unit
2.	Past Remuneration	As provided in resolution.
3.	Recognition or awards	NIL
4.	Job Profile and his suitability	Shri Avinash C Gupta: Subject to Superintendence, direction and control of the Board of Directors, Shri. Avinash C Gupta is responsible for overall management and Head of all Divisions
5.	Remuneration Proposed	As mentioned in the resolution. There is no change in the remuneration. Consent of members is being taken for re-appointment. There is no enhancement in the remuneration payable to Directors.
6.	Comparative remuneration profile to industry, size of the Company, profile of the position and person	Commensurate with the size and the operations of the Company the profile of the appointees, the responsibilities shouldered on them and the industry bench marks, the remuneration proposed to be paid is reasonable to that of the similar other companies.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any.	Save and except Shri Avinash C Gupta, Shri Arjun Gupta and Shri Nakul Gupta being relatives, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out in the Notice.
<b>III Other Information</b>		
1.	Reasons of loss or inadequate profits:	The Company had to face many challenges during the financial year 2016-17, like huge purchase of new assets which were required to complete new projects. Increased finance cost & depreciation expenses as compare with the corresponding period of the previous fiscal year. Another bigger challenge before the Company was global downturn in Engineering & Construction business which was contributing significantly to erode the bottom line.
2.	Steps taken or proposed to be taken for improvement	The Company has acquired new projects and also developed new customers during the last financial year resulting in new business. The Company has also embarked on several yield improvement methods for improved profitability. The results of these steps and other initiatives will be seen in the coming years.
3.	Expected increase in productivity and profits in measurable terms	There are signs of revival in economic activity which should lead to improvement prospects of the company during the year.
<b>IV Disclosure</b>		
1.	Remuneration Package	As mentioned in the respective resolution
2.	Details to be furnished in pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015	Given under Annexure-II to the Notice

#### **ANNEXURE-II TO THE NOTICE**

Details of Directors seeking Re-appointment by way of postal ballot  
(In pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015)

{As on the date of issuance of Notice}

Name	Mr. Avinash Chander Gupta
Date of Birth	26 October 1940
Date of Re-appointment (Subject to approval by shareholders)	01 April 2017
Experience in Specific Functional Area	Wide Experience and renowned knowledge of Turnkey Projects, Design & Engineering
Qualification	B. Sc.
Relationship with other Directors	Mr. Avinash Chander Gupta is father of Mr. Arjun Gupta and Mr. Nakul Gupta, Whole-time Directors of the Company
Directorship in other listed companies	Nil
Chairman/Member in the Committees of the Boards of the other listed companies	Nil
No. of Shares held in the Company	3313096 Equity Shares of Rs. 10 each

**Notes:**

1. The Explanatory Statement as required under Section 102 of the Act stating all the material facts and the reasons for the proposal is already annexed hereto and forms part of the Notice.
2. The Notice is being sent to all the members by email/ registered post whose names appear in the Register of members/ list of Beneficial Owners as received from the National Securities Depository Services Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) or Registrar and Share Transfer Agent as at March 3, 2017, at their respective registered/ last known address. The Notice will be displayed on the website of the Company ([www.technofabengineering.com](http://www.technofabengineering.com)).
3. Members have the option either to vote through the e-voting process or through the postal ballot form.
4. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Members who have received the postal ballot notice by e-mail and who wish to vote through Postal Ballot Form, can download the Postal Ballot Form from the Company's website ([www.technofabengineering.com](http://www.technofabengineering.com)) or seek duplicate postal ballot form from the Company.
5. **The instructions for shareholders voting electronically are as under:**
  - (i) The voting period begins on 9:00 A.M. (IST) on 9 March 2017 and ends on 5:00 P.M. (IST) 7 April 2017. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 3 March 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## INSTRUCTIONS

1. A Shareholder desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form (no other Form or photocopy thereof is permitted) and send to the Scrutinizer, Mr. Naresh Verma, a Practicing Company Secretary, in the attached pre-paid, self-addressed business reply envelope. However, envelope containing Postal Ballot Form(s), if deposited in person or sent by courier or Registered / Speed Post at the expense of the Shareholder will also be accepted.
2. Members are requested to read “**SHAREHOLDER INSTRUCTIONS FOR E-VOTING**” in the Postal Ballot Notice in case he opts for e-voting.
3. The Scrutinizer will collate the votes downloaded from e-voting system and votes received through physical Postal Ballot to declare the final results for the resolutions placed for voting by the Company and the result will be declared on 9<sup>th</sup> April 2017.
4. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company / Depository Participants). In case of joint-holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder. In case Postal Ballot Form is signed through a Delegatee, a copy of Power of Attorney attested by the Member shall be annexed to the Ballot. The postal Ballot cannot be exercised by a proxy.
5. The consent must be accorded by recording the assent in the Column “ASSENT” and dissent in the Column “DISSENT” by placing a tick ( ✓ ) mark in the appropriate column in the Postal Ballot Form. The ASSENT or DISSENT received in any other form shall not be considered valid.
6. Duly completed Postal Ballot Form should reach the Company not later than Friday, 7<sup>th</sup> April 2017. All Postal Ballot Forms received after this date will be strictly treated as if reply from such Shareholder has not been received.
7. There will be only one Postal Ballot Form for every Registered Folio / Client ID, irrespective of the number of joint holder(s).
8. In case of Shares held by Companies, Trusts Societies etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of Board Resolution / Authorisation together with the specimen signature(s) of the duly authorized signatories.
9. A Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e. Friday, 7 April 2017.
10. Voting rights shall be reckoned on the paid-up value of Shares registered in the name of the Shareholder as on Friday, the 3<sup>rd</sup> March 2017.
11. Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
12. The Scrutinizer’s decision on the validity of the Postal Ballot will be final and binding.
13. Members are requested to fill the Postal Ballot Form in indelible ink and avoid filling it by using erasable medium(s) like Pencil. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected.
14. Any query in relation to the Resolution proposed to be passed by Postal Ballot including e-voting may be addressed to Mr. Suman Kumar Verma-Company Secretary & Compliance Officer, at the registered office of the Company.