

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

September 14, 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:- Information Update**

Dear Sir/Madam,

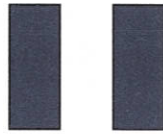
Technofab Engineering Limited is pleased to announce the attached information updates pertaining to the Financial Performance of the Company for the quarter ended 30 June 2017.

You are requested to take the note of the same in your records for the purpose of further dissemination.

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

**Suman Kumar Verma**  
Company Secretary  
M. No. F7409





## Information Update

Date: 14 September 2017

The Board of Directors of Technofab Engineering have approved the unaudited financial results for the quarter ending 30 June 2017 at its meeting held on 14 September 2017.

Brief highlights are given below:

### Financials

The Turnover (standalone) during the quarter was Rs. 83.39 Crores. This represents a drop of 17.06% in the corresponding quarter of the previous year. The PBT and PAT for Q1 ending 30 June 2017 was Rs. 2.22 Cr and Rs. 1.33 Cr respectively, which works out to 2.66% and 1.60% of turnover respectively. Both are virtually same as in the corresponding quarter of the previous year.

### Margins

The EBIDTA margins which have been slowly rising, maintained their upward trajectory and increased to 12.86% in Q1 FY18 (against 9.23 % during the preceding year). This is largely due to efficiencies brought about by improving various internal operations related to project management & execution activities resulting in a reduction in Cost of Goods and Services from 70.59% to 61.94% of respective quarter Turnovers.

### Order Book

On the back of securing an all-time high order intake of Rs. 940+ Cr in the previous year which was primarily from the Domestic Electrical sector, the Company increased its focus on the Domestic Water and International (Africa) markets. This has resulted in the Company achieving a current L1 position totaling to over Rs. 600 Cr split equally between the Domestic Water and International (Africa) markets. While the Company expects these bids to convert into orders in the near term, it has outstanding bids (bids under evaluation) totaling to over Rs. 3000 Cr excluding the L1 position.

The order back-log as of 1 July 2017 stands at Rs. 1650+ Crore, which the Company considers healthy. The sectorial breakup of the order book is as follows:

Water Supply & Treatment:	33%
Power & Industrial:	7%
Electrical (T&D & Sub-Station):	60%



## **Management Commentary**

The operational results for the quarter are below Management expectations / previous projection. Whilst having a good order book, the Company was not able to achieve the planned / projected turnover due to various factors including issues related to the onset of GST.

The Management believes that this drop in turnover may continue into the second quarter as well. However, given the healthy order book and L1 position, the current fiscal year should see decent growth relative to the turnover in FY 2016. The prospects – medium and long term are good. The Company also expects the EBIDTA margins to continue their upwards trend.

Apart from the profit foregone due to lower turnover, the pressure on out standings continues, and this is reflected in higher finance & interest charges.

## **Outlook on Fresh Business**

In addition to the Domestic opportunities in the Water and Electrical sectors, the Company is starting seeing some opportunities in the Power & Industrial sectors especially related to Air Pollution Control Systems and Waste-to-Energy Plants as new measures are being implemented by the Government to contain the menace of Air Pollution and Solid Waste.

Overseas, the Company continues to pursue opportunities in all sectors in sub-Saharan Africa and in nearby SAARC countries (the first success in SAARC having being achieved during the previous year), with particular focus on multi-laterally funded projects.

## **Out-standings**

There continues to be pressure on out-standings, the bulk of which are from the old Power and Industrial Sector jobs where formal closure of jobs that are virtually completed are getting deferred. Retention money accounts for a significant part of the out-standings.

## **Investors Con Call**

An investors Con Call has not yet been organized the date for which will be advised shortly.



**Arjun Gupta**  
**Whole-time Director**

