

**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

October 3, 2016

**The National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C-1, G Block  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400051

**The BSE Limited**  
15<sup>th</sup> Floor, Phiroze Jeejeeboy Towers  
Dalal Street  
Mumbai - 400001

Symbol: TECHNOFAB

Security Code: 533216

**Subject: Submission of Annual Report of the Company pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

In compliance with Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company duly approved and adopted in the 45<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September 2016 at Lok Kala Manch, 20 Lodhi Institutional Area, Lodhi Road, New Delhi 110003 as per the provisions of the Companies Act, 2013.

This is for your information and further dissemination.

Yours Faithfully

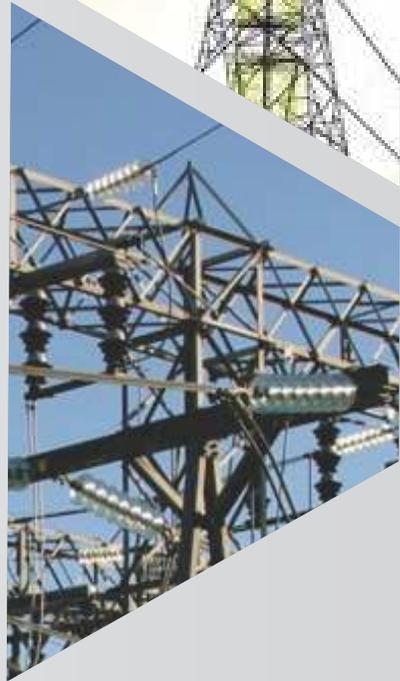
For Technofab Engineering Limited

**Suman Kumar Verma**  
Company Secretary & Compliance Officer  
M. No. F7409



Encl: As above.

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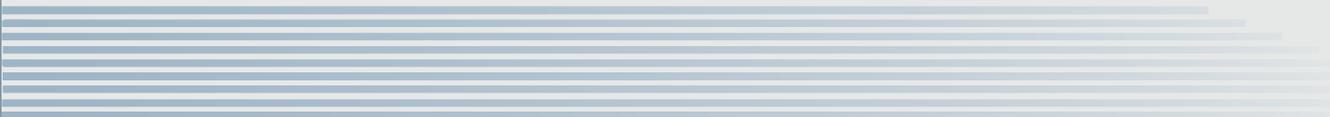


**TECHNOFAB ENGINEERING  
L I M I T E D**

An Engineering Procurement & Construction Company

EPC Services  
Thermal Power (BOP)  
Nuclear Power (BOP)  
Water & Waste Water  
Electrical Distribution/Substation  
Oil & Gas  
Industrial (BOP)

*Pursuit of Excellence Through Customer Satisfaction*



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## CORPORATE INFORMATION

### Board of Directors

Mr. Avinash Chander Gupta	Chairman and Managing Director
Mr. Arjun Gupta	Whole-time Director
Mr. Nakul Gupta	Whole-time Director
Mr. Arun Mitter	Independent Director
Mr. Pawan Chopra	Independent Director
Ms. Anju Banerjee	Independent Director

### Audit Committee

Mr. Arun Mitter	Chairperson
Mr. Pawan Chopra	Member
Ms. Anju Banerjee	Member
Mr. Arjun Gupta	Member

### CSR Committee

Mr. Avinash Chander Gupta	Chairman
Mr. Arjun Gupta	Member
Mr. Nakul Gupta	Member
Mr. Pawan Chopra	Member
Ms. Anju Banerjee	Member

### Stakeholder Relationship Committee

Ms. Anju Banerjee	Chairperson
Mr. Arun Mitter	Member
Mr. Pawan Chopra	Member

### Nomination & Remuneration Committee

Mr. Pawan Chopra	Chairperson
Mr. Arun Mitter	Member
Ms. Anju Banerjee	Member

### CIN

L74210DL1971PLC005712

### Bankers

Bank of India  
Bank of Baroda  
State Bank of Mysore  
AXIS Bank  
IDBI Bank Limited  
State Bank of Hyderabad

### Registered Office

507 Eros Apartments, 56 Nehru Place  
New Delhi-110019  
Tel: +91-11-26411931, 26415961  
Fax: +91-11-26221521  
Email: info@technofabengineering.com

### Corporate Office

Plot No 5, Sector-27C, Mathura Road  
Faridabad-121003, Haryana,  
Tel: +91-129-227-0202, 227-5310  
Fax: +91-129-227-0201  
Email: info@technofabengineering.com

### Subsidiary Companies

- Arihant Flour Mills Private Limited
- Woodlands Instruments Private Limited
- Rivu Infrastructural Developers Private Limited

### Registrar and Transfer Agent

**Link Intime India Pvt. Ltd.**  
44, Community Centre, 2<sup>nd</sup> Floor  
Naraina Industrial Area, Phase-I  
Near PVR Naraina  
New Delhi-110028

### Chief Financial Officer

Mr. Sandeep Kumar Vij

### Website

www.technofabengineering.com

### Statutory Auditors

Rajesh Suresh Jain & Associates  
Chartered Accountants,  
E-3/38, IInd Floor, Sector-7,  
Rohini, Delhi-110085

### Company Secretary & Compliance Officer

Mr. Suman Kumar Verma

### Investor Services E-Mail ID

investors@technofabengineering.com

## CHAIRMAN'S MESSAGE

### Dear Shareholders

It gives me great pleasure to welcome you to our Company's 45<sup>th</sup> Annual General Meeting.

After four relatively depressed years marked by a slowdown in investments in most of the sectors we serve, early signs of an upturn are now visible. Starting in the second half of FY 2016, there has been a significant increase in domestic bidding opportunities. This however is yet to translate into orders, in part because these opportunities are driven by public investment and are therefore accompanied by a longer gestation, and partly because of increased intensity of competition. Moreover private investment has still not picked up and most of the public investment enquiries we are receiving are largely relating to just two sectors, viz. the Electrical and the Water Sectors. Clearly there is still much way to go for a sustained improvement.

Nevertheless I am gratified to see that the sense of the following paragraph from my message last year has been, to an extent, validated

*The views of pundits seem to be that with the fiscal deficit getting contained and current account deficit being in control, the ground work for fresh investment has to a great extent been laid. There seems to be signs of public investments picking up and private sector investment is also soon expected to pick up.*

Our operating results for FY 2016 have shown a distinct improvement and this trend is expected to continue.

This improvement is facilitated not only by upwards business trends but also the organisational strengthening we have undertaken during the recent lean years.

While for the time being, the Power and Industrial sectors continue to be depressed, some of the fundamental constraints have been ironed out. The next wave of investment in the Power sector may not be far away and will be driven by the need to replace older polluting capacity which has outlived its life and is inconsistent with environmental obligations, by newer larger sized units adopting the latest technologies. When this happens the current operating improvements should get a significant further impetus.

Thank You

Avinash C Gupta  
Chairman and Managing Director

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Fifth Annual General Meeting of the members of Technofab Engineering Limited will be held on Friday, the 30<sup>th</sup> day of September 2016 at 10:30 A.M. at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi - 110 003 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - (a) the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2016 and the report of Board of Directors and Auditors' Report thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2016 together with report of Auditor's thereon.
2. To appoint a Director in place of Mr. Nakul Gupta (DIN: 00012106) who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s Rajesh Suresh Jain & Associates, Chartered Accountants (FRN: 017163N) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

### SPECIAL BUSINESS

4. **To avail corporate guarantee and security from M/s Arihant Flour Mills Private Limited and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

**"RESOLVED THAT** pursuant to Section 188 of the Companies Act 2013, and other applicable provisions of the Companies Act, 2013 read with Rules made there under, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent be and is hereby accorded to the Board of Directors of the Company including Management Sub-Committee thereof to avail from M/s Arihant Flour Mills Private Limited, wholly owned subsidiary of the Company:

- (i) Corporate guarantee, from time to time, in favour of various banks for securing the credit

facilities upto an amount of ₹ 1500 Crore granted by them to the Company whether under consortium arrangement or otherwise and in such form and manner as may be required by the bank(s); and

- (ii) Security in the form of immovable property situated at 161, RIICO, Neemrana phase-II, District-Alwar, Rajasthan in favour of various banks, from time to time, for securing the credit facilities upto an amount of ₹ 1500 Crore granted by them to the Company whether under consortium arrangement or otherwise and in such form and manner as may be required by the bank(s);

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

5. **To avail corporate guarantee and security from M/s Woodlands Instruments Private Limited and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

**"RESOLVED THAT** pursuant to Section 188 of the Companies Act 2013 (the "Act"), and other applicable provisions of the Act read with Rules made there under, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent be and is hereby accorded to the Board of Directors of the Company including Management Sub-Committee thereof to avail from M/s Woodlands Instruments Private Limited, wholly owned subsidiary of the Company:

- (i) Corporate guarantee in favour of various banks for securing the credit facilities upto an amount of ₹ 1500 Crore granted by them to the Company whether under consortium arrangement or otherwise and in such form and manner as may be required by the bank(s); and
- (ii) Security in the form of immovable property situated at Plot No. 12A, Sector-27 C, Faridabad,

Haryana in favour of various banks for securing the credit facilities upto an amount of ₹ 1500 Crore granted by them to the Company whether under consortium arrangement or otherwise and in such form and manner as may be required by the bank(s);

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

**6. To give approval to various transactions with Techfab Systems Private Limited and Techfab International Private Limited and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

“**RESOLVED THAT** pursuant to Section 188 of the Companies Act 2013 (the “Act”), and other applicable provisions of the Act read with Rules made there under, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent be and is hereby accorded to the Board of Directors of the Company, including Management Sub Committee thereof, to enter in to contracts and/or arrangements with the following related parties with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind, availing or rendering of any services or any other transaction of whatever nature:

**Name of the Related Parties**

1. Techfab International Private Limited
2. Techfab Systems Private Limited

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

**7. To approve the Issue of Equity Shares of the Company by way of private placement to**

**Qualified Institutional Buyers for upto extended period i.e. upto one year from the date of passing this resolution and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof for the time being in force), the Companies (Prospectus and Allotment of Securities) Rules, 2014, all other applicable rules under the Companies Act, 2013, Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time (the “SEBI Regulations”), the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations 2004, as amended from time to time, and the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with each of the stock exchanges where the equity shares of face value of ₹ 10 each of the Company (the “Equity Shares”) are listed, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant and subject to requisite approvals, consents, permissions and/or sanctions of the Securities and Exchange Board of India (“SEBI”), the stock exchanges, the Foreign Investment Promotion Board, the Reserve Bank of India, the Ministry of Finance, the Ministry of Commerce and Industry and such other ministries / departments of the Government of India, and all such other authorities or institutions as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction, the proposal to create, offer, issue and allot from time to time, in one or more tranches, in the course of domestic/international offerings, with or without an over-allotment option, whether rupee denominated or denominated in foreign currency, such number of Equity Shares of the Company, (collectively referred to as “Securities”), for up to an aggregate amount of ₹ 100 Crore (or equivalent thereof in one or more foreign currency), inclusive of premium that may be fixed on such Securities

to be issued to qualified institutional buyers (as defined under the SEBI Regulations), (hereinafter referred to as the "Investors") whether shareholders of the Company or not, pursuant to a qualified institutions placement under chapter VIII of the SEBI Regulations at such price, being not less than the price determined in accordance with the pricing formula specified under the SEBI Regulations (or such other formulae as may be prescribed by SEBI) or such lower price as may be permissible under the SEBI Regulations or notifications, considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s), be and is hereby approved.

**RESOLVED FURTHER THAT** such Securities shall be fully paid up and the allotment of such Securities shall be completed within 12 months from the date of the shareholders resolution approving the proposed qualified institutional placement of Equity Shares or such other time as may be allowed by the SEBI Regulations from time to time.

**RESOLVED FURTHER THAT** the Equity Shares so issued shall rank pari-passu in all respects including entitlement to dividend with the existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** pursuant to Regulation 85(1) of the SEBI Regulations, the Board be and is hereby authorized to, at its absolute discretion, offer a discount of not more than 5% to the price calculated in accordance with the pricing formula provided under chapter VIII of the SEBI Regulations or such other discounts as may be permitted under the applicable laws.

**RESOLVED FURTHER THAT** in pursuance of the aforementioned resolutions:

- a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- b) the relevant date for the determination of applicable price for the issue of the Securities shall be as per the regulations prescribed by the Securities and Exchange Board of India, the Reserve Bank of India and Government of India through its various departments or any other regulator and the pricing of any Equity Shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations and such price shall be subject to appropriate

adjustments in the applicable rules/regulations/statutory provisions.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board including (QIP committee constituted by it) be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to, finalization and approval of the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of Investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue, if any, rate of interest, redemption period, listings on the stock exchanges, execution of various transaction documents, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit.

**RESOLVED FURTHER THAT** subject to the applicable law, the Board be and is hereby authorized to form a committee or delegate all or any of its powers to any Director(s) or Committee of Directors / Company Secretary / other persons authorized by the Board to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alteration(s) or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Securities."

8. **To approve creation of charges under Section 180(1)(a) on the assets of the Company, both present and future, in respect of borrowings and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and in terms of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to create such charges, mortgages

and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the aforementioned Loans for which the

charge is to be created on fund based and non-fund based borrowings of the Company, shall not, at any time exceed ₹ 1500 Crores (Rupees One Thousand and Five Hundred Crores) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized and empowered to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

Registered office:  
507, Eros Apartments,  
56, Nehru Place  
New Delhi – 110019,  
CIN: L74210DL1971PLC005  
Email: info@technofabengineering.com

**By order of the Board of Directors  
For Technofab Engineering Limited**

**Suman Kumar Verma  
Company Secretary**

**New Delhi  
2<sup>nd</sup> September, 2016**

**Notes:**

- 1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting” or “AGM”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, in order to be effective however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**
- 2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share transfer books of the Company shall remain closed from

24<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive).

5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. As a part of Green Initiative, soft copy of the Annual Report 2015-16 is being sent to all the members whose email address(es) are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same and physical copy to those shareholders whose email ids are not available with Company.
7. As per Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, details in respect of the Directors seeking re-appointment at the AGM, is separately annexed hereto. The Directors seeking re-appointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as required under Section 164(2) of the Companies Act, 2013 and other requisite declarations for their appointment / re-appointment.
8. Members wishing to claim dividend, which remain unclaimed are requested to correspond with Registrar and Share Transfer Agent of the Company, Members are requested to note that the dividends

not claimed within seven years from the date of transfer to the companies unpaid dividend account, will as per Section 124 of Companies Act, 2013 be transferred to the Investor Education and Protection Fund.

9. In case you have any query relating to the Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of AGM so as to enable the management to keep the information ready for replying at the meeting.
10. Members may note that the Notice of Forty Fifth Annual General Meeting, Attendance Slip, Proxy Form, Route Map, and the Annual Report for the year 2015-2016 will also be available on the Company's Website [www.technofabengineering.com](http://www.technofabengineering.com) for their download.
11. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of the Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same, by post for free of cost. For any communication, the shareholders may also send request to the Company's investor email id [investors@technofabengineering.com](mailto:investors@technofabengineering.com)
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Pvt. Ltd.
13. Members are requested:
  - a. To notify the change of address, if any, to the Company immediately.
  - b. Members who have not registered their e-mail addresses so far as are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
  - c. To carry along their copy of the Annual Report at the AGM for ready reference.

- d. To produce at the entrance the enclosed attendance slip duly completed and signed for admission to the meeting place.

#### 14. Voting through electronic means

- I. Pursuant to the provisions of Section 108 and other applicable Provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS2), issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- II. The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of CDSL as the Authorized Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of the general meeting).
- III. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 23<sup>rd</sup> September 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through ballot paper.
- IV. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- V. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

- VI. The Board of Directors have appointed Mr. Naresh Verma, Practising Company Secretary, (Membership No. FCS 5403), as the Scrutinizer to scrutinize the e-voting process.
- VII. The cut-off date for the purpose of voting (including remote e- voting) is 23<sup>rd</sup> September, 2016.
- VIII. Members are requested to carefully read the instructions for remote e-voting before casting their vote.

**The ‘Step-by-Step’ procedure and instructions for casting your vote electronically are as under:**

- I. The remote e-voting facility will be available during the following period after which the portal shall forthwith be disabled and shall not be available:

<b>Commencement of remote e-voting</b>	<b>09:00 a.m. (IST) on 27<sup>th</sup> September, 2016</b>
<b>End of remote e-voting</b>	<b>05:30 p.m. (IST) on 29<sup>th</sup> September, 2016</b>

During this period, shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23<sup>rd</sup> September, 2016 may cast their vote electronically.

- II. Log on to the e-voting website:  
[www.evotingindia.com](http://www.evotingindia.com)
- III. Click on “Shareholders” tab.
- 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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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 reach directly 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 also to be 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 Technofab Engineering Limited 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 changed 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.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity 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, 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).

## 15. Poll at the Meeting

After the items of the Notice have been discussed, the Chairman will order poll in respect of the items. Poll will be conducted under the supervision of the scrutinizer appointed for remote e-voting and poll as stated above. A person, whose name is recorded in the register of members or in register of beneficial owners maintained by the depositories as on the cut-off date of 23<sup>rd</sup> September, 2016 and who have not casted their vote by remote e-voting, and being present in the AGM, either personally or through proxy, only shall be entitled to vote at the AGM.

16. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date being Friday, 23<sup>rd</sup> September, 2016.
17. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting, and thereafter unblock the vote cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will make, not later than 3 days of the conclusion of AGM, i.e. on or before 1<sup>st</sup> October, 2016, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company, who shall countersign the same and the Chairman, shall declare the result forthwith.

18. The Scrutinizer's decision on the validity of the vote shall be final and binding.
19. The result declared along with the Scrutinizer's report shall be placed on the website of the Company (www.technofabengineering.com) immediately after the result is declared and shall simultaneously be forwarded to the Stock Exchanges where the Company's shares are listed.
20. The resolutions will be deemed to be passed on the AGM date subject to receipt of requisite number of votes in favour of the resolutions.
21. Route Map with respect to the venue of Annual General Meeting is appearing elsewhere in this Notice.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013 ("the Act")**

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

##### **Item No. 4 & 5**

In order to meet working capital requirements for the projects, the Company has been enjoying credit facilities in the form of fund based and non fund based limits from various banks under consortium arrangement or otherwise. Currently, the Company has total credit facilities to the extent of ₹ 859 Crore under consortium arrangement in which Bank of India is a lead member. In view of the current and future business growth of the Company, the existing credit facilities are required to be enhanced. However in order to secure the enhanced credit facilities to be availed from the Banks, the Board of Directors has decided to offer additional/ collateral securities and guarantees from M/s Arihant Flour Mills Private Limited and M/s Woodlands Instruments Private Limited, the wholly owned subsidiaries of the Company as detailed in the draft resolutions mentioned in the notice in item nos. 4 & 5.

Pursuant to the provisions of Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 (collectively referred to as the "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the related party transactions as prescribed there under, the Company is required to obtain prior approval of the Board of Directors and subsequently that from the Shareholders of the Company by way of Special Resolution in case the value of the related party transactions exceeds the stipulated thresholds prescribed under the Act or turn out to be

material related party transaction as stipulated under the Listing Regulations.

In light of the above, it has been decided by the Board to obtain approval of shareholders by passing Special Resolutions detailed in the draft resolutions set out in the Notice in item nos. 4 & 5. It is worthwhile to mention that the Company will not pay any consideration to the wholly owned subsidiaries of the Company viz. M/s Woodland Instruments Private Limited and M/s Arihant Flour Mills Private Limited for availing corporate guarantee and security for the purpose of securing the credit facilities upto the extent of ₹ 1500 crore to be availed by the Company.

The particulars of the Related Party Transactions, which are required to be stated in the Explanatory Statement, as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

*The Particulars of the contracts/ arrangements/ transactions with respect to Item No. 4 are as under.*

Sl. No.	Particulars	Information
1	Name of Related Party	Arihant Flour Mills Private Limited
2	Name of Director(s) or Key Managerial Personnel who is related	None
3	Nature of Relationship	Wholly owned subsidiary of Technofab Engineering Limited
4	Material terms of Contracts/ arrangements / transactions	To avail from Arihant Flour Mills Private Limited corporate guarantee and security in the form of immovable property situated at 161, RIICO, Neemrana phase-II, District-Alwar, Rajasthan.
5	Monetary Value	Nil
6	Are the transaction on an arm length basis	N.A.

7	Whether the transaction have been approved by Audit Committee and Board of Directors	Yes
8	Any other information relevant or important for the members to make a decision on the proposed transaction	The above transaction would be helpful to the Company for getting the Credit Facilities renewed/revised.

8	Any other information relevant or important for the members to make a decision on the proposed transaction	The above transaction would be helpful to the Company for getting the credit facilities renewed/ revised.
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The Particulars of the contracts/arrangements/transaction with respect to Item No. 5 are as under.

Sl. No.	Particulars	Information
1	Name of Related Party	Woodland Instruments Private Limited
2	Name of Director(s) or Key Managerial Personnel who is related	None
3	Nature of Relationship	Subsidiary of Technofab Engineering Limited
4	Material terms of Contracts/ arrangements/ transactions	to avail from Woodlands Instruments Private Limited corporate guarantee and security in the form of immovable property situated at Plot No. 12A, Sector-27 C, Faridabad, Haryana.
5	Monetary Value	Nil
6	Are the transaction on an arm length basis	N.A.
7	Whether the transaction have been approved by Audit Committee and Board of Directors	Yes

#### Item No. 6

In view of the nature of business of the Company and those of its two group companies viz. M/s Techfab International Private Limited and M/s Techfab Systems Private Limited (hereinafter collectively referred to as the "Related Parties"), there is a possibility of entering in to contracts and/or arrangements with the Related Parties by the Company with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing or property of any kind, availing or rendering of any services or any other transaction of whatever nature and such transactions may also exceed the threshold prescribed under the Companies Act, 2013 read with rules prescribed there under or happen to be a material related party transaction within the meaning of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In anticipation of the above circumstances, the requisite Special Resolution is proposed for the approval of the members. The Resolution has been approved by the Audit Committee and Board of Directors of the Company subject to the company passing a Special Resolution as per the requirement of the Act. The members who are interested in the resolution are not entitled to vote at the meeting.

The particulars as to the related party transactions are furnished below as per the requirements of the prescribed rules and the grounds for having the transactions.

<b>I. Name of Related Party</b>	<b>Techfab Systems Private Limited</b>
Name of the Director/ KMP who is related, if any	All Promoter and Promoter Group
Nature of relationship	Interested as Director / Relative / Companies in which they are Directors
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	To meet the qualification in terms of technical criteria, some tenders can only be bid in a consortium arrangement. Therefore it is required to enter into consortium agreement for placing bid etc.
Tenure of Contract	The Contract would be for a period of 5 years with effect from the date of AGM.
Any other information relevant or important for the members to take decision on the proposed resolution	The above transactions with the Company to be entered would be economical and beneficial to the Company in long run.
<b>II. Name of Related Party</b>	<b>Techfab International Private Limited</b>
Name of the Director/ KMP who is related, if any	All Promoter and Promoter Group
Nature of relationship	Interested as Director / Relative / Companies in which they are Directors
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	To meet the qualification in terms of technical criteria, some tenders can only be bid in a consortium arrangement. Therefore it is required to enter into consortium agreement for placing bid etc.
Tenure of Contract	The Contract would be for a period of 5 years with effect from the date of AGM.
Any other information relevant or important for the members to take decision on the proposed resolution	The above transactions with the Company to be entered would be economical and beneficial to the Company in long run.

#### Item No. 7

The Company vide its Postal Ballot Notice dated 20<sup>th</sup> January 2016 had obtained approval from shareholders by way of passing special resolution dated 2<sup>nd</sup> March 2016 for issue of equity shares of the Company by way of private placement to Qualified Institutional Buyers upto an amount of ₹ 100 Crore. As per Regulation 88 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company is required to complete the process of allotment under qualified institutional placement ("QIP") within a period of twelve month from the date of passing resolution. In view of several factors including situation of the Company's business and market conditions, QIP may take place, if at all, only after several months. Keeping in mind such situation, the Board of Directors of the Company has decided to take fresh approval of shareholders for qualified institutional

placement for same amount and with the same terms and conditions so that the Company may get extension upto one year from the date of passing this resolution. The proceeds from the QIP may be used for all or any of the following:

- (i) Augment the working capital requirement of ongoing & future projects of the Company;
- (ii) To finance acquisitions for enhancement of qualification; and
- (iii) To diversify its activities in other areas within the scope of object clause of Memorandum of Association of the Company.

To meet the requirements for the above purposes and for other general corporate purpose, as may be decided by the board of directors (hereinafter called the "Board"

which expression shall include any committee of directors constituted / to be constituted by the Board) from time to time, it is proposed to seek authorization of the members of the Company in favour of the Board, without the need for any further approval from the members, to undertake the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIBs") in accordance with the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI Regulations") and Section 42 of the Act, as amended, as set out in the Special Resolution of the accompanying Notice.

In view of the above, the Board may, in one or more tranches, issue and allot Equity Shares for an aggregate amount not exceeding ₹ 100 Crore (Rupees One Hundred Crore only).

The pricing of the Equity Shares that may be issued to QIBs pursuant to SEBI Regulations shall be freely determined subject to such price not being less than the floor price calculated in accordance with Chapter VIII of SEBI Regulations. The Company may offer a discount of not more than 5% to the price calculated in accordance with the pricing formula provided under Chapter VIII of the SEBI Regulations or such other discounts as may be permitted under the applicable laws.

The price of Equity Shares to be issued, as may be decided by the Board, will be in accordance and compliance with the provisions of SEBI Regulations.

For reasons aforesaid, an enabling Special Resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalize the terms of the issue in accordance with SEBI Regulations. The Equity Shares issued pursuant to the offering would be listed on the Stock Exchanges on which the Company's existing Equity Shares are listed. The issue/allotment of Equity Shares would be subject to receipt of regulatory approvals, if any by the Company.

Section 62(1)(c) of the Act provides that, inter-alia, such further Equity Shares may be offered to any persons, whether or not such persons are existing holders of equity shares of the company as on the date of offer, by way of a Special Resolution passed to that effect by the members of the Company. Accordingly, consent of the members is being sought, pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act and in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 to issue and allot Securities as stated in the Special Resolution.

In connection with the proposed issue of Equity Shares, the Company is required, inter alia, to

prepare various documentations and execute various agreements.

Accordingly, it is also proposed to authorize the Board (including certain officers of the Company) to negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company.

The detailed terms and conditions of the issue will be determined by the Board in consultation with the lead manager(s) and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The Board recommend the Special Resolution set out to the accompanying Notice for approval of the members.

None of the directors, key managerial personnel of the Company or their relatives are, in any way, concerned or interested in the said Special Resolution, except to the extent of their equity holdings in the Company / Institution in which they are directors or members.

#### **Item No. 8**

Currently, the Board of Directors of the Company has authority to borrow money upto ₹ 1,500 Crore vide Special Resolution passed in the Annual General meeting held on 25<sup>th</sup> September 2014. Pursuant to such power of the Board of Directors, the Company from time to time avails loan/ credit facilities from Banks and Financial Institutions. The borrowings of the Company may, if necessary, be secured by way of mortgages, charges & hypothecation on the Company's movable immovable properties, present and future, in favour of the financial institutions and banks. In order to meet the requirement of the Banks/Financial Institutions, it is necessary for the Members to pass a special resolution for empowering the Board for creation of mortgages, charges and hypothecation to secure such borrowings.

Under the provisions of Section 180(1)(a) of the Companies Act, 2013 ("Act"), the Board of Directors of a Company can, with the consent of the Members obtained by a Special Resolution, create charge mortgage hypothecation on the Company's assets, both present and future, in favour of the lenders to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

In light of above, it is required to obtain approval of the Members under Section 180 (1)(a) by means of a Special Resolution, to enable the Board of Directors of the Company to create charge, mortgage, hypothecation on the Company's assets, both present and future, in favour of the lenders to secure the repayment of moneys

borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested

in the resolutions at item nos. 8 of the accompanying Notice.

The Board commends the Resolutions set out at Item Nos. 8 of the accompanying Notice for approval by the shareholders of the Company by a Special Resolution.

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT  
AT THE ANNUAL GENERAL MEETING**

<b>Particulars</b>	Mr. Nakul Gupta
<b>Date of Birth</b>	30/08/1971
<b>Date of last appointment</b>	01/04/2014
<b>Qualifications</b>	Bachelor of Science (Indiana)
<b>Expertise in specific functional areas</b>	Wide and varied experience in Finance & Banking
<b>Directorships held in other Public Companies (excluding foreign and private companies)</b>	NIL
<b>Memberships/Chairmanships of Audit and Shareholders Grievance committees across Public companies</b>	NIL
<b>Shareholding</b>	471264
<b>Relationships between Directors interse</b>	He is son of Mr. Avinash Chander Gupta, Chairman & Managing Director and brother of Mr. Arjun Gupta, Whole-time Director.

## BOARDS' REPORT

Dear Members,

The Directors have pleasure in presenting the Forty Fifth Annual Report on the business and operations of your Company along with the audited statement of accounts for the financial year ended 31<sup>st</sup> March 2016.

### FINANCIAL HIGHLIGHTS

The financial results of the Company for the year ended 31<sup>st</sup> March 2016 are summarized below:

Particulars	2015-16	2014-15
Revenue from Operations (Including Other Income)	4651.77	4221.12
Profit before Interest, depreciation and Tax (EBIDTA)	391.67	316.59
Less: Interest & finance charge	180.02	149.86
Less: Depreciation	50.19	44.73
Profit before Tax	161.46	122.00
Less: Tax Expense	46.00	37.55
Profit after Tax	115.46	84.45
Balance Brought Forward	650.97	586.52
Amount Available for appropriation	766.43	670.97
Transfer to General Reserve	25.00	20.00
Closing Balance in Statement of Profit & Loss	741.43	650.97

(₹ in Million)

### BUSINESS OVERVIEW AND FINANCIAL PERFORMANCE

A brief overview of the Company's business is given hereunder:

#### I. SECTORAL OVERVIEW

Though the Company has capabilities to undertake turnkey EPC Services across diverse sectors and geographies, two sectors have contributed to the vast majority of business and revenue, viz. the Water Sector and the Electrical Sector. The other sectors viz. the Thermal Power, Nuclear Power, Industrial, Oil & Gas had relatively low contribution.

This is merely a reflection of the continuing lack of investments in these sectors, a reversal of which would go a long way in enabling the Company to grow in a manner seen in the period 2008 to 2013.

Major customers during the year included, North Bihar Power Distribution Company, West Bengal State Electricity Distribution Company, Ministry of Water, Tanzania and South Bihar Power Distribution Company.

#### II. GEOGRAPHICAL SPREAD

The Company has continued to maintain a strong focus on geographical diversity. Apart from Sub Saharan Africa, the other geographies of interest are in Fiji and closer home in South Asia. During the year your Company continued to execute business secured in Ghana, Kenya, Liberia, Tanzania and Zimbabwe. Around a fifth of the Company's revenue came from overseas assignments.

Work on the project in Liberia which had to be suspended in August 2014 due to outbreak of Ebola resumed during the year and is progressing well.

One of the important multi laterally funded projects in the Water Sector being executed for the Ministry of Water, Tanzania has been completed and handed over to the Customer. Likewise another set of three funded projects through Crown Agents U K, spread over multiple locations in Zimbabwe have been completed and handed over.

At the same time the Company has recently commenced work on yet another multilaterally funded project in the Water sector in Uganda.

### III. FRESH BUSINESS SECURED

The company continued to put great emphasis on securing new business from existing as well as new customers and new geographies. The business conditions have been very difficult. In the first half of 2015-2016 there was a relative paucity of enquiries. In the later part of 2015-2016 there was a significant pick up. Though the Company could make substantial fresh bids, many customers have taken unusually long time in finalizing orders. The Company could secure fresh business of around ₹ 3305 Million during the year, and while this is clearly inadequate, the Company is well placed to benefit from the increased enquiries as well as the spillover of non finalized bids. The largest share of orders were received from the Electrical Sector followed by the Industrial and Water sector. There was no fresh business from the traditional Power Sector.

At present, the Company has outstanding proposals worth over ₹ 55 billion, 60% of which pertain to domestic business and the remaining overseas.

### IV. ECONOMIC AND BUSINESS OUTLOOK

For the fifth year in a row, the economic and business outlook in the country, for the sectors we serve, has been gloomy. Many of the customers continue to be financially stressed. Not only is there a delay in receiving payments, the standstill or slowdown on many of the projects means that retention money which is linked to project completion continues to pile up.

Concurrently the project pipeline in the Power, Nuclear and Industrial Sectors continues to be seriously impaired. As a result, the slowdown in enquiries and longer than normal gestation in converting enquiries to orders and orders to revenue, continue unabated.

Over a year ago there was an improvement in sentiment. However this improvement in sentiment has begun to translate into opportunities only in the second half of the year. Virtually all these opportunities arise out of government funding and is for investment in the Electrical and Water sectors, and private investment continues to be in the doldrums.

As far as the overseas market is concerned, the Company continues to maintain a strong focus particularly in sub Saharan Africa. While the Company largely pursues funded projects mainly in the water infrastructure, non funded projects are also pursued though with a degree of caution.

### V. STRATEGIC INITIATIVES

The Company continues to work on its ongoing strategic initiatives viz:

- Focus on improving efficiency through use of technology and organizational development;
- Focus on Quality;
- Employee welfare along with Training and development and
- Market diversity.

While continuing to adhere to its traditional practices, viz:

- the philosophy of “keep it simple”;
- to retain a lean, non hierarchical structure with an effective but simple, no frills office culture and
- maintain an informal, achievement oriented, merit and loyalty rewarding work atmosphere.

During the year, the Company set up a dedicated team focussed purely on closing out a large number of older projects which had been substantially completed and in operation by the respective Customers, but which lacked formal closure for a variety of reasons.

### QUALITY UP GRADATION

The Company secured ISO 9001 accreditation in 2007. This was a first milestone towards continuous quality enhancement. The Company believes that “Quality is a state of mind” and is committed to a continuous ongoing initiative in this direction. Internal audits are carried out regularly.

During the year the Company has been awarded the coveted ISO 14001 and OHSAS 18001 accreditation. The Company is committed “*To provide and maintain safe and healthy work environment for all personnel within the organization and to continually improve in safe working conditions to make incident free work zone*”. This has been possible due to the dedicated work put in by the team members and support provided by all the employees of the organization. The Company



has a bigger responsibility in ensuring safe working, eliminating hazards and in protecting the environment including reduction in Power and Paper consumption and managing proper disposal of construction and electronic wastes.

## FINANCIALS

On the financial front, the Company achieved a total revenue of ₹ 4,652 Million for the year ended 31<sup>st</sup> March, 2016 as against ₹ 4,221 Million for the previous financial year. This amounts to 10.21% increase over the previous year. The EBITDA at ₹ 390 Million increased by 23.7 % in comparison to the previous year. The profit after tax in the period under review was ₹ 115.46 Million as compared to ₹ 84.45 Million in the previous year, representing an increase of 36.72%.

The net worth of your Company, which has been steadily increasing, stands at over ₹ 2315 million as on 31<sup>st</sup> March 2016.

The financial results represent a satisfactory and steady acceleration of the positive trend seen in the previous year and, as in the previous year, has been achieved in the face of a continuing unfavorable business environment.

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the financial year 2015-16 have been prepared on the basis of audited financial statements of the Company and its subsidiary companies, as approved by their respective Board of Directors keeping in view the provisions of Section 129 of the Companies Act, 2013, Accounting Standards and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

## SUBSIDIARIES

As required under the first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, a separate statement containing the salient features of financial statements of all subsidiaries in Form AOC-1 is annexed with the financial statements and forms part of the Annual Report which covers the performance and financial position of the subsidiary companies.

The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member

desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of your Company ([www.technofabengineering.com](http://www.technofabengineering.com)).

The financial performance of each of the subsidiaries included in the consolidated financial statements of your Company is set out in the "Annexure [A]" to this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

As stipulated under Listing Regulations, the Management Discussion and Analysis for the period under review has been given separately and forms an integral part of this Report.

## DIVIDEND

The Board of Directors of the Company believe that the Company and investors long term interests are better served by conserving cash and recycling it in operations. Hence they have recommended that there be no dividend this year. The money so preserved would assist in ongoing operations.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE DATE OF END OF FINANCIAL YEAR AND THE DATE OF REPORT

No material changes and commitments affecting the financial position of the Company between the date of end of Financial Year and the date of Report have occurred between 31<sup>st</sup> March, 2016 as on the date of the report.

## TRANSFER TO RESERVES

It is proposed to transfer ₹ 25 Million which amounts to 21.66 % of the profits after tax, to the General Reserves of the Company.

## PUBLIC DEPOSITS

During the financial year 2015-16, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

## CORPORATE GOVERNANCE REPORT

In compliance with the provisions specified in Listing Regulations, a separate report on Corporate Governance along with the requisite certificate from the Statutory Auditors confirming compliance with the conditions of

Corporate Governance as stipulated under the aforesaid regulations forms an integral part of this Report.

### **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued there under and Part D of Schedule II as specified in the Listing Regulations, the Board of Directors has formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a Director and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

The Managing Director of your Company does not receive remuneration from any of the subsidiaries of your Company.

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in “**Annexure [B]**” to this report.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Board of Directors**

There is no change in the Board of Directors of the Company during the period under review.

#### **Re-appointment**

As per the provisions of the Companies Act, 2013, Mr. Nakul Gupta retires by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.

#### **Resignation**

Mr. Ashish Kapil had resigned from the office of Company Secretary and Compliance Officer of the Company with effect from 31<sup>st</sup> October, 2015.

#### **Induction**

The Board on recommendations of the Nomination and Remuneration Committee appointed Mr. Suman Kumar Verma as Company Secretary and Compliance Officer of the Company w.e.f. 1<sup>st</sup> November 2015.

### **ANNUAL PERFORMANCE EVALUATION OF BOARD AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and Listing Regulations, the Independent Directors at their separate meeting held on 17<sup>th</sup> March 2016 without participation of the Non-Independent Directors and Management, have considered and evaluated the Board's performance, performance of the Chairman and that of Non-Independent Directors. The Independent Directors in the said meeting have also assessed the quality, quantity and timeliness of the flow of information between the Company Management and the Board.

The Board in its meeting held on 27<sup>th</sup> May, 2016 have evaluated the performance of each of the Independent Directors without participation of the Director who was subject to evaluation.

The criteria for performance evaluation have been detailed in the Corporate Governance Report.

### **MEETINGS OF THE BOARD AND AUDIT COMMITTEE**

The details of the number of Board and Audit Committee meetings of your Company are mentioned in the Corporate Governance Report which forms part of this Report.

The Board of Directors have accepted all the recommendations made by the Audit Committee.

### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Act confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with Regulation 25 of the Listing Regulations.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2016, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as

to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March, 2016 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March, 2016;

- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **AUDITORS AND AUDITORS' REPORT:**

### **I. Statutory Auditors**

At the Forty Fourth Annual General Meeting (AGM) of the Company held on 25<sup>th</sup> September 2015, M/s. Rajesh Suresh Jain & Associates, Chartered Accountants (Firm Registration No. 017163N) were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the Forty Fifth AGM of the Company.

M/s. Rajesh Suresh Jain & Associates, Chartered Accountants, who retire at the ensuing AGM of the Company are eligible for re-appointment. The Company has received written consent and a certificate stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued thereunder.

The Audit Committee and the Board of Directors recommend the appointment of M/s. Rajesh Suresh Jain & Associates, Chartered Accountants, as the Statutory Auditors of the Company for the financial year 2016- 17 till the conclusion of the next AGM.

The Auditors' Report for the financial year 2015-16, does not contain any qualification, reservation or adverse remark.

## **II. Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Naresh Verma & Associates, Company Secretaries to conduct the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure [C]" to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in the prescribed format is annexed with this report and marked as "Annexure [D]" to this report.

## **RELATED PARTY TRANSACTIONS**

During the financial year 2015-16, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013, Rules issued there under.

The details of the related party transactions as required under Accounting Standard-18 read with Listing Regulations are set out in Note 2.26 to the standalone financial statements forming part of this Annual Report.

In accordance with Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in Form AOC-2 are attached as "Annexure [E]" to the Board's Report.

## **LOANS AND INVESTMENTS**

In accordance with Section 134(3)(g) of the Companies Act, 2013, the particulars of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## **RISK MANAGEMENT**

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company

periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

The Company, through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

The Board of Directors have already approved and periodically reviews the risk management policy and the risk appetite for the Company. There are no risks which in the opinion of the Board threaten the existence of the Company.

#### **WHISTLE BLOWER POLICY (VIGIL MECHANISM)**

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy (Vigil Mechanism) which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation 2015. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of the Company have been outlined in the Corporate Governance Report which forms part of this report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company has from time to time spending some money on social purposes on a voluntary basis. However from 1<sup>st</sup> April 2014 the Companies Act has made it mandatory for the Company to allocate 2% of the net average domestic profits for the last three years on social issues.

For this purpose your Company has constituted a sub-committee of the Board to approve the Corporate CSR policy and to oversee the expenditure. The Board of Directors approved the Corporate Social Responsibility (CSR) Policy for your Company Pursuant to the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, on the recommendations of the CSR Committee, The CSR Policy outlines the CSR vision of your Company and is set out herewith as "Annexure [F]" to this Report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out hereunder:

##### **I. Conservation of energy**

Though the operations of your Company do not consume high level of energy, adequate measures have been taken by the management to conserve energy to the extent possible through conservation measures. The Company is on a constant look out for newer and efficient energy conservation technologies and introduces them appropriately. As the cost of energy consumed by the Company forms a very small portion of the total cost, the impact of change in energy cost on total cost is insignificant.

##### **II. Technology absorption**

The company being engaged in the business of providing complete engineering, procurement and construction services for auxiliary / balance of plant systems on a complete turnkey basis, constant efforts are made to develop new products/systems to give trouble free service in its line of activities.

##### **III. Foreign exchange earnings and outgo**

Foreign Exchange Earnings - ₹ 1142.82 Mn  
Foreign Exchange Outgo - ₹ 653.93 Mn

#### **DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS**

The Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below:

The Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors.

#### **SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going



concern status of your Company and its operations in future.

#### **GENERAL**

- a) Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and
- b) Your Company does not have any ESOP scheme for its employees/Directors.

#### **INDUSTRIAL RELATIONS**

The Company enjoyed cordial relations with the employees during the year under review and the

Management appreciates the efforts and dedication shown by all employees of the Company in offering their support and expects their continued support for achieving higher level of productivity to enable meeting the targets set for the future.

#### **APPRECIATION**

The Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. They sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

**For and on behalf of Board of Directors**

**Avinash C Gupta**  
**Chairman & Managing Director**

Place : New Delhi  
Dated : 8<sup>th</sup> August 2016

**Annexure [A] to Boards' Report**
**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part A Subsidiary**

1.	Name of the subsidiary	Arihant Flour Mills Private Limited	Woodlands Instruments Private Limited	Rivu Infrastructural Developers Private Limited
2.	The date since when subsidiary was acquired	19 <sup>th</sup> September 2011	18 <sup>th</sup> September 2010	10 <sup>th</sup> February 2010
3.	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	1 April to 31 March	1 April to 31 March	1 April to 31 March
4.	Reporting currency and Exchange rate as on the last date of relevant Financial year in the case of foreign subsidiaries	₹	₹	₹
5.	Share capital:			
	Authorised share capital	6000000	5000000	1000000
	Paid up share capital	5822800	4730000	1000000
6.	Reserves and surplus	26202708	(1732040)	(3030924)
7.	Total assets	32502543	21785206	12619824
8.	Total Liabilities	32502543	21785206	12619824
9.	Investments	Nil	Nil	Nil
10.	Turnover	Nil	Nil	Nil
11.	Profit/(Loss) before taxation	(1387913)	(640226)	(20574)
12.	Provisions for taxation	5891	200	(36640)
13.	Profit/(Loss) after taxation	(1393804)	(640426)	16066
14.	Proposed Dividend	Nil	Nil	Nil
15.	Extent of shareholding (in percentage)	100%	100%	100%

**Notes:**

- Names of subsidiary which are yet to commence operations: **N.A.**
- Names of subsidiaries which have been liquidated or sold during the year: **N.A.**

### Part-B Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate or Joint Ventures	N.A.
1. Latest audited Balance Sheet Date	N.A.
2. Date on which the Associate or Joint Venture was associated or acquired	N.A.
3. Shares of Associate or Joint Ventures held by the company on the year end	N.A.
Number	N.A.
Amount of Investment in Associate or Joint Venture	
Extent of Holding (in percentage)	
4. Description of how there is significant influence	N.A.
5. Reason why the associate/ joint venture is not consolidated	N.A.
6. Networth attributable to shareholding as per latest audited Balance Sheet	N.A.
7. Profit or Loss for the year	N.A.
(i) Considered in Consolidation	
(ii) Not Considered in Consolidation	

#### Notes

- Names of associates or joint ventures which are yet to commence operations: **N.A.**
- Names of associates or joint ventures which have been liquidated or sold during the year: **N.A.**

**Annexure [B] to Boards' Report**

Details 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

Sl. No.	Particulars			
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a	Mr. Avinash C. Gupta, Chairman & Managing Director	26.14
		b	Mr. Arjun Gupta, Whole-time Director	23.74
		c	Mr. Nakul Gupta, Whole-time Director	23.74
		d	Mr. Pawan Chopra, Independent Director	1.04
		e	Mr. Arun Mitter, Independent Director	0.77
		f	Ms. Anju Banerjee, Independent Director	1.04
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a	Mr. Avinash C. Gupta, Chairman & Managing Director	0.00
		b	Mr. Arjun Gupta, Whole-time Director	101.4
		c	Mr. Nakul Gupta, Whole-time Director	101.4
		d	Mr. Pawan Chopra, Independent Director	11.97
		e	Mr. Arun Mitter, Independent Director	(9.60)
		f	Ms. Anju Banerjee, Independent Director	N.A.
		g	Mr. Sandeep Kumar Vij, Chief Financial Officer	34.37
		h	Mr. Ashish Kapil, Company Secretary (Upto 31 <sup>st</sup> Oct' 2015)	40.31
		i	Mr. Suman Kumar Verma, Company Secretary (w. e. f. 1 <sup>st</sup> Nov' 2015)	N.A.



(iii)	The percentage increase in the median remuneration of employees in the financial year.			5.52
(iv)	The number of permanent employees on the rolls of the company.			392
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average % age managerial remuneration increase has been 56.43 % while for others it is about 6.44 %. The Increase in Managerial Remuneration is mainly because of the relevant schedule of the companies Act, 2013  Directors Remuneration in case of inadequate profit. Increase in remuneration is based on Remuneration Policy of the Company that rewards people differentially based on their contribution to the success of the company and also ensures that external market competitiveness and internal relativities are taken care of.		
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.			

Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

(a) List of Top Ten Employees in terms of remuneration drawn during the year:

Sl. No.	Name of the Employee	Designation	Remuneration (₹ in Crore)	Qualification	Experience	Date of Joining	Date of Birth	Shareholding	Last Employment	Relationship with Director (if any)
1	Mr. Avinash Chander Gupta	Chairman & Managing Director	1.20	Bachelor of Science	55	Since Incorporation	26/10/1940	3313096	Gannon Dunkerley	Please see note below
2	Mr. Arjun Gupta	Whole-time Director	1.09	Bachelor of Engineering (USA)	23	01/01/1993	07/08/1970	432872	N. A.	
3	Mr. Nakul Gupta	Whole-time Director	1.09	Bachelor of Science (Indiana)	22	01/12/1994	30/08/1971	471264	N. A.	
4	Mr. Dharmesh Varshney	Associate Vice President	0.49	Bachelor of Engineering (Mechanical) Master of Science (Mechanical)	22	01/01/2011	30/05/1964	Nil	Nagarjuna Constructions Company Limited	No
5	Mr. Sandeep Kumar Vij	Chief Financial Officer	0.48	B.Com, M.com, CA, CS, LLB	21	18/03/2013	31/08/1971	Nil	egis Infra Management India Private Limited	No
6	Mr. Vijay Nagarajan	Executive Vice President	0.39	Mechanical Engineering	31	01/06/2006	26/07/1963	Nil	Srinidhi Engineering Limited	No
7	Mr. C. Lawrence	Chief General Manager	0.39	B.Tech (Chemical)	31	16/10/2006	30/08/1963	Nil	H. Young & Co. (EA) Limited, Kenya	No
8	Mr. Trilok Chandra	Chief General Manager	0.37	Diploma (Chemical), AMIE (Chemical)	31	19/02/2008	05/11/1962	400	Goyal MG Gases Private Limited	No
9	Mr. Sayyed Salim	Associate Vice President	0.36	Diploma, B.E. (Electrical)	29	06/08/2014	01/07/1961	Nil	Skipper Electricals (India) Limited	No
10	Mr. Ahmad Sajid Khan	Senior General Manager	0.31	B.Tech (Chemical), M.Tech	21	15/04/2013	25/08/1967	Nil	Tetra Tech India Limited	No

Note: Mr. Arjun Gupta and Mr. Nakul Gupta are sons of Mr. Avinash Chander Gupta

- (b) List of employees employed throughout the financial year 2015-16 and were paid remuneration not less than ₹ 1.02 Crore per annum or ₹ 8.50 Lakh per month if employed for the part of the years:

Name	Designation	Remuneration (₹ In Crore)	Qualification	Experience (Years)	Joining Date	Age	Last Employment
Mr. Avinash C Gupta	Chairman & Managing Director	1.2	Bachelor of Science	55	Since Incorporation	75	Gannon Dunkerley
Mr. Arjun Gupta	Whole-time Director	1.09	Bachelor of Engineering (USA)	23	01.01.1993	45	N.A.
Mr. Nakul Gupta	Whole-time Director	1.09	Bachelor of Science (Indiana)	22	01.12.1994	44	N.A.

**Notes:**

1. Mr. Avinash C Gupta is related to Mr. Arjun Gupta and Mr. Nakul Gupta, Whole-Time Directors of the Company.
2. The contractual terms of Mr. Avinash C Gupta are governed by the resolution passed by the shareholders in the 43<sup>rd</sup> AGM of the Company held on 25<sup>th</sup> September, 2014.
3. No other employee employed for the part of the year and was paid remuneration during the financial year 2015-16 at a rate which in aggregate was not less than ₹ 8.50 lakhs per month.
4. No employee was in receipt of remuneration which in the aggregate is in excess of that drawn by the Managing Director or whole-time director and holds by himself or along with his/her spouse and dependent children, not less than two percent of the equity shares of the company.

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**To,**

**The Members,  
Technofab Engineering Limited  
(CIN: L74210DL1971PLC005712)  
507, Eros Appt, 56 Nehru Place  
New Delhi – 110019**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Technofab Engineering Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Technofab Engineering Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Technofab Engineering Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015;
  - (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) \*The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 /Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 applicable with effect from 1<sup>st</sup> December 2015.

**\* No event took place under these Regulations during the Audit period.**

- vi. There are no specific laws applicable to Company as stated in ICSI guidance note on secretarial audit as per the Management representation letter.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by "The Institute of Company Secretaries of India";
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, and as per explanation and clarifications given to us and the representations made by the management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decision of the Board were unanimous and no dissenting views have been recorded.

**We further report that**, as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that**, no specific events / actions which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines standards etc. happened during the audit period:

For **NARESH VERMA & ASSOCIATES**  
**COMPANY SECRETARIES**

**NARESH VERMA**  
**FCS: 5403**  
**CP: 4424**

**Date: 8<sup>th</sup> August, 2016**  
**Place: Delhi**

Note: This report is to be read with our letter of even date which is annexed as Annexure- I and forms an integral part of this report.

**Annexure-I to Secretarial Audit Report**

To,

The Members,  
Technofab Engineering Limited  
507, Eros Appt, 56 Nehru Place  
New Delhi – 110019

Our report on even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **NARESH VERMA & ASSOCIATES**  
**COMPANY SECRETARIES**

**NARESH VERMA**  
**FCS- 5403; CP-4424**

**Date: 8<sup>th</sup> August, 2016**  
**Place: Delhi**

**FORM NO. MGT-9**
**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2016**

*[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

I	CIN	L74210DL1971PLC005712
II	Registration Date	20/07/1971
III	Name of the Company	TECHNOFAB ENGINEERING LIMITED
IV	Category / Sub-Category of the Company	Public Limited Company
V	Address of the Registered office and contact details	507, Eros Apartments, 56, Nehru Place, New Delhi- 110019;  Telephone : +91 -129-227-0202  Fax : +91-129-227-0201  Website : www.technofabengineering.com  Email : cs@technofabengineering.com
VI	Whether listed company	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime (India) Private Limited 2nd Floor, 44, Community Centre, Naraina Industrial Area, Phase – I, Near PVR, Naraina; New Delhi - 110028  Telephone : +91 11 4141 0592  Fax No. : +91 11 4141 0591  Website : www.linkintime.co.in  Email : delhi@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1.	Long-distance pipelines, communication and power line (cables) and Construction Services	99532414, 99532411, 99532412 99532622, 99532624, 99532904 99542323, 99542411, 99542412 99542414, 99542533, 99542535 99542538, 99542617	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Arihant Flour Mills Private Limited 507, Eros Apartments 56, Nehru Place New Delhi-110019	U51109DL1992PTC106029	Subsidiary	100%	2(87)(ii)
2	Woodlands Instruments Private Limited B-37, Nizamuddin East, New Delhi- 110013	U74220DL1996PTC078452	Subsidiary	100%	2(87)(ii)
3	Rivu Infrastructural Developers Private Limited Ground Floor, FC-29, Narayantala Road (West) Baguiati, VIP Road Kolkata- 700059	U32109WB2005PTC101800	Subsidiary	100%	2(87)(ii)



#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

##### (i) Category-Wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Share held at the end of the year				Percentage Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1. Indian									
a. Individual /HUF	4754553	0	4754553	45.33	4754553	0	4754553	45.33	0
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt(s)	0	0	0	0	0	0	0	0	0
d. Bodies Corporate	303473	0	303473	2.89	303473	0	303473	2.89	0
e. Banks/ FI	0	0	0	0	0	0	0	0	0
f. Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A.1):</b>	<b>5058026</b>	<b>0</b>	<b>5058026</b>	<b>48.22</b>	<b>5058026</b>	<b>0</b>	<b>5058026</b>	<b>48.22</b>	<b>0</b>
2. Foreign									
g. NRIs- Individuals	0	0	0	0	0	0	0	0	0
h. Other-Individuals	0	0	0	0	0	0	0	0	0
i. Bodies Corporate	0	0	0	0	0	0	0	0	0
j. Banks/ FI	0	0	0	0	0	0	0	0	0
k. Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A.2):</b>	<b>5058026</b>	<b>0</b>	<b>5058026</b>	<b>48.22</b>	<b>5058026</b>	<b>0</b>	<b>5058026</b>	<b>48.22</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a. Mutual Funds	0	0	0	0	0	0	0	0	0
b. Banks / FI	0	0	0	0	0	0	0	0	0
c. Central Govt.	0	0	0	0	0	0	0	0	0
d. State Govt(s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0	0	0	0	0	0	0
g. FII/ FPIs	15097	0	15097	0.14	15297	0	15297	0.15	0.01
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B.1)</b>	<b>15097</b>	<b>0</b>	<b>15097</b>	<b>0.14</b>	<b>15297</b>	<b>0</b>	<b>15297</b>	<b>0.15</b>	<b>0.01</b>
<b>2. Non Institutions</b>									
a. Bodies Corporate									
i. Indian	2879216	0	2879216	27.45	2807953	0	2807953	26.77	(0.68)
ii. Overseas	0		0	0	0	0	0	0	0

b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	941561	11	941572	8.98	1046010	11	1046021	9.97	0.99
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	471913	0	471913	4.50	419580	0	419580	4	(0.5)
c. others (specify)									
Clearing Members	64243	0	64243	0.61	77150	0	77150	0.73	0.12
Non Resident Indians	208061	0	208061	1.98	328917	0	328917	3.14	1.15
Foreign Companies	851832	0	851832	8.12	737056	0	737056	7.03	(1.09)
Trusts	40	0	40	0.00	0	0	0	0	0
<b>Sub-total (B.2)</b>	<b>5416866</b>	<b>11</b>	<b>5416877</b>	<b>51.64</b>	<b>5416666</b>	<b>11</b>	<b>5416677</b>	<b>51.64</b>	<b>0.00</b>
Total Public Shareholding (B)= (B.1) + (B.2)	5431963	11	5431974	51.78	5431963	11	5431974	51.78	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>10489989</b>	<b>11</b>	<b>10490000</b>	<b>100</b>	<b>10489989</b>	<b>11</b>	<b>10490000</b>	<b>100</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			Change during the year (% age)
		No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
<b>Individuals/ Hindu Undivided Family</b>								
1	Avinash Chander Gupta	2299096	21.92	00	3313096	31.58	00	9.67
2	Meera Gupta	1528321	14.57	00	514321	4.90	00	(9.67)
3	Nakul Gupta	471264	4.49	00	471264	4.49	00	00
4	Arjun Gupta	432872	4.13	00	432872	4.13	00	00
5	Gunjan Gupta	11500	0.11	00	11500	0.11	00	00
6	Sucheta Sarvadaman Nakul	11500	0.11	00	11500	0.11	00	00
<b>Body Corporate</b>								
7	Bakool Venture Private Limited	154028	1.47	00	154028	1.47	00	00
8	Techfab Systems Private Limited	78511	0.75	00	78511	0.75	00	00
9	Techfab International Private Limited	70934	0.68	00	70934	0.68	00	00
	<b>TOTAL</b>	<b>5058026</b>	<b>48.22</b>	<b>00</b>	<b>5058026</b>	<b>48.22</b>	<b>00</b>	<b>0.00</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)!**

Sl. No	Shareholder's Name	Shareholding		Date(s)	Increase/ (Decrease) in Share-holding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning (1 <sup>st</sup> April' 15)/ end of the year 31 <sup>st</sup> Mar' 16	% of the total shares at the beginning (1 <sup>st</sup> April' 15)/ end of the year 31 <sup>st</sup> Mar' 16				No. of shares	% of total shares of the company
1	Avinash Chander Gupta*	3313096 (2299096)	31.58 (21.92)	31/03/2016 24/11/2015 01/04/2015	1014000	Gift	3313096	31.58
2	Meera Gupta	514321 (1528321)	4.90 (14.57)	31/03/2016 24/11/2015 01/04/2015	1014000	Gift	514321	4.90
3	Nakul Gupta*	471264 (471264)	4.49 (4.49)	31/03/2016  01/04/2015	-	Nil Movement during the year	-	-
4	Arjun Gupta*	432872 (432872)	4.13 (4.13)	31/03/2016  01/04/2015	-	Nil Movement during the year	-	-
5	Gunjan Gupta	11500 (11500)	0.11 (0.11)	31/03/2016  01/04/2015	-	Nil Movement during the year	-	-
6	Sucheta Sarvadaman Nakul	11500 (11500)	0.11 (0.11)	31/03/2016  01/04/2015	-	Nil Movement during the year	-	-
7	Bakool Venture Private Limited	154028 (154028)	1.47 (1.47)	31/03/2016  01/04/2015	-	Nil Movement during the year	-	-
8	Techfab Systems Private Limited	78511 (78511)	0.75 (0.75)	31/03/2016  01/04/2015	-	Nil Movement during the year	-	-
9	Techfab International Private Limited	70934 (70934)	0.68 (0.68)	31/03/2016  01/04/2015	-	Nil Movement during the year	-	-

! Based on the paid up share capital of the Company as on 31<sup>st</sup> March 2016

\*Mr. Avinash Chander Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta belong to "Promoters" category. However others in this table belong to "Promoters Group" category.

**(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)!**

Sl. No	Shareholder's Name	Shareholding		Date(s)	Increase/ (Decrease) in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning (1 <sup>st</sup> April' 2015)/ end of the year 31 <sup>st</sup> Mar' 2016	% of the total shares at the beginning (1 <sup>st</sup> April' 2015)/ end of the year 31 <sup>st</sup> Mar' 2016				No. of shares	% of total shares of the company
1	Emerging India Focus Funds	737056	7.03	31/03/2016		Nil Movement during the year	-	-
		(737056)	(7.03)	01/04/2015	-			
2	Brij Real Estate And Property Private Limited	500000	4.77	31/03/2016		Nil Movement during the year	-	-
		(500000)	(4.77)	01/04/2015	-			
3	Bhavi Investments Limited	418000	3.98	31/03/2016		Nil Movement during the year	-	-
		(418000)	(3.98)	01/04/2015	-			
4	Pragmatic Traders Pvt Ltd	350000	3.34	31/03/2016		Nil Movement during the year	-	-
		(350000)	(3.34)	01/04/2015	-			
5	Mogra Investments Pvt Ltd	320000	3.05	31/03/2016		Nil Movement during the year	-	-
		(320000)	(3.05)	01/04/2015	-			
6	Sunidhi Capital Pvt. Ltd	285000	2.72	31/03/2016		Sale	285000	2.72
		(290000)	(2.76)	18/12/2015	(5000)			
				01/04/2015				
7	Ras Projects Ltd	231000	2.20	31/03/2016		Nil Movement during the year	-	-
		(231000)	(2.20)	01/04/2015	-			
8	Padam Kumar vaid	223172	2.12	31/03/2016		Purchase Purchase Purchase	223172 203172 159128	2.13 1.94 1.52
				23/10/2015	20000			
				09/10/2015	44044			
				04/09/2015	45500			
		(113628)	(1.08)	01/04/2015				
9	Karuna Rajan	194944	1.86	31/03/2016		Sale Sale sale	194944 197944 202944	1.86 1.89 1.93
				14/08/2015	(3000)			
				07/08/2015	(5000)			
				31/07/2015	(10000)			
		(212944)	(2.03)	01/04/2015	212944			

10	Equipment Management Company (India) Limited	140000 (140000)	1.33 (1.33)	31/03/2016 01/04/2015	-	Nil Movement during the year	-	-
11	Gammon India Limited	140000 (140000)	1.33 (1.33)	31/03/2016 01/04/2015	-	Nil Movement during the year	-	-

\* Based on the paid up share capital of the Company as on 31<sup>st</sup> March 2016

#### (v) Shareholding of Directors & Key Managerial Personnel

Sl. No	Shareholder's Name	Shareholding		Date(s)	Increase/ (Decrease) in Share holding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning (1 <sup>st</sup> April' 2015)/ end of the year (31 <sup>st</sup> Mar' 2016)	% of the total shares at the beginning (1 <sup>st</sup> April' 2015)/ end of the year (31 <sup>st</sup> Mar' 2016)				No. of shares	% of total shares of the company
1.	Avinash Chander Gupta Chairman & Managing Director	3313096 (2299096)	31.58 (21.92)	31/03/2016 24/11/2015 31/03/2015	1014000	Gift	3313096	31.58
2.	Nakul Gupta Whole-time Director	471264 (471264)	4.49 (4.49)	31/03/2016 01/04/2015	-	Nil Movement during the year	-	-
3.	Arjun Gupta Whole-time Director	432872 (432872)	4.13 (4.13)	31/03/2016 01/04/2015	-	Nil Movement during the year	-	-
4.	Pawan Chopra Independent Director	400 (400)	0.004 (0.004)	31/03/2016 01/04/2015	-	Nil Movement during the year	-	-
5.	Arun Mitter Independent Director	Nil (Nil)	Nil (Nil)	31/03/2016 01/04/2015	-	Nil Movement during the year	-	-
6.	Anju Banerjee Independent Director	Nil (Nil)	Nil (Nil)	31/03/2016 01/04/2015	-	Nil Movement during the year	-	-
7.	Sandeep Kumar Vij Chief Financial Officer (KMP)	Nil (Nil)	Nil (Nil)	31/03/2016 01/04/2015	-	Nil Movement during the year	-	-
8.	Suman Kumar Verma Company Secretary (KMP) *	Nil (Nil)	Nil (Nil)	31/03/2016 01/04/2015	-	Nil Movement during the year	-	-

(₹ in Crore)

**(vi) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	104.58	0	0	104.58
ii. Interest due but not paid	0.31	0	0	0.31
iii. Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>104.89</b>	<b>0</b>	<b>0</b>	<b>104.89</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	1.64	0	0	1.64
- Reduction	11.26	0	0	11.26
Net Change	-9.26	0	0	-9.26
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	95.10	0	0	95.10
ii. Interest due but not paid	0.17	0	0	0.17
iii. Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>95.27</b>	<b>0</b>	<b>0</b>	<b>95.27</b>

**(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and / or Manager**

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager			Total Amount
		Avinash Chander Gupta	Arjun Gupta	Nakul Gupta	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.05	0.99	0.99	3.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	0.15	0.10	0.10	0.35

5.	Others, please specify	As per the terms of Appointment			
	<b>Total (A)</b>	<b>1.20</b>	<b>1.09</b>	<b>1.09</b>	<b>3.38</b>
	<b>Ceiling as per the Act*</b>				<b>3.6</b>

\*As per schedule V of Companies Act, 2013

### B. Remuneration to Other Directors

(₹ in Crore)

Particulars of Remuneration	Name of Director			Total Amount
	Arun Mitter	Pawan Chopra	Anju Banerjee	
<b>Independent Directors</b>				
- Fee for attending board committee meetings	0.04	0.05	0.05	0.14
- Commission	Nil	Nil	Nil	Nil
- others, please specify	Nil	Nil	Nil	Nil
<b>Total (1)</b>	<b>0.04</b>	<b>0.05</b>	<b>0.05</b>	<b>0.14</b>
<b>Other Non- Executive Directors</b>				
- Fee for attending board committee meetings	Nil	Nil	Nil	Nil
- Commission	Nil	Nil	Nil	Nil
- others, please specify	Nil	Nil	Nil	Nil
<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total (B)=(1+2)</b>	<b>0.04</b>	<b>0.05</b>	<b>0.05</b>	<b>0.14</b>
<b>Total Managerial Remuneration</b>				<b>0.14</b>
<b>Overall ceiling as per the Act excluding sitting fee</b>				<b>N.A.</b>

### C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Sandeep Kumar Vij, Chief Financial Officer	Mr. Ashish Kapil, Company Secretary (Upto 31 <sup>st</sup> October 2015)	Mr. Suman Kumar Verma, Company Secretary (w.e.f. 1 <sup>st</sup> November 2015)	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	0.46	0.03	0.04	0.53
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil

	- as % of profit	Nil	Nil	Nil	Nil
	- other specify	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>0.46</b>	<b>0.03</b>	<b>0.04</b>	<b>0.53</b>

**V. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Types	Section of the companies Act	Brief description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, If any (give details)
<b>A. Company</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			NIL		
Punishment					
Compounding					

**FORM AOC – 2**

**(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed	
(i)	Amount paid as advances, if any	
(j)	Date on which (a) the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

**For and on behalf of the Board**

**Place: New Delhi**  
**Date: 8<sup>th</sup> August 2016**

**Avinash C Gupta**  
**Chairman & Managing Director**

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

#### I. Brief outline of the Company's CSR Policy:

The Board of Directors approved the CSR Policy of your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 (the "Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "Said Rule").

The CSR Committee has identified the following thrust areas around which your Company shall be focusing its CSR initiatives and channelizing the resources on a sustained basis:

1. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
5. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. rural development projects.

Your Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on your Company's website viz. [www.technofabengineering.com](http://www.technofabengineering.com)

#### II. The Composition of the CSR Committee:

S.No.	Name	Nature of Directorship
1.	Mr. Avinash C Gupta	Chairman & Managing Director
2.	Mr. Arjun Gupta	Executive Director
3.	Mr. Nakul Gupta	Executive Director
4.	Mr. Pawan Chopra	Independent Director
5.	Ms. Anju Banerjee	Independent Director

Mr. Suman Kumar Verma, Company Secretary, acts as the Secretary to the Committee.

- III. Average Net Profit of the Company for the last 3 financial years as per Section 135 of the Act read with Companies (CSR Policy) Rules, 2014: ₹ 44.33 Lakh\*
- IV. Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above): N.A.
- V. Details of CSR Spent during the Financial Year: Nil
- VI. Reasons for not spending the CSR amount: In view of the fact that the Company is not falling



under any of the criteria prescribed under Section 135(1) of the Act and accordingly as per the Rule 3(2) of the Said Rule, the Company is not required to comply with the provisions of Section 135(5) of the Act during the financial year ended 31<sup>st</sup> March 2016.

VII. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy

of your Company as per the provisions of Section 135 of the Act.

\*Calculated in accordance with Section 135 of the Act read with the provisions of the Said Rules.

**Avinash C Gupta**  
**Chairman CSR Committee**

Place : Faridabad  
Date : 8<sup>th</sup> August, 2016

## REPORT ON CORPORATE GOVERNANCE

In compliance with the Listing agreement with Stock Exchange, the Company hereby submits the report on matters as mentioned in the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2013 (“Listing Regulations”) and corporate governance practices followed by the Company. The information provided in the report on Corporate Governance for the purpose of uniformity is as on 31<sup>st</sup> March 2016. However the report is updated as on the date of the report wherever applicable.

### I. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

TECHNOFAB ENGINEERING firmly believes that Corporate Governance is a culture under which an organization is nurtured and flourishes by using its core values and the means by which it fulfills the public trust. It is not just a compliance with laws and ethical standards instead it is an important business investment which is not only necessary to preserve your Company’s reputation but also crucial for obtaining and retaining the business. The Company recognizes the rights of its shareholders and encouragement of co-operation between listed entity and shareholder participation. It also endeavors to enhance an effective shareholder participation in key corporate governance decisions.

Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all. At TECHNOFAB ENGINEERING, we believe that transparent, ethical and responsible corporate governance practices are essential in enhancing and retaining stakeholder trust. Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of

ethics at work place have been institutionalized. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue the highest standards of Corporate Governance in the overall interest of all its stakeholders.

### II. BOARD OF DIRECTORS

#### Composition of the Board

As on date, Technofab Engineering’s Board consists of 6 Directors. Besides the Chairman, an Executive Promoter Director, the Board comprises of two Executive Directors, three Non-Executive Independent Directors including one Woman Director. The composition of the Board is in conformity with the Listing Regulations enjoining specified combination of Executive, Non-Executive and Independent Directors, with not less than 50 percent of the Board comprising of Non-Executive Directors and at least one-half comprising of Independent Directors for a Board chaired by Executive Director, as shown in the table below:

Category	No. of Directors
Non-Executive/ Independent Director	3
Executive Director	3
Total	6

#### Directors’Attendance Record and their other Directorships/ Committee Memberships

As mandated by Regulation 26 of the Listing Regulations, none of the Director is a member of more than ten Board level Committees or Chairman of more than five Committees across companies in which he/she is a Director.

Relevant details of the Board during the year ended 31<sup>st</sup> March, 2016 are given below:

Name of Director	Category#	Attendance Particulars			No. of other Directorships and Committee Memberships/ Chairmanships held*		
		No. of Board Meetings		Last AGM held on 25/09/2015	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Avinash C Gupta	Chairman/ED	5	5	Yes	Nil	Nil	Nil
Mr. Arjun Gupta	ED	5	5	Yes	Nil	Nil	Nil
Mr. Nakul Gupta	ED	5	3	No	Nil	Nil	Nil
Mr. Pawan Chopra	NEID	5	5	No	1	3	Nil
Mr. Arun Mitter	NEID	5	5	Yes	3	5	3
Ms. Anju Banerjee	NEID	5	5	No	Nil	Nil	Nil

# NEID – Non-Executive Independent Director; ED – Executive Director

- \*1. Excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.  
2. Only two Committees viz. the Audit Committee and the Stakeholders Relationship Committee are considered.

Mr. Avinash C Gupta is father of Mr. Arjun Gupta & Mr. Nakul Gupta. None of the other Directors is inter-se related.

### Number of Board Meetings:

During the financial year ended 31<sup>st</sup> March, 2016, five (5) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed one hundred and twenty days. The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held	
21 <sup>st</sup> May, 2015	20 <sup>th</sup> January, 2016
13 <sup>th</sup> August, 2015	11 <sup>th</sup> February, 2016
10 <sup>th</sup> November, 2015	

### Independent Directors:

The Company has three Independent Directors on its Board viz. Mr. Pawan Chopra, Mr. Arun Mitter and

Ms. Anju Banerjee. All the Independent Directors meet the criteria prescribed under Sections 149 (6) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and those under Listing Regulations. The Independent Directors have also submitted declarations to the effect that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and the Listing Regulations. Further, the Independent Directors have confirmed that they do not hold directorship in more than such maximum number of listed companies as are prescribed under Regulation 25(1) of the Listing Regulations. The Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and Listing Agreement with Stock Exchanges. The terms & conditions of the letter of appointment of Independent Directors is available on the website of the Company viz. [www.technofabengineering.com](http://www.technofabengineering.com)

The shareholding of the Non-Executive Directors of the Company as on the date of this report is as follows:

Name of Director	Nature of Directorship	No. of Shares held	% of the paid up share capital
Mr. Pawan Chopra	Non-Executive Independent Director	400	0.004
Mr. Arun Mitter	Non-Executive Independent Director	NIL	NIL
Ms. Anju Banerjee	Non-Executive Independent Director	NIL	NIL

#### Board Procedures:

The Board meets at least once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of the Company. The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the Board.

The Board Meetings are governed by a structured agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and informed decision making. The Board has complete access to any information within the Company which includes the information as specified in Regulation 17(7) of the Listing Regulations and they are updated about their roles and responsibilities in the Company.

#### Familiarization Programme for the Independent Directors:

The Independent Directors are briefed both to provide them an opportunity to familiarize with the Company, its management and its operations as well as on the development in company law including other related laws so as to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is a part.

The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company viz. [www.technofabengineering.com](http://www.technofabengineering.com)

#### Independent Directors' Meeting:

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, a meeting of the Independent Directors of the Company was held on 17<sup>th</sup> March 2016, without the attendance of Non-Independent Directors and members of the management.

#### Evaluation of Board Effectiveness:

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder read with Regulation 17(10) of the Listing Regulations, the Board of Directors, on the basis of the evaluation criteria laid down by the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each of the Directors and the Committees was carried out during the year. The aforementioned performance evaluations were carried out on the basis of the various criteria mentioned in the Nomination and Remuneration Policy of this Report.

### III. COMMITTEES OF THE BOARD

The Board of Directors has constituted Committees of Directors with adequate delegation of powers to discharge urgent business of the Company. Committee members are appointed by the Board. The Committees meet as often as required.

Each Committee has its own charter. The Charters of Committees set forth the purposes, goals and responsibilities of the Committees.

The various Committees includes:

1. Audit Committee
2. Remuneration Committee
3. Stakeholder Relationship Committee
4. CSR Committee

The details regarding terms of reference, composition, quorum and other details of the Corporate Governance Committees are as under:

#### A. AUDIT COMMITTEE

##### Composition:

The composition of the Audit Committee is in line with the provision of Section 177 of the Companies Act, 2013

and those of the Listing Regulations. The Members of the Audit Committee are financially literate. The Chairman of the Audit Committee is having accounting and financial management expertise. The committee invites Statutory Auditors, Internal Auditors and the Chief Financial Officer of the Company to attend its meetings. The Audit Committee comprises of the following Directors.

The Composition of Audit Committee is as under: -

1. Mr. Arun Mitter : Chairman, Independent, Non-Executive
2. Mr. Pawan Chopra : Member, Independent, Non-Executive
3. Ms. Anju Banerjee : Member, Independent, Non-Executive
4. Mr. Arjun Gupta : Member, Executive Director

The Company Secretary of the Company acts as the secretary to the Committee.

#### Meetings and Attendance:-

During the financial year covered under this report, four Audit Committee meetings were held viz. 21<sup>st</sup> May 2015, 13<sup>th</sup> August 2015, 10<sup>th</sup> November 2015 and 11<sup>th</sup> February 2016

The attendance details are as under: -

Name of the Member	Meeting details	
	Held	Attended
Mr. Arun Mitter	4	4
Mr. Pawan Chopra	4	4
Ms. Anju Banerjee	4	3
Mr. Arjun Gupta	4	4

The Audit Committee monitors and effectively supervises the Company's financial reporting process with a view to provide accurate, timely and proper disclosure and maintain the integrity and quality of financial reporting. The Audit Committee also reviews from time to time, the audit and internal control procedures, the accounting policies of the Company, oversight of your Company's financial reporting process so as to ensure that the financial statements are correct, sufficient and credible. The scope of activities and terms of reference of the Audit Committee is governed by a Charter which is in line with the provisions of

Section 177 of the Companies Act, 2013 and those of the Listing Regulations.

#### (a) The role of the Audit Committee, inter alia, includes the following:

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the Director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions; and
  - (g) modified opinion(s) in the draft audit report.
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

- (8) approval or any subsequent modification of transactions of the Company with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; and
- (20) carrying out any other function as is mentioned in the terms of reference of the audit committee.

**(b) The audit committee shall mandatorily review the following information:**

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by

management;

- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses;
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- (6) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

**B. NOMINATION & REMUNERATION COMMITTEE**

**Composition:**

In Compliance with the provisions of Section 178 of the Companies Act, 2013 and those of the Listing Regulations, the Board of Directors has constituted a Nomination and Remuneration Committee consisting of following Members:

- |    |                   |   |  |
|----|-------------------|---|--|
| 1. | Mr. Pawan Chopra  | : | Chairman,<br>Independent,<br>Non-Executive |
| 2. | Mr. Arun Mitter   | : | Member,<br>Independent,<br>Non-Executive   |
| 3. | Ms. Anju Banerjee | : | Member,<br>Independent,<br>Non-Executive   |

The Company Secretary of the Company acts as the secretary to the Committee.

**Terms of reference:**

The role of the Nomination and Remuneration committee, inter-alia, includes the following:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other

- employees;
- (2) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
  - (3) devising a policy on diversity of Board of Directors;
  - (4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal; and
  - (5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

#### Meetings and Attendance:-

The committee met two (02) times during the period under review on 21<sup>st</sup> May, 2015 and 10<sup>th</sup> November, 2015. The detail of attendance of members at the Committee Meeting is as under:

Name of the Member	Meeting details	
	Held	Attended
Mr. Pawan Chopra	2	2
Mr. Arun Mitter	2	2
Ms. Anju Banerjee	2	2

#### Policy of the Nomination and Remuneration Committee:

Section 178 of the Companies Act, 2013 read with the Listing Regulations have made it mandatory for all listed companies to appoint a Nomination and Remuneration Committee, inter alia for the purpose of identifying persons who are qualified to be appointed as Directors or be appointed in key management of the Company. In line with the aforementioned provisions, the Nomination and Remuneration Committee of the Company have also a Nomination and Remuneration policy in place.

#### Objective of the Policy:

The objective of the Policy is to ensure *Board Diversity* and *Independence* in order to help provide the maximum experience and access to knowledge that can be derived from the Board. The objective of the Policy is also to keep it in alignment with the existing HR Policy of the Company in so far as any appointment of key managerial personnel and senior management is concerned.

#### Board Diversity

In order to meet this objective, the Company appoints on its Board requisite number of persons having diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.

#### Board Independence

In order to meet this objective, the Company appoints on its Board requisite number of Independent Directors, who meet the criteria of Independence prescribed under Companies Act, 2013 as well as under Listing Agreement with Stock Exchanges as amended from time to time.

#### Criteria for Determination of Remuneration

The Remuneration policy aims at encouraging and rewarding good performance/contribution for the company's objective. The remuneration payable should be fair and reasonable and be determined after taking into account, level of skill, knowledge and core competence of individual, functions, duties and responsibilities.

The remuneration payable to executive Directors are recommended by the Nomination and Remuneration Committee after taking into consideration the stipulation made under Section 197 and Schedule V of the Companies Act, 2013 read with the HR Policy of Company, wherever applicable. The recommendations so made are subsequently approved by the Board and the Shareholders in accordance with the Companies Act, 2013.

#### Criteria of making payments to Non-executive Directors

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at Board/Committee meetings. They are compensated through sitting fees, as per table below, for attending the meetings and are not entitled to any other payments.

Sl. No.	Nature of Meeting	Sitting Fees Payable (₹)
1.	Board	30,000
2.	Audit Committee	30,000
3.	Nomination & Remuneration Committee	30,000
4.	Stakeholders' Relationship Committee	30,000
5.	Shareholders / Investors Grievance Committee	30,000

### Criteria for Performance Evaluation

The Nomination and Remuneration Committee has formulated a performance evaluation criteria for Independent Directors and the Board as mentioned below:

Executive Director(s)	Independent Director(s)	Committee of Board	Board
<ul style="list-style-type: none"> <li>• Qualifications</li> <li>• Experience</li> <li>• Diligence</li> <li>• Participation</li> <li>• Team Leadership.</li> </ul>	<ul style="list-style-type: none"> <li>• Participation at Board/ Committee Meetings</li> <li>• Managing Relationship</li> <li>• Knowledge and Skill</li> <li>• Personal Attributes</li> </ul>	<ul style="list-style-type: none"> <li>• Function and Duties</li> <li>• Management Relations</li> <li>• Committee Meetings and Procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Board Composition &amp; Quality</li> <li>• Board Meetings and Procedures</li> <li>• Board Development</li> <li>• Board Strategy and Risk Management</li> <li>• Board and Management Relations</li> <li>• Succession Planning.</li> </ul>

### DETAILS OF THE REMUNERATION PAID TO THE DIRECTORS FOR THE YEAR COVERED UNDER THIS REPORT

#### Remuneration to Directors

The Remuneration/Sitting fees paid to the Directors during the financial year ended 31<sup>st</sup> March 2016 are mentioned below:

(Amount in ₹)

Sl. No.	Name of Director	Salary & Allowance	Commission	Sitting Fees	Total
1.	Mr. Avinash C Gupta	1,05,30,000	14,70,000	-	1,20,00,000
2.	Mr. Arjun Gupta	99,00,000	10,00,000	-	1,09,00,000
3.	Mr. Nakul Gupta	99,00,000	10,00,000	-	1,09,00,000
4.	Mr. Arun Mitter	-	-	3,55,524	3,55,524
5.	Mr. Pawan Chopra	-	-	4,78,074	4,78,074
6.	Ms. Anju Banerjee	-	-	4,78,074	4,78,074

### C. STAKEHOLDER RELATIONSHIP COMMITTEE

#### Composition:

In Compliance with the provisions Section 178(5) of the Companies Act, 2013 and those of the Listing Regulations, the Board of Directors has Stakeholder Relationship Committee comprising of following Members:

1. Ms. Anju Banerjee : Chairperson, Independent, Non-Executive Director
2. Mr. Arun Mitter : Member, Independent, Non-Executive Director
3. Mr. Pawan Chopra : Member, Independent, Non-Executive Director

The Company Secretary of the Company acts as Secretary to the Committee.

#### Brief Description of Terms of Reference of Stakeholder Relationship Committee:-

The committee performs various functions covered under Section 178 of the Companies Act, 2013 read with the Listing Regulations which inter alia covers resolution of grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The Company Secretary cum Compliance Officer of the Company has been delegated the power to approve transfer and transmission of physical shares and other matters like consolidation of certificates, issue of duplicate share certificates, dematerialization/

rematerialization of shares in stipulated period of time.

#### Meetings and Attendance:-

During the financial year covered under this report, no meeting of Stakeholders Relationship Committee meetings was held.

#### Compliance Officer: -

The Company Secretary of the Company is designated as Compliance Officer of the Company by the Board and his contact details are as follows:

Technofab Engineering Limited  
 Plot No. 5, Sector-27C.  
 Mathura Road, Faridabad-121003  
 Ph : +91-129-2270202  
 Fax : +91-129-2270201  
 E-mail : investors@technofabengineering.com

The Company welcomes the members to make more effective use of the electronic means to communicate with their company for quicker redressal of their grievances. The Company has appointed a Share Transfer Agent, whose particulars are given elsewhere in this report. The members may address their queries / complaints to the above address / phone / fax / e-mail id or to those of the Registrar's. Company also redresses shareholders complaint coming through SEBI-SCORES mail id.

There were no complaints received from investors/ shareholders during financial year 2015-16 except few relating to non-receipt of Annual Reports which had been resolved immediately. There were no pending complaints at the end of financial year.

### IV. GENERAL BODY MEETINGS

Details of last three Annual General Meetings are as under:

Year	Date	Time	Venue	No. of Special Resolutions passed at the AGM
2012-13	25 <sup>th</sup> September, 2013	10.30 AM	India Islamic Cultural Centre, 87-88 Lodhi Road, New Delhi – 110003	1
2013-14	25 <sup>th</sup> September, 2014	10.30 AM	India Islamic Cultural Centre, 87-88 Lodhi Road, New Delhi – 110003	5
2014-15	25 <sup>th</sup> September, 2015	10:30 AM	Delhi Flying Club, Safdarjung Airport, New Delhi-110003	2

**Postal Ballot:**

During the year, the Company passed following special resolutions by way of Postal Ballot:

- (i) Issue of Equity Shares of face value of ₹ 10 each for an amount aggregating to ₹ 100 Crore at such premium as may be decided by the Board including QIP Committee constituted by it; and
- (j) Approval of the revision of limit of investment by FII.

The Postal Ballot process was conducted in a fair and transparent manner in accordance with the provisions of Section 110 of the Companies Act, 2013 and the rules framed thereunder. Mr. Naresh Verma, Practicing Company Secretary (FCS No.5403 CP No.4424) was appointed as scrutinizer for conducting the Postal Ballot. The procedure for postal ballot was as per Section 110 and other applicable provisions of the Companies Act, 2013 read together with Rule 22 of the Companies (Management and Administration) Rules, 2014.

**Voting Pattern in relation to the resolutions passed through Postal Ballot:**

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]*100	% of Votes against on votes polled (7) = [(5)/(2)]*100
Promoter and Promoter Group	E-Voting	5058026	0	0%	0	0	0%	0
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot (if applicable)		5058026	100%	5058026	0	100%	0%
	Total		5058026	5058026	100%	5058026	0	100%
Public- Institutions	E-Voting	15297	0	0%	0	0	0%	0%
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot (if applicable)		0	0%	0	0	0%	0%
	Total		15297	0	0%	0	0	0%
Public- Non Institutions	E-Voting	5416677	419898	7.75%	419898	0	100%	0
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot (if applicable)		4500	0.08%	4500	0	100%	0%
	Total		5416677	424398	7.83%	424398	0	100%
<b>Total</b>		<b>10490000</b>	<b>5482424</b>	<b>52.26%</b>	<b>5482424</b>	<b>0</b>	<b>100%</b>	<b>0%</b>

## V. DISCLOSURES

### a. Related Party Transactions:

The Company has not entered into any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. Transactions with related parties are being disclosed in the Notes to Accounts forming part of the Annual Report and are transacted after obtaining applicable approval(s), wherever required. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with Related Party Transactions and a Policy on materiality of Related Party Transactions is available on the website of the Company viz. [www.technofabengineering.com](http://www.technofabengineering.com)

### b. Subsidiary Companies:

The Company does not have any material non-listed India subsidiary company in terms of Regulation 16(1)(c) of the Listing Regulations. The Board of Directors of the Company formulated a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company viz. [www.technofabengineering.com](http://www.technofabengineering.com)

### c. Re-appointment of Directors liable to retire by rotation:

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Listing Regulations is annexed to the Notice convening Annual General Meeting and forms part of this Annual Report.

### d. Non-Compliances by the Company :

During the last three years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any other statutory authority for non-compliance of any matter related to capital markets.

### e. Vigil Mechanism and Whistle Blower Policy:

The Company is committed to develop a culture of highest standards of ethical, moral and legal business conduct wherein it is open for communication regarding the Company's business practices, avenues for employees to raise concerns about any poor or unacceptable practice and to protect employees from unlawful victimization, retaliation or

discrimination for their having disclosed or reported fraud, unethical behavior, violation of Code of Conduct, questionable accounting practices, grave misconduct etc.

To enforce the above, the Company has put in place a Whistle Blower Policy with a view to provide opportunity to employees to raise a concern about the serious irregularities within the company and to provide the necessary safeguards to these employees from unlawful victimization.

A complaint under the policy may be made to the designated officials and to the Audit Committee in terms of the Policy. During the year, no employee of the Company has been denied access to the Audit Committee.

### f. Details of compliance with mandatory requirements of the Listing Agreement:

The Company has complied with all the mandatory requirements of all applicable regulations of the listing agreement and submits on quarterly/half yearly/yearly basis the quarterly/ half yearly/yearly reports to the concerned Stock Exchanges.

## VI. MEANS OF COMMUNICATION

The quarterly / half-yearly results are forthwith communicated to the BSE Limited and the National Stock Exchange of India Limited, with whom the Company has listing arrangements, as soon as these are approved and taken on record by the Board of Directors of the Company. The results along with quarterly Information updates/release, announcement are published normally in leading newspapers, namely, Business Standard both English and Hindi, Business Line in English, etc., along with the official news releases in accordance with the guidelines of the Stock Exchanges.

The results along with quarterly Information updates/release, announcement are also put up on Company's website [www.technofabengineering.com](http://www.technofabengineering.com) and the information with respect to Investor Con Call are also informed to the Stock Exchange. The website also hosts official news releases.

For investors, the Company has created a separate e-mail ID [investors@technofabengineering.com](mailto:investors@technofabengineering.com).

During the financial year, the Company organized Con Call after announcement of Quarterly Results, which were very well attended by the analysts, fund managers and investors.

First Quarter Results : On or before 12/08/2016  
 Half Yearly / Second Quarter Results : On or before 15/11/2016  
 Third Quarter Results : On or before 15/02/2017  
 Audited Annual results for the year : On or before 30/05/2017

## VII. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting:

The 45<sup>th</sup> Annual General Meeting of the Company shall be held as under :-

Date and Time : Friday, 30<sup>th</sup> September, 2016 at 10:30 AM

Venue : Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110003

### b. Payment of Dividend

The Company has not declared dividend during last three years.

### c. Financial Calendar (Tentative):

The company follows financial year from April 1 to March 31. The current financial year of the Company is 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

The Quarterly/Annual financial results will be taken on record by the Board of Directors as per the following schedule:

### d. Date of Book Closure: - 24<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive)

### e. Listing on Stock Exchanges:

Name of Stock Exchange	Stock Code
Bombay Stock Exchange	533216
National Stock Exchange	TECHNOFAB

### f. Listing Fee

The Company has paid annual listing fee to the above stock exchange for the year 2016-2017.

### g. Depository Fee

Annual Custody/ Issuer Fee for the year 2016-17 has been paid to CDSL and NSDL.

### h. ISIN Number: INE509K01011

### i. Market Price Data & Share price performance:

Monthly High, Low during each month, in last financial year, is as below:

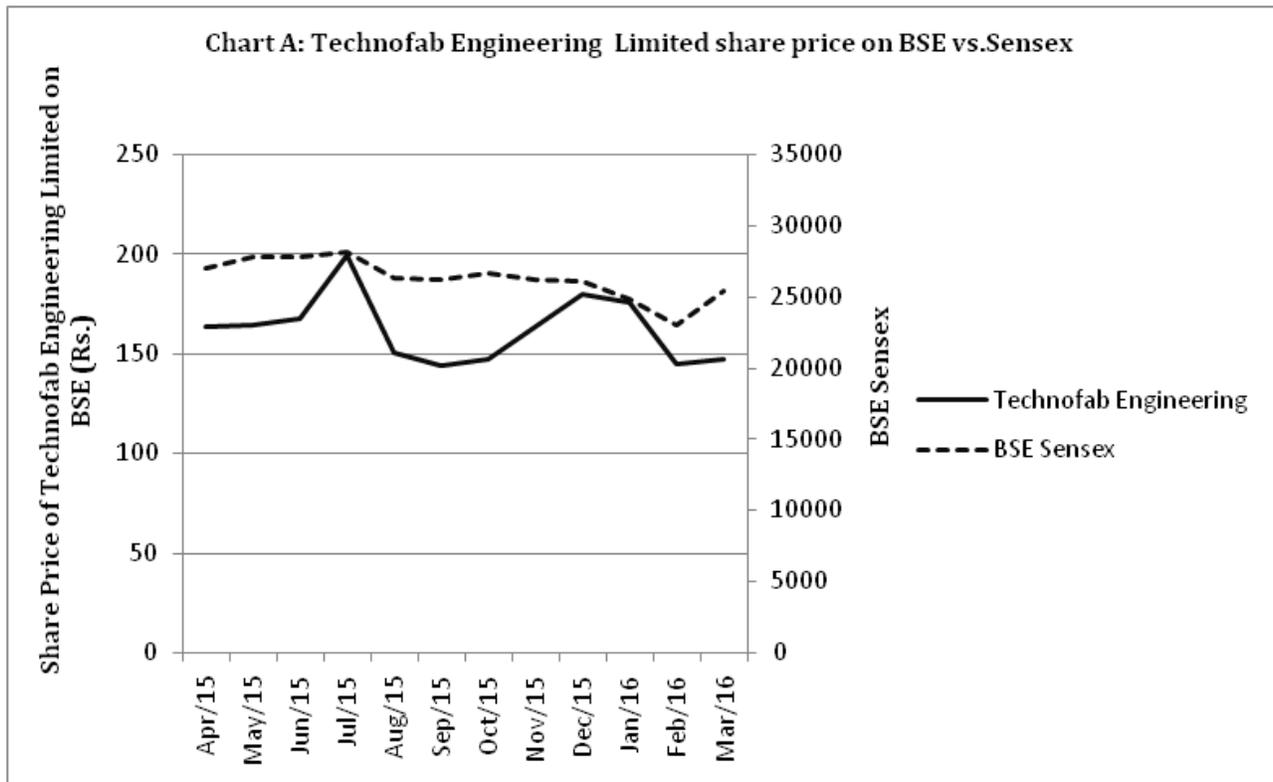
Month	Bombay Stock Exchange (BSE) (In ₹ Per Share)		National Stock Exchange (NSE) (In ₹ Per Share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2015	199.50	150.60	194	160
May 2015	184	155	189.90	160
June 2015	180	150	186	155.15
July 2015	210	163.10	209	165.75
August 2015	205	140.20	206.25	140
September 2015	152.10	130.10	153.95	129.95
October 2015	166	140.10	159	142

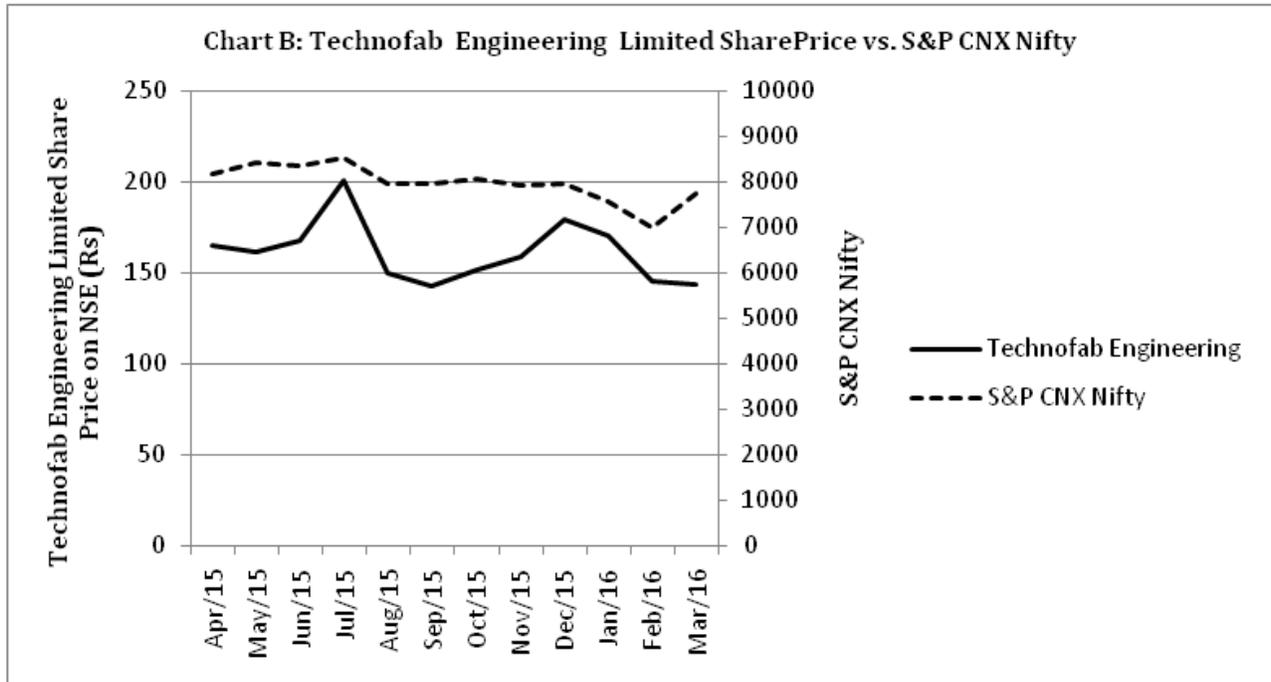
November 2015	170.70	136.40	170	140.10
December 2015	194	157	194	160
January 2016	202	153	200	165.10
February 2016	173	140	175	138.10
March 2016	155	139	151.95	136.05

**j. Foreign Exchange Risk and Hedging Activities**

The forex exchange exposure and exchange fluctuation risk involved in it is periodically reviewed by the Board of Directors of the Company. Substantial part of the Foreign Exchange Risk is covered by natural hedging.

**k. Stock Performance**





**l. Registrar and Share Transfer Agent:**

Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company to whom communications regarding change of address, transfer of shares, change of mandate etc. can be addressed as per the details mentioned below:

Link Intime India Private Limited  
 2nd Floor, 44, Community Centre,  
 Naraina Industrial Area, Phase-I  
 Near PVR, Naraina  
 New Delhi-110028  
 Tel: +91 11 4141 0592 | Fax: +91 11 4141 0591

Detailed list of Link Intime offices is available at their website: [www.linkintime.co.in](http://www.linkintime.co.in)

**m. Share Transfer System:**

The Company's shares are traded in the Stock Exchange compulsorily in dematerialized mode. Physical Shares which are lodged with the Registrar and Share Transfer Agent and / or Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under the Listing Regulations subject to documents being found valid and complete in all respects. The dematerialized shares are transferred directly to the beneficiaries by the depositories.

**n. Materially Significant Related Party Transaction**

There were no materially significant related party transaction during the year covered under this report.

**o. Distribution of shareholding as on 31<sup>st</sup> March 2016:**

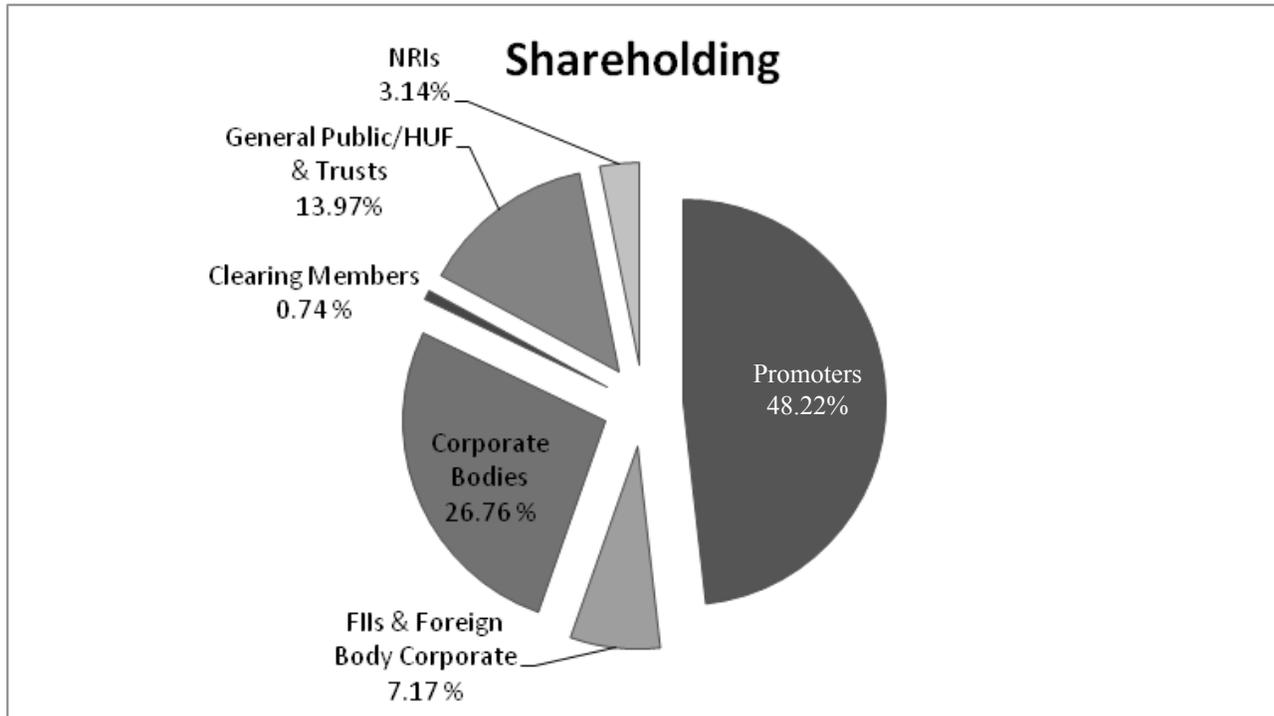
**a) Distribution of Shareholding as on 31<sup>st</sup> March 2016**

Slab	Share Holders		No. of Shares	
	Number	% to total	Shares	% to total
1 - 500	5503	91.25	461085	4.40
501 - 1000	254	4.21	196534	1.87
1001 - 2000	133	2.20	195256	1.86
2001 - 3000	44	0.73	109544	1.04
3001 - 4000	19	0.32	67612	0.64
4001 - 5000	11	0.18	50222	0.48
5001 - 10000	26	0.43	173698	1.66
10001 – Above	41	0.68	9236049	88.05
<b>Total</b>	<b>6031</b>	<b>100</b>	<b>10490000</b>	<b>100</b>

**b) Categories of Equity Shareholding as on 31<sup>st</sup> March, 2016**

S. No.	CATEGORY	No of Shares held	% of Share holding
1	Promoters	5058026	48.22
2	FII's & Foreign Body Corporate	752353	7.17
3	Corporate Bodies	2807953	26.76
4	Clearing Members	77150	0.74
5	General Public & Trusts	1465601	13.97
6	NRIs	328917	3.14
	<b>GRAND TOTAL</b>	<b>10490000</b>	<b>100</b>

Graphic presentation of the Shareholding pattern as on 31/03/2016



**p. Dematerialisation of Shares and Liquidity:**

The shares of the Company are compulsorily traded in dematerialized form. All equity shares except 11 (Eleven) have been dematerialized as on date. The equity shares of the Company are actively traded at BSE & NSE.

**q. Outstanding GDRs/ ADRs/ Warrants or Convertible Bonds:**

No GDRs/ ADRs/Warrants or Convertible Bonds has been issued by the Company.

**VIII. CODE OF CONDUCT**

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management of the Company. The Code has also been posted on the website of the Company.

All the Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct.

The declaration signed by the Chairman & Managing Director affirming compliance to the Code by the Board of Directors and the Senior Management has been placed at the end of Report.

**IX. PREVENTION OF INSIDER TRADING**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015 which became effective from 15<sup>th</sup> May 2015, the Company has inter alia devised and adopted Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company.

Company Secretary is the Compliance Officer for the purpose of this code. During the year there has been due compliance of the code.

**X. LISTING AGREEMENT**

The Securities and Exchange Board of India on 2<sup>nd</sup> September 2015 issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreements of Capital Market to ensure better enforceability. Accordingly all listed entities were required to enter into Listing Agreement with the Stock Exchanges within six months of the effective date. The Company entered into Listing Agreement with BSE Limited and National Stock Exchange of India Limited in the month of February 2016.

**XI. CEO/ CFO CERTIFICATION**

In compliance with Regulation 17(8) of the Listing Agreement, a declaration by Chairman & Managing Director & Chief Financial Officer has been attached which, inter-alia, certifies to the Board, the accuracy of Financial Statements and the adequacy of internal controls pertaining to Financial Reporting.

**For Technofab Engineering Limited**

**Place: Faridabad**

**Date: 8<sup>th</sup> August, 2016**

**Avinash C Gupta**

**Chairman & Managing Director**

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To**  
**The Members of**  
**Technofab Engineering Limited**  
**New Delhi**

To,

The Members of Technofab Engineering Limited

We have examined the compliance of conditions of Corporate Governance by Technofab Engineering Limited ("the Company"), for the year ended 31 March 2016, as stipulated in Clause 49 of the Listing Agreement and the corresponding provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the corresponding Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Rajesh Suresh Jain & Associates**  
**Chartered Accountants**  
**Firm Reg. No. 017163N**

Place: Faridabad  
Date: 08.08.2016

**Rajesh Jain**  
Partner  
M. No. 98229

## CMD AND CFO CERTIFICATION

**The Board of Directors,  
Technofab Engineering Limited  
New Delhi**

**Dear Members of the Board**

We, Avinash C Gupta, Chairman & Managing Director and Sandeep Kumar Vij, Chief Financial Officer, of the Company to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- 1) There have been no significant changes in the internal control over financial reporting during this year.
  - 2) There have been no significant changes in the accounting policies this year and that the same have been disclosed in the notes to the financial statements.
  - 3) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

**Avinash C. Gupta  
Chairman & Managing Director**

**Sandeep Kumar Vij  
Chief Financial Officer**

Date: 8<sup>th</sup> August 2016

Place: Faridabad

### **DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT**

In accordance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Avinash C Gupta, Chairman & Managing Director of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March 2016.

**For Technofab Engineering Limited**

**Avinash C Gupta**  
**Chairman & Managing Director**

**Place : Faridabad**  
**Date : 8<sup>th</sup> August, 2016**

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW

The Company serves customers, domestic as well as overseas, who operate in diverse sectors like:

- Thermal Power (Balance of Plant)
- Nuclear Power (Balance of Plant)
- Water/Waste Water
- Electrical (Sub Stations upto 220 KV and Distribution upto 33KV)
- Oil & Gas (Fuel Depots and product tankage related)
- Industrial (Balance of Plant)

By taking up multi disciplinary packages on a turnkey basis.

The business opportunities of the Company are linked with investments taking place in these sectors.

For the fifth successive year, the investment pipeline in the Country remained severely impaired in virtually all these sectors with the exception of the Electrical Sector. While there was improvement in the roads sector, the sector is not relevant to our Company. Private Sector Customers for several of the old ongoing projects in the power sectors where we have completed virtually all the work continued to face severe problems across their business spectrum – consequent to which the final completion is pending. This has adversely impacted the Company.

The Electrical sector continued to provide reasonable opportunities, driven largely by Government funding for Power Sector restructuring and drive for providing electricity connections in rural areas particularly for BPL households. This translated into schemes like APDRP, RGGY etc. The projects pertaining to rural electrification call for working over a large spread out area with special needs on logistics and security. The Company's abilities in this regard are now well honed. Though these provided steady opportunities, they were largely accompanied by stringent payment terms requiring to deploy increased working capital. Since the entry barriers are not very stringent, the competition levels are quite intense.

In overseas, the Company maintained its focus on pursuing funded projects in sub Saharan Africa and to a limited extent in neighbouring SAARC countries. Success levels were rather modest, in part at least due to higher degree of competition.

### REVENUE FROM DIFFERENT SECTORS

While the Company treats all its operations as a single vertical, for the benefit of investors the percentage contribution of individual sectors to revenue and its comparison with previous years is given below:

Sector	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
<b>Electrical</b>	63	47	24	7	1
<b>Water &amp; Waste Water Treatment</b>	28	38	58	40	12
<b>Conventional Power</b>	4	8	9	30	37
<b>Oil &amp; Gas</b>	3	3	6	13	23
<b>Industrial &amp; Infrastructure Sectors</b>	2	4	3	10	27

There is a continuous churning in the relative contribution of individual sectors and for some time now the Water Sector and the Electrical Sector have accounted for the great majority of our business. Similarly our foreign turnover in the last few years has been continuously varying as the data below demonstrates :

Year	%age revenue from overseas
2015-2016	19
2014-2015	38
2013-2014	55
2012-2013	52
2011-2012	34



### ORDER BOOK

During the year the Company received fresh orders in the Electrical, Water and Industrial sectors and closed the year with a decent order backlog of approximately ₹ 1250 Crores. The average order size continues to be large in accordance with the Company's strategy of focussing on fewer but larger sized orders. The order backlog of ₹ 1250 crores was from customers in the following sectors:

Sl. No.	Segment	% contribution
1.	Water & Waste Water Treatment	46
2.	Electrical Distribution and Rural Electrification	38
3.	Industrial & Infrastructure Sectors	8
4.	Conventional Power	5
5.	Oil & Gas	3

Just under 20% of order backlog is on account of foreign orders.

It is noticeable that there is presently no order backlog from the Nuclear Power Sector. In the past the Company has undertaken three large assignments including the prestigious Away From Reactor Spent Nuclear Fuel Storage Facility. The Company is well equipped to undertake further projects in this area where it has developed significant capability, but unfortunately there have been virtually no significant bidding opportunities.

### BUSINESS ENVIRONMENT AND OUTLOOK

The problems besetting virtually all the sectors where our customers operate; in particular the thermal and nuclear power sectors and the industrial sector are well known and don't need repetition here.

One year ago, we had mentioned that there is no concrete visibility of an upturn in business opportunities or business sentiment. Alongside we had also mentioned that the prevailing wisdom seems to be that the foundations for an upturn have substantially been laid and improvements should actually be visible by the 3<sup>rd</sup>/4<sup>th</sup> quarters of the fiscal year.

To some extent the upturn seems to have begun and slowly seems to be gaining a gentle momentum. These have been driven by enhanced government financed

investments in the electrical and water sectors. (However private investment and investment in Power and Industrial sector continues to stagnate). As a result, steadily increasing bidding opportunities began to present themselves from the second half of the year and the Company now has a record high value of outstanding bids, both in the domestic and overseas markets. Since domestic bids are almost entirely in the government sector, they are characterised by a long award cycle. Hence the translation into orders in a major way is expected to take place from the second half of the current year.

The Company's order backlog, at ₹ 12.5 billion, is reasonably healthy, and provides a comfortable interim cushion till the major surge of new orders expected from the second half of this year takes place.

The Company continues to see the Water Sector as a major contributor to its business, both domestically and overseas. Domestically, neither demand nor funding is an issue. What is however of critical importance is for the government to put in position the necessary organisations and structures to execute these projects. The Companies interests would be for cash projects.

The Company has been looking at opportunities emerging out of the huge planned investment on modernisation of the Railways, the focus being on the Electrical side. Since this is a newer area, a very cautious approach is being taken. Internationally we remain focussed on Sub Saharan Africa and South Asia, and while we give highest importance to projects funded by multilateral funding agencies, we will continue to also pursue privately funded projects, albeit in a cautious manner.

In aggregate the Company feels that the difficult times of the last few years may finally be getting over and looks forward to a further improvement in operating parameters that took place last year.

### BUSINESS CONCERNS AND THREATS

The Company's main business concern is the steady availability of business opportunities which is directly related with the investments in the sectors that the Company gets its business from. The Company's perceptions on this account are already expressed in the section related to Business Environment and Outlook and hence are not repeated here.

Both Domestically and Overseas, the Company has faced increased competition in recent years and this trend is expected to continue. The general slowdown in the world economy is leading to diminishing investment throughout the world. While India is in a relatively much better comparative position, it has resulted in a sharp increase in competition particularly in our overseas opportunities.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

There are no material developments and the Company continues to have cordial relations with its employees as before.

### COMPARISON OF PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016 VIS-À-VIS FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015.

**Turnover:** The turnover of the Company increased by 10.28% from ₹ 4199 million in fiscal 2015 to ₹ 4631 million in fiscal 2016. The increase in revenue was aided by resumption of work on our World Bank funded project in Liberia.

During the fiscal 2016, projects in the Electrical Sector had the highest contribution to turnover, being ₹ 2930 million as against ₹ 1930 million in the previous year.

**Other Income:** Other income in fiscal 2016 was ₹ 20.7 million as against ₹ 22.3 million for the year ended 31<sup>st</sup> March, 2015.

**Expenses:** Expenses on raw materials increased by around 8% to at ₹ 3 billion, whereas expenditure on Contracts decreased by around 23% from ₹ 502 million in fiscal 2015 to ₹ 385 million in fiscal 2016. Our Expenditure on employees increased by 11% from ₹ 353 million for the year ended 31<sup>st</sup> March, 2015 to ₹ 393 million for the year ended 31<sup>st</sup> March, 2016.

**Finance Costs :** Finance costs which amounted to ₹ 150 million in the year ended 31<sup>st</sup> March, 2015 increased by 20% to ₹ 180 million in the year ended 31<sup>st</sup> March, 2016. The increase was mainly due to the need to take recourse to enhanced bank credit to take care of delays in payment from customers as well as costs on enhanced bidding during the second half of the year.

**Profit before Taxation:** Our net profit before taxation increased by 32 % to ₹ 159 million in fiscal 2016 from ₹ 119 million in fiscal 2015.

**Net Profit after tax:** Our net profit after tax increased by 36.72 % to ₹ 115.46 million in fiscal 2016 from ₹ 84.45 million in fiscal 2015.

Overall the operating parameters have begun to improve in all respects except for steady increase in finance costs for reasons explained.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company management recognises the necessity, and has had in place adequate systems of internal controls.

These aim to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy and efficiency of operations, protecting assets from unauthorised use or losses, and ensuring reliability of financial and operational information. During the year the Internal audit function reporting to the Audit Committee of the Board has been significantly strengthened and a formal Risk Management Policy has been developed.

## MATERIAL DEVELOPMENTS IN HUMAN RELATIONS

There were no material developments on this front. The Company follows a philosophy whereby employee empowerment is a key area of focus. The Company strongly values the individuality of its employees, which ultimately results in a management, operations and training philosophy distinct from that of our competitors.

The Company has a number of ongoing initiatives related to employee development. Apart from various training programmes relating to the needs of the Company, there are initiatives to identify and groom future leaders.

As on 31<sup>st</sup> March, 2016, there were around 392 employees on the roll of the Company.

## CONTINGENT LIABILITY

The Contingent Liability may be primarily due to the performance and bank guarantees given by the Company to its Clients at the time of award of the project which continues to exist till the completion of the project as per the terms of the agreement with the Client. The track record of the Company does not reflect any threat on the financial stability of the Company due to such contingent liabilities and the management does not foresee any substantial threat of such contingent liabilities becoming real liability. There has not been any major increase in the Contingent Liability during the year under review.

## CAUTIONARY STATEMENT

Statements made in this report describing the company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of securities laws and regulations. Actual results could differ from those anticipated because of changing ground realities, government policies, economic and political developments, market conditions etc.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF TECHNOFAB ENGINEERING LIMITED

#### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **TECHNOFAB ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these

standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 state of affairs of the Company as at 31<sup>st</sup> March 2016 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report 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.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under

Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.21(a) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts which were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Rajesh Suresh Jain & Associates**  
Chartered Accountants  
Firm Reg. No. 017163N

Rajesh Jain  
Partner

Mem. No. 098229

Place : New Delhi  
Dated : 27<sup>th</sup> May 2016

## Annexure-A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2016, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets.  
(b) As explained to us, the management during the financial year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.  
(c) The title deeds of immovable properties are held in the name of the company.
2. (a) According to the information and explanations given to us the inventories have been physically verified by the management during the year at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) The Company has maintained the proper records of inventories. The discrepancies noticed on verification between the physical verification and the book records were not material and have been properly dealt with in the books of accounts.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii)(a) and (b) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to loans and investment made. As per the information and explanation given to us, the Company has not given any guarantee or provides any security in connection with a loan to anybody corporate or person
5. The Company has not accepted any deposits from the public.
6. The nature of the company's business activities is such maintenance of Cost Records under section 148(1) of the Act is not applicable to the Company.
7. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, VAT, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable have generally been regularly deposited by the company during the year with the appropriate authorities. According to the information given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date of becoming payable  
(b) The disputed statutory dues aggregating to ₹ 92,82,836/- that have not been deposited on account of matters pending before different Authorities as provided by the Company are stated below :-

Name of the Statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Orissa	WCT Wrongly Assessed	1,355,000	2002-03	Before Sales Tax Tribunal – Orissa
Delhi	CST Wrongly Assessed by Audit	4,356,754	2010-11	Before Sales Tax Tribunal – New Delhi
Delhi	Penalty on CST Wrongly Assessed by Audit	3,571,082	2010-11	Before Sales Tax Tribunal – New Delhi

8. According to the information and explanation given to us the company has not defaulted in repayment of loan or borrowing to a financial institution, bank, government or due to debenture holders.
9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable. In our opinion and according to the information and the explanations given to us,
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934 and the Company has obtained the registration.

**For Rajesh Suresh Jain & Associates**  
Chartered Accountants  
Firm Reg. No. 017163N

**Rajesh Jain**

Partner

Mem. No. 098229

Place : New Delhi

Dated : 27<sup>th</sup> May 2016

## Annexure – B to the Auditors' Report

### Report on the Internal Financial Control under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Technofab Engineering Limited ("the Company") as of 31<sup>st</sup> March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and,

both issued by the Institute of Chartered Accountants of India. 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting 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.

For **Rajesh Suresh Jain & Associates**

Chartered Accountants

Firm Reg. No. 017163N

**Rajesh Jain**

Partner

Place : New Delhi

Dated : 27<sup>th</sup> May 2016

Mem. No. 098229

**CIN NO. L74210DL1971PLC005712  
BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

Particulars	Note no.	As at 31/03/2016		As at 31/03/2015	
		₹		₹	
<b>EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds:</b>					
(a) Share Capital	2.1	104,900,000		104,900,000	
(b) Reserves and Surplus	2.2	2,189,152,549	2,294,052,549	2,073,699,463	2,178,599,463
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Borrowings	2.3(a)	55,480,539		68,861,133	
(b) Deferred Tax Liabilities (Net)	2.12	28,124,918		24,096,627	
(c) Other Long Term Liabilities	2.4(a)	366,353,266		449,580,101	
(d) Long Term Provisions	2.5(a)	11,447,947	461,406,670	12,352,402	554,890,263
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	2.3(b)	877,000,472		976,228,759	
(b) Trade Payables	2.4(b)	1,253,963,524		1,194,309,308	
(c) Other Current Liabilities	2.4(c)	196,053,174		233,696,711	
(d) Short Term Provisions	2.5(b)	51,531,369	2,378,548,539	37,232,494	2,441,467,272
<b>Total</b>		<b>5,134,007,758</b>		<b>5,174,956,998</b>	
<b>ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed assets	2.6				
(i) Tangible assets		388,925,218		407,534,348	
(ii) Intangible assets		1,876,193		1,229,428	
(b) Non-Current Investments	2.7(a)	90,077,520		90,077,520	
(c) Long Term Loans and Advances	2.8(a)	38,594,081		54,195,505	
(d) Other Non Current Assets	2.11(a)	11,727,893	531,200,905	31,710,209	584,747,010
<b>(2) Current Assets</b>					
(a) Current Investments	2.7(b)	5,000,000		70,275,000	
(b) Inventories	2.9	442,549,504		606,875,818	
(c) Trade Receivables	2.10	3,040,196,474		2,672,075,471	
(d) Cash and Cash Equivalents	2.11(b)	511,368,389		648,462,472	
(e) Short-Term Loans and Advances	2.8(b)	603,692,486	4,602,806,853	592,521,227	4,590,209,988
<b>Total</b>		<b>5,134,007,758</b>		<b>5,174,956,998</b>	

SIGNIFICANT ACCOUNTING POLICIES 1  
NOTES ON ACCOUNTS 2

**As per our report attached**  
**Rajesh Suresh Jain & Associates**  
**Chartered Accountants**  
**Firm Reg. No. 017163N**

**For & on behalf of Board of Directors**

**Rajesh Jain**  
**Partner**  
**Mem. No.098229**

**Avinash C Gupta**  
**Managing Director**  
**DIN - 00012077**

**Nakul Gupta**  
**Director**  
**DIN - 00012106**

**Place : New Delhi**  
**Date : 27<sup>th</sup> May 2016**

**Sandeep Kumar Vij**  
**Chief Financial Officer**  
**Mem. No.076443**

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

CIN NO. L74210DL1971PLC005712

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

Particular	Note no.	2015-2016	2014-2015
<b>REVENUE :</b>		₹	₹
Revenue from Operations	2.13	4,631,084,419	4,198,851,527
Other Income	2.14	20,684,200	22,268,554
<b>Total Revenue</b>		<b>4,651,768,619</b>	<b>4,221,120,081</b>
<b>EXPENSES :</b>			
Cost of Materials Consumed	2.15	3,256,022,894	3,016,246,755
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.16	127,425,769	(58,601,929)
Expenditure on Contracts	2.17	385,246,394	502,656,556
Employee Benefit Expense	2.18	393,754,773	353,730,202
Finance Cost	2.19	180,021,364	149,861,895
Depreciation and Amortization Expense	2.6	50,198,033	44,733,319
Other Expenses	2.20	97,644,425	90,489,623
<b>Total Expenses</b>		<b>4,490,313,652</b>	<b>4,099,116,421</b>
<b>Profit Before Tax</b>		<b>161,454,967</b>	<b>122,003,660</b>
<b>Tax Expense :</b>			
- Current Tax		46,000,000	30,000,000
- Deferred Tax		4,028,291	10,055,872
- Wealth Tax		-	377,000
- Tax Adjustment for Earlier Years		(4,026,410)	(2,879,900)
<b>Profit after tax carried to Balance Sheet</b>		<b>115,453,086</b>	<b>84,450,688</b>
<b>Earning per share (₹)</b>			
Basic	2.24	11.01	8.05
Diluted	2.24	11.01	8.05
<b>Face Value of Share (₹)</b>		<b>10.00</b>	<b>10.00</b>
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON ACCOUNTS	2		

As per our report attached  
**Rajesh Suresh Jain & Associates**  
 Chartered Accountants  
 Firm Reg. No. 017163N

For & on behalf of Board of Directors

**Rajesh Jain**  
 Partner  
 Mem. No.098229

**Avinash C Gupta**  
 Managing Director  
 DIN - 00012077

**Nakul Gupta**  
 Director  
 DIN - 00012106

Place : New Delhi  
 Date : 27<sup>th</sup> May 2016

**Sandeep Kumar Vij**  
 Chief Financial Officer  
 Mem. No.076443

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

CIN NO. L74210DL1971PLC005712

**CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31<sup>ST</sup> MARCH, 2016**

PARTICULARS	2015-2016	2014-2015
	₹	₹
<b>(A) CASH FLOW OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Item	161,454,967	122,003,660
Adjustment for :		
Depreciation	50,198,033	44,733,319
Finance charges	180,021,364	149,861,895
Net Loss on Sale of Fixed Assets	(467,821)	3,969,940
Interest Receivable	-	7,200,000
Provision for Leave Encashment	1,226,827	792,252
Provision for Gratuity	(201,033)	3,833,024
Dividend Received	(2,478)	(2,138)
Profit on sale of Mutual funds	(20,208,744)	(3,345,036)
Operating Profit before Working Capital Changes	<b>372,021,115</b>	<b>329,046,916</b>
Adjustment for :		
Trade and other Receivables	(368,121,003)	53,158,633
Loans & Advances	7,224,394	48,884,512
Inventories	164,326,314	(95,737,360)
Trade and Other payables	(61,216,155)	(172,372,844)
<b>Cash Generated from Operation</b>	<b>114,234,665</b>	<b>162,979,857</b>
Direct Taxes Paid	(26,350,590)	(31,015,100)
Leave Encashment Paid	(1,255,192)	(965,894)
Gratuity Paid	(4,822,520)	(2,531,089)
<b>Cash Flow Before Extraordinary Items</b>	<b>81,806,363</b>	<b>128,467,774</b>
<b>Net Cash Flow from Operating Activities (A)</b>	<b>81,806,363</b>	<b>128,467,774</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(35,322,496)	(146,139,347)
Sale of Fixed Assets	3,583,757	33,418,319
Profit on sale of Mutual funds	20,208,744	3,345,036
Sale / (Purchase) of Investments	65,275,000	49,275,000
Dividend Received	2,478	2,138
<b>Net Cash from (-used) in Investing Activities (B)</b>	<b>53,747,483</b>	<b>(60,098,854)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance charges	(180,021,364)	(149,861,895)
Proceeds / Repayment from / of Long term Borrowings (Net)	(13,380,594)	64,032,864
Proceeds / Repayment from / of Short term Borrowings (Net)	(99,228,286)	176,551,455
<b>Net Cash Flow From Financing Activities (C)</b>	<b>(292,630,244)</b>	<b>90,722,424</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(157,076,398)</b>	<b>159,091,344</b>
Cash & Cash Equivalents (Opening Balance)	680,172,680	521,081,336
Cash & Cash Equivalents (Closing Balance)	523,096,282	680,172,680

As per our report attached  
**Rajesh Suresh Jain & Associates**  
Chartered Accountants  
Firm Reg. No. 017163N

For & on behalf of Board of Directors

**Rajesh Jain**  
Partner  
Mem. No.098229

**Avinash C Gupta**  
Managing Director  
DIN - 00012077

**Nakul Gupta**  
Director  
DIN - 00012106

Place : New Delhi  
Date : 27<sup>th</sup> May 2016

**Sandeep Kumar Vij**  
Chief Financial Officer  
Mem. No.076443

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

## **NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31/03/2016**

### **1.1 Basis of preparation of financial statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **1.2 Use of estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, future obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed tangible assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the 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.

### **1.3 Recognition of Income/Expenditure**

All expenditure and income are accounted for on accrual basis except as otherwise stated.

Income which arises out of invoicing of contract work and the contract costs which are accounted on accrual basis are both credited to income or charged to revenue as the case may be, only after at least 10% of the total estimated contract costs (i.e. direct and indirect costs) are incurred (on accrual basis). Till such time, all the costs are carried forward to the next accounting year as "Work in Progress" under "Inventories" and recognition of revenue is correspondingly postponed. Direct costs include all expenses specifically attributable to the contract. Variation in Cost and Profit is recognized by evaluation of the percentage of work completed at the end of the accounting period. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected contract costs of the job. Estimates of contract costs are updated each year by technical certification.

Other items of the revenue are recognized in accordance with the Accounting Standard (AS-9) issued by the Institute of Chartered Accountants of India. Accordingly, wherever there are uncertainties in the ascertainment/realization of income, the same is not accounted for.

### **1.4 Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation

at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **1.5 Tangible assets and capital work-in-progress**

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

### **1.6 Intangible assets**

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

### **1.7 Depreciation and amortization**

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets. The useful lives of the Assets are taken as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

### **1.8 Investments**

- i) Current Investments are valued at cost less diminution in value on category wise basis.
- ii) Investments (Long Term) are stated at cost. Provision for diminution is made which is other than temporary.

### **1.9 Inventories**

Inventories are valued at lower of cost or net realizable value.

### **1.10 Employee Benefits**

Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under:-

- i) Short Term Employee benefits are recognized as expense at the undiscounted amount in the Profit & Loss account of the year in which they are incurred.
- ii) Employee benefits under defined contribution plans comprise of contribution to Provident Fund. Contributions to Provident Fund are deposited with appropriate authorities and charged to Profit & Loss account.
- iii) Employee Benefits under defined benefit plans comprise of gratuity and leave encashment which are accounted for as at the year end based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is funded with LIC of India.
- iv) Termination benefits are recognized as an Expense as and when incurred.
- v) The actuarial gains and losses arising during the year are recognized in the Profit & Loss account of the year without resorting to any amortization.

### **1.11 Foreign exchange transactions**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which they are adjusted to the carrying cost of such assets.

Foreign Currency transactions remaining unsettled at the year end are translated at the year end closing rate.

### 1.12 Taxes on Income

Tax expenses comprise current tax, deferred tax & wealth tax. Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### 1.13 Impairment of Fixed Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing

value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior years.

### 1.14 Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**Certified in terms of our report attached.**

**Rajesh Suresh Jain & Associates**  
**Chartered Accountants**  
**Firm Reg. No. 017163N**

**Rajesh Jain**  
**Partner**  
**Mem. No.098229**

**Place: New Delhi**  
**Date : 27<sup>th</sup> May 2016**

**For & on behalf of Board of Directors**

**Avinash C Gupta**  
**Managing Director**  
**DIN - 00012077**

**Sandeep Kumar Vij**  
**Chief Financial Officer**  
**Mem. No. 076443**

**Nakul Gupta**  
**Director**  
**DIN - 00012106**

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

**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**
**NOTE : 2 NOTES ON ACCOUNT**

	As At 31/03/2016	As At 31/03/2015
	₹	₹
<b>2.1 Share Capital</b>		
<b>Authorised Capital</b>		
18,000,000 (Previous Year 15,000,000) Equity shares of ₹ 10/- each	180,000,000	150,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
10,490,000 (Previous Year 10,490,000) Eq- uity shares of ₹ 10/- each fully paid up	104,900,000	104,900,000
<b>Total</b>	<b>104,900,000</b>	<b>104,900,000</b>

Note : (i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

Particulars	As At 31/03/2016		As At 31/03/2015	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Shares at the beginning of the year	10490000	104,900,000	10490000	104,900,000
<b>Shares at the end of the year</b>	<b>10490000</b>	<b>104,900,000</b>	<b>10490000</b>	<b>104,900,000</b>

(ii) List of share holders holding more than 5% of the total shares of the Company.

Name of the shares holders	As At 31/03/2016		As At 31/03/2015	
	No. of shares	% of holding	No. of shares	% of holding
Avinash Chander Gupta	3313096	31.58	2299096	21.92
Meera Gupta*	*	*	1528321	14.57
Emerging India Focus Fund	752153	7.17	752153	7.17

Note : \* Share Holding less than 5% as on 31/03/2016

<b>2.2 Reserves and Surplus</b>				
(i) <b>Securities Premium Reserve</b>		701,942,133		701,942,133
(ii) <b>General Reserve</b>	720,794,058		701,225,461	
Add : Fixed Asset & Deferred Tax Liability Adjustment	-		-431,403	
Add : Transfer from Profit & Loss A/c	25,000,000	745,794,058	20,000,000	720,794,058
(iii) <b>Surplus</b>	650,963,272		586,512,584	
Add : Profit after tax for the year	115,453,086		84,450,688	
Less : Transfer to General Reserve	25,000,000	741,416,358	20,000,000	650,963,272
<b>Total</b>		<b>2,189,152,549</b>		<b>2,073,699,463</b>

**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**

2.3 (a) Long-term borrowings (Secured)	As At 31/03/2016	As At 31/03/2015
<b>Term Loans</b>		
(i) <b>From Banks</b>	₹	₹
Vehicle Loans*	6,341,889	6,884,672
Equipment Loans**	49,138,650	61,790,979
(ii) <b>From Other Parties</b>		
Equipment Loans*	-	185,482
<b>Total</b>	<b>55,480,539</b>	<b>68,861,133</b>

**Note :** \* Secured by hypothecation of the asset purchased under various financing scheme and repayment terms of term loans ₹ 20,203,799 payable within one years, ₹ 38,605,502 payable one to three and ₹ 16,875,037 payable after three years @10 to 13% pa rate of interest.

\*\* ECB Loan of USD 990,000/- is secured against hypothecation of plant and machinery purchased for International Projects @ 3.823% pa rate of interest.

(b) Short-term borrowings (Secured)		
(i) <b>From Banks</b>		
Working Capital**	877,000,472	976,228,759
<b>Total</b>	<b>877,000,472</b>	<b>976,228,759</b>

**Note :** \*\* Loan from Banks (working capital facilities) are secured against tangible movable assets including stock, stores and book debts of the Company and against equitable mortgage of the Company's immovable properties comprising land, building and other structures and fittings, fixed plant and machinery and other fixtures and fittings erected or installed at factory land and building and personal guarantees of three Directors.

2.4 (a) Other Long Term Liabilities			
<b>Others Payables</b>			
(i) Vehicle Security		357,364	303,364
(ii) Advance from Customers		365,995,902	449,276,737
<b>Total</b>		<b>366,353,266</b>	<b>449,580,101</b>
<b>(b) Current Liabilities</b>			
Trade Payables		1,253,963,524	1,194,309,308
<b>Total</b>		<b>1,253,963,524</b>	<b>1,194,309,308</b>
<b>(c) Other Current Liabilities</b>			
(i) Other Payable	111,203,347		115,243,829
(ii) <b>Advance from Customers</b>	64,587,512		114,578,248
(iii) Unpaid Dividends	58,516		58,516
(vi) <b>Current Maturity of Long Term Borrowings</b>			
(a) Vehicle Loans*	3,645,819		2,155,158
(b) Equipment Loans*	16,557,980	196,053,174	1,660,960
<b>Total</b>		<b>196,053,174</b>	<b>233,696,711</b>

2.5 Provisions			
<b>(a) Long Term Provisions</b>			
(i) Gratuity	2,538,200		4,599,710
(ii) Leave Encashment	3,509,756		2,866,580
(iii) Diminution in Value of Investments	5,399,991	11,447,947	4,886,112
<b>Total</b>		<b>11,447,947</b>	<b>12,352,402</b>
<b>(b) Short Term Provisions</b>			
(i) Income Tax		46,000,000	30,000,000
(ii) Wealth Tax		-	377,000
(iii) Gratuity		4,303,026	4,942,549
(iv) Leave Encashment		1,228,343	1,912,945
<b>Total</b>		<b>51,531,369</b>	<b>37,232,494</b>

**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**
**2.6 Fixed Assets**

Description	GROSS BLOCK				DEPRECIATION				Net Block	
	As on 01/04/2015	Addition During the year	Sales/ Adjustment during the year	Total as on 31/03/2016	Upto 01/04/2015	For the year Ended	Sale/ Adjustment during the period	Total upto 31/03/2016	As on 31/03/2016	As on 31/03/2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>(i) Tangible Assets</b>										
Factory Land	24,853,112			24,853,112	-			-	24,853,112	24,853,112
Building	55,835,588	9,891,746	-	65,727,334	10,509,214	1,282,879	-	11,792,093	53,935,241	45,326,374
Barge	84,469,543	4,259,442	314,392	88,414,593	2,220,091	5,792,618	-	8,012,709	80,401,884	82,249,452
Purely Temp. Construction	91,124,430	5,862,380	-	96,986,810	65,184,093	11,873,622	-	77,057,715	19,929,095	25,940,337
Plant & Machinery	200,301,730	2,418,774	83,295	202,637,209	34,019,109	16,903,377	14,328	50,908,158	151,729,051	166,282,621
Furniture & Fixture	3,733,280	75,484	-	3,808,764	1,125,724	437,761	-	1,563,485	2,245,279	2,607,556
Office Equipment	3,892,543	387,950	-	4,280,493	1,333,063	963,766	-	2,296,829	1,983,664	2,559,480
Vehicles	71,599,505	9,519,172	5,284,474	75,834,203	19,237,874	9,272,122	2,611,642	25,898,354	49,935,849	52,361,631
Computers	12,312,521	1,770,815	125,604	13,957,732	6,958,736	3,181,919	94,966	10,045,689	3,912,043	5,353,785
<b>Total</b>	<b>548,122,252</b>	<b>34,185,763</b>	<b>5,807,765</b>	<b>576,500,250</b>	<b>140,587,904</b>	<b>49,708,064</b>	<b>2,720,936</b>	<b>187,575,032</b>	<b>388,925,218</b>	<b>407,534,348</b>
<b>(ii) Intangible Assets</b>										
Computers Software	1,610,180	1,136,733	-	2,746,913	380,752	489,968	-	870,720	1,876,193	1,229,428
<b>Total (i) + (ii)</b>	<b>549,732,432</b>	<b>35,322,496</b>	<b>5,807,765</b>	<b>579,247,163</b>	<b>140,968,656</b>	<b>50,198,032</b>	<b>2,720,936</b>	<b>188,445,752</b>	<b>390,801,411</b>	<b>408,763,776</b>
Previous Year	462,905,253	205,268,180	118,441,001	549,732,432	111,055,162	44,733,320	14,819,826	140,968,656	408,763,776	351,850,091

**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**
**2.7 Investments**

Particulars	Face Value	Qty. in nos.	As at 31/03/2016	Qty. in nos.	As at 31/03/2015
<b>(a) Non-current Investment-Non Trade (Long Term Investments at cost)</b>			₹		₹
<b>(I) Equity Shares, Fully Paid up (quoted)</b>					
Ahluwalia Contracts Ltd.	2	100	11,820	100	11,820
C & C Construction Ltd.	10	100	15,002	100	15,002
Hind Dorr-Oliver Ltd.	2	74037	6,069,017	74037	6,069,017
Hindustan Construction Ltd.	1	100	3,434	100	3,434
IVRCL Infrastructure Ltd.	2	100	6,718	100	6,718
Larsen & Toubro Ltd.	2	150	152,745	150	152,745
Nagarjuna Construction Ltd.	2	100	9,900	100	9,900
Patel Engineering Ltd.	1	100	15,658	100	15,658
Shriram EPC Ltd.	10	200	29,751	200	29,751
Unitech Ltd.	2	2000	70,715	2000	70,715
<b>Total (I)</b>			<b>6,384,760</b>		<b>6,384,760</b>
<b>(II) Unquoted Equity shares, Fully Paid up</b>					
Hydro Air Tectonics (PCD) Ltd.	10	390000	15,639,000	390000	15,639,000
<b>Total (II)</b>			<b>15,639,000</b>		<b>15,639,000</b>
<b>(III) In wholly owned subsidiary company Unquoted, fully paid up equity shares (Trade)</b>					
Rivu Infrastructural Developers Pvt. Ltd.	10	100000	501,250	100000	501,250
Woodlands Instruments Pvt. Ltd.	10	473000	7,516,670	473000	7,516,670
Arihant Flour Mills Pvt. Ltd.	100	58228	60,035,840	58228	60,035,840
<b>Total (III)</b>			<b>68,053,760</b>		<b>68,053,760</b>
<b>TOTAL (Non-current Investments)</b>			<b>90,077,520</b>		<b>90,077,520</b>
<b>(b) Current Investments (other than trade) Unquoted, Fully Paid up units of mutual fund</b>					
BOI Axa Equity Debt Rebalancer Fund	10	499990	5,000,000	499990	5,000,000
Sundaram Flexible Fund - Short Term Plan	10	-	-	1317618	24,275,000
IDFC Dynamic Bond Fund	10	-	-	3074073	41,000,000
<b>TOTAL (Current Investments)</b>			<b>5,000,000</b>		<b>70,275,000</b>
<b>GRAND TOTAL (a+b)</b>			<b>95,077,520</b>		<b>160,352,520</b>

- 1 Cost of Quoted Investment ₹ 6,384,760 (Previous Year ₹ 6,384,760). Market Value ₹ 1,033,029 (Previous Year ₹1,498,648) as on 31/03/2016.
- 2 Cost of Unquoted Investment other than Mutual fund units ₹ 15,639,000 (Previous Year ₹ 15,639,000) as on 31/03/2016.
- 3 Cost of Unquoted Investment in Mutual Fund ₹ 5,000,000 (Previous Year ₹ 70,275,000). Net Market Value ₹ 6,275,124.50 (Previous Year ₹ 87,320,022) as on 31/03/2016.

**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**

	As At 31/03/2016 ₹	As At 31/03/2015 ₹
<b>2.8 (a) Long term Loans and Advances (Unsecured, Considered good)</b>		
Capital Advance	-	7,381,875
Deposits	5,845,523	14,311,748
Prepaid Expenses	213,034	9,275,067
Advance to Subsidiaries	32,535,524	23,226,815
<b>Total</b>	<b>38,594,081</b>	<b>54,195,505</b>
<b>(b) Short term Loans and Advances (Unsecured, Considered good)</b>		
Recoverable from Revenue Authorities	238,896,907	206,691,384
Deposits	12,704,485	4,272,298
Prepaid Expenses	38,016,510	36,157,786
Advance for supply of raw materials & Others	297,754,949	315,555,766
Advance to Subsidiaries	1,041,323	9,428,709
Advance to employee	15,278,312	20,415,284
<b>Total</b>	<b>603,692,486</b>	<b>592,521,227</b>
<b>2.9 Inventories : (As taken, valued and certified by the Management)</b>		
Raw Material	90,372,372	53,431,256
Work in Progress	150,886,831	315,253,716
Stores & Spares	201,290,301	238,190,846
<b>Total</b>	<b>442,549,504</b>	<b>606,875,818</b>
<b>2.10 Trade Receivables # Unsecured, Considered Good</b>		
Outstanding exceeding six months	1,219,693,086	913,016,535
Others	1,820,503,388	1,759,058,936
<b>Total</b>	<b>3,040,196,474</b>	<b>2,672,075,471</b>
<b>Note : # Trade receivables including Retention Money</b>		
<b>2.11 (a) Other Non Current Assets</b>		
<b>Balance with Banks</b>		
- Fixed deposits having remaining maturity of more than 12 months (including interest accrued)	11,727,893	31,710,209
<b>Total</b>	<b>11,727,893</b>	<b>31,710,209</b>
<b>(b) Cash and Cash Equivalents</b>		
<b>Balance with Banks</b>		
- in Current Account with Scheduled Banks	13,602,445	41,981,540
- Fixed deposits having remaining maturity of 3 months or less (including interest accrued)	217,351,425	311,726,162
- in Current Account with Foreign Banks	7,503,812	4,551,248
Cash on Hand	18,817,384	8,783,778
Other Bank Balances		
- Fixed deposits having remaining maturity of more than 3 months but not more than 12 months (including interest accrued)	254,093,323	281,419,744
<b>Total</b>	<b>511,368,389</b>	<b>648,462,472</b>

**Note :** (a) The Current Accounts balance with Scheduled Banks includes amount of ₹ 58,516 (Previous Year ₹58,516) earmarked for payment of unpaid dividend.

(b) Fixed Deposited/cash margin with banks amount to ₹300,148,705 (Previous year ₹ 289,953,641) are under lien with banks as per banking arrangements.

**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**

	As At 31/03/2016	As At 31/03/2015
<b>2.12 Deferred tax Liability comprised of the following: -</b>	₹	₹
<b>Liability</b>		
Fixed Assets	32,153,848	28,964,601
<b>Assets</b>		
Expenses allowable under Income Tax Act on payment basis	4,028,930	4,867,974
<b>Net Deferred Tax Liability</b>	<b>28,124,918</b>	<b>24,096,627</b>
<b>Note :</b> Deferred Tax Liability for the year ended 31 <sup>st</sup> March, 2016 has been provided on the estimated tax computation for the year.		
	31/03/2016	31/03/2015
<b>2.13 Revenue from Operations</b>	₹	₹
(i) Sales	4,626,356,653	4,194,395,645
(ii) Other Operating Income	4,727,766	4,455,882
<b>Total</b>	<b>4,631,084,419</b>	<b>4,198,851,527</b>
<b>2.14 Other Income</b>		
(i) Interest from Others	5,157	8,502,426
(ii) Dividend Income		
(a) From long term Investments	2,478	2,138
(b) From short term Investments	-	-
(iii) Profit on sale of Investments (net)		
(a) From long term Investments	20,208,744	3,345,036
(b) From short term Investments	-	-
(iv) Exchange Rate Variation (Net)	-	9,748,868
(v) Diminution in Value of Investments	-	670,086
(vi) Profit on sale of fixed assets (Net)	467,821	-
<b>Total</b>	<b>20,684,200</b>	<b>22,268,554</b>
<b>2.15 Cost of Materials Consumed</b>	<b>3,256,022,894</b>	<b>3,016,246,755</b>
<b>2.16 (Increase) / Decrease in Raw Material &amp; Work in progress</b>		
<b>(a) Opening Stock</b>		
Raw Material	53,431,256	89,450,272
Work-in-Progress	315,253,716	220,632,771
<b>Total a</b>	<b>368,684,972</b>	<b>310,083,043</b>
<b>(b) Closing Stock</b>		
Raw Material	90,372,372	53,431,256
Work-in-Progress	150,886,831	315,253,716
<b>Total b</b>	<b>241,259,203</b>	<b>368,684,972</b>
<b>Total (a-b)</b>	<b>127,425,769</b>	<b>(58,601,929)</b>

**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**

	31/03/2016	31/03/2015
	₹	₹
<b>2.17 Expenditure on Contracts</b>		
(i) Power & Fuel	32,961,858	50,971,344
(ii) Inspection & Testing	5,434,230	15,735,526
(iii) Repairs & Maintenance	35,606,538	37,497,914
(iv) Freight, Forwarding & Clearing	85,193,578	124,613,578
(v) Rent, Rates & Taxes	88,564,722	106,815,042
(vi) Insurance	22,709,272	17,804,244
(vii) Other Site Expenses	114,776,196	149,218,908
<b>Total</b>	<b>385,246,394</b>	<b>502,656,556</b>
<b>2.18 Employee Benefit Expense</b>		
(i) Salaries, Wages, Bonus, Allowances etc.	351,365,968	315,418,265
(ii) Contributions to Provident Fund, ESI & Others	26,577,463	22,278,239
(iii) Staff Welfare	15,811,342	16,033,698
<b>Total</b>	<b>393,754,773</b>	<b>353,730,202</b>
<b>2.19 Finance Cost</b>		
(i) Bank Charges	101,065,312	80,014,812
(ii) Interest Cost	119,557,862	111,793,002
	220,623,174	191,807,814
Less:-		
(iii) Interest Income on FDR's (Tax Deducted at Source Current Year ₹4,064,234 Previous Year ₹ 4,188,522)	40,601,810	41,945,919
<b>Total</b>	<b>180,021,364</b>	<b>149,861,895</b>
<b>2.20 Other Expenses</b>		
(i) Power & Fuel	4,110,081	4,276,718
(ii) Repairs to Building	8,751	822,213
(iii) Repairs to Machinery	36,400	473,416
(iv) Repairs to Others	4,068,033	5,339,317
(v) Insurance	1,224,387	1,299,221
(vi) Rates & Taxes	5,947,883	5,980,496
(vii) Exchange Rate Variation (Net)*	6,041,273	-
(viii) Auditors Remuneration	120,992	98,873
(ix) Miscellaneous Expenditure	5,594,715	4,721,235
(x) Director's Sitting Fees	1,311,672	1,247,196
(xi) Legal & Professional	27,434,340	18,164,322
(xii) Rent & Hire Charges	967,188	1,625,006
(xiii) Communication Charges	4,487,474	4,585,789
(xiv) Printing & Stationary	4,176,484	3,412,642
(xv) Travelling & Conveyance	31,331,472	34,254,333
(xvi) Vehicle Running & Maintenance Charges	269,401	218,904
(xvii) Loss on Sale of Assets (Net)	-	3,969,942
(xviii) Diminution in Value of Investments**	513,879	-
<b>Total</b>	<b>97,644,425</b>	<b>90,489,623</b>

**Note :** \* In accordance with Accounting Standard 11(Revised) the net exchange Loss is ₹ 6,041,273/- (Previous Year Profit of ₹ 9,748,868/- is shown in Other Income)

\*\* Diminution value of Investment Loss is ₹ 513,879/- (Previous Year Profit of ₹ 670,086/- is shown in Other Income)

**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**
**2.21 Contingent Liability**

- a. Claims against the Company not acknowledged as debt (net) amount to ₹ 8,194,303 (Previous year ₹ 15,538,070).
- b. The Bank guarantees/letters of credit/Bill discounted given by the Banks for and on behalf of the Company outstanding at the end of the year amounted to ₹ 6,031,540,763 (Previous year ₹ 6,048,486,719).
- c. In respect of demand against Sales Tax amounting to ₹ 9,282,836 (Previous year ₹ 9,282,836) raised by the authorities, appeals are pending before the authorities.
- d. Capital commitment (Net of advances) ₹ 22,992,185 (Previous year ₹ 31,167,051).

**2.22** Fixed Deposits/cash margin with banks amount to ₹ 300,148,705 (Previous year ₹ 289,953,641) are under lien with banks as per banking arrangements.

**2.23** Auditor's Remuneration consist of Audit Fees of ₹ 54,388 including Tax Audit fees of ₹15,000 + service tax (Previous Year ₹ 53,371 including Tax Audit fees of ₹15,000 + service tax) and ₹ 66,604 (Previous Year ₹ 45,502) for other services.

**2.24 Earning per share:-**

Particulars	As on 31/03/2016	As on 31/03/2015
	₹	₹
Profit for the year after Tax	115,453,086	84,450,688
Weighted average no. of equity Shares of ₹ 10/- each for Basic EPS	10,490,000	10,490,000
Basic Earning per Share	11.01	8.05
Weighted average no. of equity Shares of ₹ 10/- each for Diluted EPS	10,490,000	10,490,000
Diluted Earning per Share	11.01	8.05

**2.25** There is no separate reportable segment as per accounting standard AS-17.

**2.26 Related Party Transactions :**
**(1) Names of Related Parties**
**(A) Key Management Person / Control**

Whole-time director

(a) Avinash C. Gupta (Managing Director)

(b) Arjun Gupta ( Whole-time Director)

(c) Nakul Gupta ( Whole-time Director)

Non whole-time-directors

(a) Arun Mittar (Independent Director Non Executive)

(b) Pawan Chopra (Independent Director Non Executive)

(c) Anju Banerjee (Independent Director Non Executive)

**(B) Executive Officers**

(a) Sandeep Kumar Vij (Chief Financial Officer)

(b) Ashish Kapil (Company Secretary) Till 31/10/2015

(c) Suman Kumar Verma (Company Secretary) From 01/11/2015

**(C) Enterprises under Common Control / enterprises where persons described in "A" above is able to exercise significant influence.**

(a) Techfab International Pvt. Ltd.

(b) Techfab Systems Pvt. Ltd.

(c) Bakool Venture Pvt. Ltd.

(d) JoyLuck Venture India Pvt. Ltd.

(e) Chasha Lands Pvt. Ltd.

(f) Wrap Art & Design Private Limited

## (D) Relatives of Key managerial Person

- (a) Meera Gupta
- (b) Gunjan Gupta
- (c) Sucheta Sarvadaman Nakul

## (E) Wholly owned Subsidiary Company

- (a) Rivu Infrastructural Developers Pvt. Ltd.
- (b) Woodlands Instruments Pvt. Ltd.
- (c) Arihant Flour Mills Pvt. Ltd.

## (2) Transaction with related parties as defined in (1) above:-

Amount in ₹

Sr. No.	Particulars	(A)	(B)	(C)	(D)	(E)
1	Loan / Security / Advance given	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	921,323 (-1,898,000 *)
2	Remuneration Paid	33,800,000 (22,824,000)	5,323,594 (3,664,094)	NIL (NIL)	NIL (NIL)	NIL (NIL)
3	Sitting Fees Paid	1,311,672 (1,247,196)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4	Reimbursement of Expenses	NIL (NIL)	NIL (NIL)	NIL (269,335)	NIL (NIL)	NIL (1,588,751)
5	Outstanding Balance as on 31/03/2016					
	-Receivable in respect of advance to subsidiaries & other related parties	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	33,576,847 (32,655,524)
	- Payable in respect of remuneration & commission	12,296,252 (8,655,022)	293,120 (243,557)	NIL (NIL)	NIL (NIL)	NIL (NIL)

Figures within brackets are in respect of previous year.

\*In respect of advance given received back during the previous year.

## 2.27 Expenditure and earning in foreign currency:-

Particulars	As on 31/03/2016	As on 31/03/2015
	₹	₹
Travelling Expenses	9,989,845	12,971,714
Tender Expenses	3,571,977	253,800
Expenditure on Contract	452,062,868	835,114,726
Material	172,058,843	258,682,128
Service Charges	12,583,047	61,606,593
Purchase of Fixed Assets	3,659,725	20,937,000
FOB Value of Net Exports	1,142,818,844	1,648,992,167

2.28 The nature of business of the Company is such that it is not practicable to give quantitative information.

2.29 Turnover is net of Procurement and other related charges.

**2.30 Balance with Foreign banks:-**

Name of Banks	As on 31/03/2016		As on 31/03/2015	
	Outstanding Balance	Maximum balance during the year	Outstanding Balance	Maximum balance during the year
	₹	₹	₹	₹
Prudential Bank Ltd. - Ghana	1,040,241.66	3,873,551.04	1,480,625.14	8,690,590.00
Bank of Abyssinia - Ethiopia	1,091,308.10	1,151,443.26	1,151,443.26	1,170,697.00
Standard Bank S.A. (MZN) – Mozambique	850.87	1,114.71	1,114.71	59,560.00
Standard Bank S.A. (USD) – Mozambique	217.46	284.89	284.89	1,172,242.00
International Bank (USD) - Liberia	1,728,444.89	6,494,838.52	20,756.73	11,301,437.00
Equity Bank Isiolo - Kenya	400.33	15,763.95	15,763.95	1,958,604.00
CRDB BANK (TZS) (Bukoba) – Tanzania	433,657.27	10,365,581.99	1,032,708.16	11,800,908.00
CRDB BANK (TZS) (Sumbawanga) – Tanzania	1,860,523.07	6,514,832.62	106,451.54	7,135,534.43
CRDB BANK (USD) (Bukoba) – Tanzania	18,239.21	1,946,343.06	486,977.01	9,254,018.00
CRDB BANK (USD) (Sumbawanga) – Tanzania	364,188.54	1,393,264.00	10,036.74	6,765,532.00
ECO BANK (USD) (HARARE) – ZIMBABWE	965,740.53	9,371,119.84	245,086.23	29,311,667.00

**2.31 Disclosure pursuant to Accounting Standard – 15:-**
**(a) Defined Contribution Plan :**

Amount recognized as expense for defined contribution plans are as under :-

Particulars	Amount in ₹	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	6,069,077 (5,344,889)	Contribution to Provident Fund

**(b) Defined Benefit Plan :**

Movement in net liability :-

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
	₹	₹	₹	₹
Present value of obligations as at the beginning of the year (A)	14,998,783	12,196,848	4,779,525	4,953,167
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	1,117,409	952,574	356,075	386,842
Past service cost	NIL	NIL	NIL	NIL
Current service cost (D)	1,861,142	2,065,486	1,328,633	860,529
Benefits paid (E)	(1,307,915)	(1,107,387)	(1,205,963)	(965,894)
Actuarial (gain) / loss on obligation (F)	(2,702,122)	891,262	(457,881)	(455,119)
<b>Present value of obligations as at the end of year (A+B+C+D-E+F)</b>	<b>13,967,297</b>	<b>14,998,783</b>	<b>4,800,389</b>	<b>4,779,525</b>

**(c) The amounts recognized in the Balance Sheet and Profit & loss account are as follows :-**

Particulars	Gratuity (Funded)		Leave Encashment (Un-funded)	
	Current Year	Previous Year	Current Year	Previous Year
	₹	₹	₹	₹
Present value of obligation (A)	13,967,297	14,998,783	4,800,389	4,779,525
Estimated fair value of plan assets (B)	7,126,071	5,456,524	NIL	NIL
<b>Net Liability (A)-(B)</b>	<b>6,841,226</b>	<b>9,542,259</b>	<b>4,800,389</b>	<b>4,779,525</b>
<b>Amounts in the Balance Sheet</b>				
<b>Liabilities</b>	<b>6,841,226</b>	<b>9,542,259</b>	<b>4,800,389</b>	<b>4,779,525</b>
<b>Amount charged to Profit &amp; Loss Account</b>				
Current Service Cost	1,861,142	2,065,486	1,328,633	860,529
Past service cost	NIL	NIL	NIL	NIL
Interest Cost	1,117,409	952,574	356,075	386,842
Expected return on plan assets	(477,462)	(402,053)	NIL	NIL
Actuarial (Gain)/Loss	(2,702,122)	797,802	(457,881)	(455,119)
	<b>(201,033)</b>	<b>3,413,809</b>	<b>1,226,827</b>	<b>792,252</b>
Head under which shown in the Profit & Loss account	Salaries, Wages, Gratuity, Bonus, Allowances etc.		Salaries, Wages, Gratuity, Bonus, Allowances etc.	

(d) Changes in the fair value of plan assets

		Amount in ₹	
S. No.	Particulars	31/03/2016	31/03/2015
A	Fair value of plan assets at the beginning of the period	5,456,524	4,594,889
B	Acquisition adjustment	NIL	NIL
C	Expected return on plan assets	477,462	402,053
D	Contributions	2,500,000	1,473,509
E	Benefits paid	(1,307,915)	(1,107,387)
F	Actuarial gain/(loss) on plan assets	NIL	93,460
G	Fair value of plan assets at the end of the period	7,126,071	5,456,524

2.32 Trade Payables:-

- To the extent information is available with the Company, Sundry Creditors include Nil, (Previous year Nil) due to Small Scale Industrial Undertakings.
- The Company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. To the extent of information available with the Company, the Company does not owe any sum including interest required to be disclosed under the said Act.

**2.33 Un-hedged position of Foreign Exchange :-**

Particulars	As At 31/03/2016		As At 31/03/2015	
	Amount (in Foreign Currency)	Amount (₹)	Amount (in Foreign Currency)	Amount (₹)
<b>- In Respect of receivables</b>				
USD	6,424,120	425,145,348	14,905,233	929,192,236
EURO	2,266,556	170,830,302	1,421,085	95,170,091
ETB - (Ethiopian Birr)	1,926,592	5,933,904	1,433,671	4,372,695
GHS - (Ghanian Cedi)	240,926	4,163,208	663,415	10,800,390
KSH - (Kenya Shilling)	3,102,228	2,018,703	35,671,051	24,077,960
FJD - (Fiji Dollar)	-	-	19,957	603,902
MZN - (Mozambican Metical)	14,176,800	18,288,072	14,176,800	23,958,792
TZS - (Tanzanian Shilling)	21,402,031	647,957	3,266,425,121	109,869,664
<b>TOTAL</b>		<b>627,027,494</b>		<b>1,198,045,731</b>
<b>- In Respect of Payables</b>				
USD	2,373,020	156,819,544	8,955,193	558,266,732
EURO	2,506,210	188,893,080	2,765,585	185,211,238
GHS - (Ghanian Cedi)	1,324,873	4,080,609	2,190,964	35,668,887
ETB - (Ethiopian Birr)	704,699	12,177,195	812,512	2,478,162
KSH - (Kenya Shilling)	21,854,516	14,249,144	17,668,346	11,926,133
FJD - (Fiji Dollar)	2,131	67,936	3,456	104,588
GBP - (British Pound)	76,927	7,320,373	-	-
MZN - (Mozambican Metical)	704,340	908,599	704,340	1,190,335
TZS - (Tanzanian Shilling)	1,214,142,415	36,758,777	804,089,665	27,046,406
<b>TOTAL</b>		<b>421,275,257</b>		<b>821,892,480</b>

**2.34 Disclosure as per AS-7 :-**

S. No.	Particulars	As At 31/03/2016	As At 31/03/2015
		₹	₹
1	Contract Revenue	4,631,084,419	4,198,851,527
2	Cost incurred on Contract	3,768,695,057	3,460,301,382
3	Advance received	430,583,414	563,854,985
4	Amount due from Customers includes Retention Money	3,040,196,474	2,672,075,471
5	Contract Profit / (Losses) recognized	862,389,362	738,550,145

2.35 Previous year figures have been regrouped / rearranged wherever considered necessary.

**Certified in terms of our report attached.**

**Rajesh Suresh Jain & Associates**  
Chartered Accountants  
Firm Reg. No. 017163N

**For & on behalf of Board of Directors**

**Rajesh Jain**  
Partner  
Mem. No.098229

**Avinash C Gupta**  
Managing Director  
DIN - 00012077

**Nakul Gupta**  
Director  
DIN - 00012106

Place : New Delhi  
Date : 27<sup>th</sup> May, 2016

**Sandeep Kumar Vij**  
Chief Financial Officer  
Mem. No.076443

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

## INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of Technofab Engineering Limited**

We have audited the accompanying consolidated financial statements of Technofab Engineering Limited ('the Company') and three subsidiaries, which comprise the consolidated balance sheet as at 31<sup>st</sup> March 2016, the consolidated statement of profit and loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether the consolidated financial statements are free from material misstatement.

The financial statements of one of the subsidiary namely M/s Rivu Infrastructural Developers Pvt. Ltd. whose total assets and total revenue are ₹ 12,619,824 and ₹ NIL respectively have not been Audited by us and these financial statements have been audited by other auditors and in our opinion, so far as it relates to amount included in respect of this subsidiary is based solely on their reports.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2016;
- (ii) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and

- (iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

**Rajesh Suresh Jain & Associates**  
**Chartered Accountants**  
**Firm Reg. No.017163N**

**Rajesh Jain**

**Partner**

**Place : New Delhi**

**Dated : 27<sup>th</sup> May, 2016**

**Mem. No. 098229**

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

Particulars	Note no.	As at 31/03/2016		As at 31/03/2015	
		₹		₹	
<b>EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds:</b>					
(a) Share Capital	2.1	104,900,000		104,900,000	
(b) Reserves and Surplus	2.2	2,210,592,295	2,315,492,295	2,097,157,370	2,202,057,370
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Borrowings	2.3(a)	55,480,539		68,861,133	
(b) Deferred Tax Liabilities (Net)	2.12	28,150,187		24,111,380	
(c) Other Long Term Liabilities	2.4(a)	366,353,266		449,580,101	
(d) Long Term Provisions	2.5(a)	11,447,947	461,431,939	12,352,402	554,905,016
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	2.3(b)	877,000,472		976,228,759	
(b) Trade Payables	2.4(b)	1,253,963,524		1,194,354,624	
(c) Other Current Liabilities	2.4(c)	196,366,086		234,138,570	
(d) Short Term Provisions	2.5(b)	51,531,369	2,378,861,451	37,232,494	2,441,954,447
<b>Total</b>		<b>5,155,785,685</b>		<b>5,198,916,833</b>	
<b>ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed assets	2.6				
(i) Tangible assets		442,312,179		462,098,343	
(ii) Intangible assets		1,876,193		1,229,428	
(iii) Goodwill		56,500,960		56,500,960	
(b) Non-Current Investments	2.7(a)	22,023,760		22,023,760	
(c) Long Term Loans and Advances	2.8(a)	6,058,557		30,968,690	
(d) Other Non Current Assets	2.11(a)	11,727,893	540,499,542	31,710,209	604,531,390
<b>(2) Current Assets</b>					
(a) Current Investments	2.7(b)	5,000,000		70,275,000	
(b) Inventories	2.9	442,549,504		606,875,818	
(c) Trade Receivables	2.10	3,045,116,932		2,676,995,929	
(d) Cash and Cash Equivalents	2.11(b)	512,249,530		649,395,104	
(e) Short-Term Loans and Advances	2.8(b)	610,370,177	4,615,286,143	590,843,592	4,594,385,443
<b>Total</b>		<b>5,155,785,685</b>		<b>5,198,916,833</b>	

**SIGNIFICANT ACCOUNTING POLICIES** 1

**NOTES ON ACCOUNTS** 2

As per our report attached  
**Rajesh Suresh Jain & Associates**  
**Chartered Accountants**  
**Firm Reg. No. 017163N**

For & on behalf of Board of Directors

**Rajesh Jain**  
**Partner**  
**Mem. No.098229**

**Avinash C Gupta**  
**Managing Director**  
**DIN - 00012077**

**Nakul Gupta**  
**Director**  
**DIN - 00012106**

**Place : New Delhi**  
**Date : 27<sup>th</sup> May, 2016**

**Sandeep Kumar Vij**  
**Chief Financial Officer**  
**Mem. No. 076443**

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

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

Particular	Note no.	2015-2016	2014-2015
<b>REVENUE :</b>		₹	₹
Revenue from Operations	2.13	4,631,084,419	4,200,616,670
Other Income	2.14	20,678,638	22,272,557
<b>Total Revenue</b>		<b>4,651,763,057</b>	<b>4,222,889,227</b>
<b>EXPENSES :</b>			
Cost of Materials Consumed	2.15	3,255,951,894	3,016,977,219
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.16	127,425,769	(58,601,929)
Expenditure on Contracts	2.17	385,246,394	502,656,556
Employee Benefit Expense	2.18	393,754,773	353,730,202
Finance Cost	2.19	180,025,902	149,869,402
Depreciation and Amortization Expense	2.6	51,364,186	46,153,460
Other Expenses	2.20	98,587,882	92,317,790
<b>Total Expenses</b>		<b>4,492,356,800</b>	<b>4,103,102,700</b>
<b>Profit Before Tax</b>		<b>159,406,257</b>	<b>119,786,527</b>
Tax Expense :			
- Current Tax		46,000,000	30,000,000
- Deferred Tax		4,038,808	10,053,281
- Wealth Tax		-	377,000
- Tax Adjustment for Earlier Years		(4,067,476)	(2,695,082)
<b>Profit after tax carried to Balance Sheet</b>		<b>113,434,925</b>	<b>82,051,328</b>
<b>Earning per share (₹)</b>			
Basic	2.25	10.81	7.82
Diluted	2.25	10.81	7.82
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>NOTES ON ACCOUNTS</b>	2		

As per our report attached  
**Rajesh Suresh Jain & Associates**  
Chartered Accountants  
Firm Reg. No. 017163N

For & on behalf of Board of Directors

**Rajesh Jain**  
Partner  
Mem. No.098229

**Avinash C Gupta**  
Managing Director  
DIN - 00012077

**Nakul Gupta**  
Director  
DIN - 00012106

Place : New Delhi  
Date : 27<sup>th</sup> May, 2016

**Sandeep Kumar Vij**  
Chief Financial Officer  
Mem. No. 076443

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

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31<sup>ST</sup> MARCH, 2016**

	2015-2016 ₹	2014-2015 ₹
<b>(A) CASH FLOW OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Item	159,406,257	119,786,527
<b>Adjustment for :</b>		
Depreciation	51,364,185	46,153,460
Finance charges	180,025,902	149,869,402
Net Loss on Sale of Fixed Assets	(462,259)	4,085,906
Interest Receivable	-	7,200,000
Provision for Leave Encashment	1,226,827	792,252
Provision for Gratuity	(201,033)	3,833,024
Dividend Received	(2,478)	(2,138)
Profit on sale of Mutual funds	(20,208,744)	(3,345,036)
Operating Profit before Working Capital Changes	<b>371,148,657</b>	<b>328,373,396</b>
<b>Adjustment for :</b>		
Trade and other Receivables	(368,121,003)	51,726,726
Loans & Advances	8,177,776	48,128,694
Inventories	164,326,314	(95,737,360)
Trade and Other payables	(61,390,418)	(172,468,492)
<b>Cash Generated from Operation</b>	<b>114,141,325</b>	<b>160,022,964</b>
Direct Taxes Paid	(26,309,524)	(31,199,918)
Leave Encashment Paid	(1,255,192)	(965,894)
Gratuity Paid	(4,822,520)	(2,531,089)
<b>Cash Flow Before Extraordinary Items</b>	<b>81,754,090</b>	<b>125,326,063</b>
<b>Net Cash Flow from Operating Activities (A)</b>	<b>81,754,090</b>	<b>125,326,063</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(35,322,496)	(146,139,347)
Sale of Fixed Assets	3,589,077	33,418,319
Profit on sale of Mutual funds	20,208,744	3,345,036
Sale / (Purchase) of Investments	65,275,000	49,275,000
Dividend Received	2,478	2,138
<b>Net Cash from (-used) in Investing Activities (B)</b>	<b>53,752,803</b>	<b>(60,098,852)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance charges	(180,025,902)	(149,869,402)
Proceeds / Repayment from / of Long term Borrowings (Net)	(13,380,594)	64,968,793
Proceeds / Repayment from / of Short term Borrowings (Net)	(99,228,286)	176,551,456
<b>Net Cash Flow From Financing Activities (C)</b>	<b>(292,634,782)</b>	<b>91,650,847</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(157,127,889)</b>	<b>156,878,058</b>
Cash & Cash Equivalents (Opening Balance)	681,105,313	524,227,255
Cash & Cash Equivalents (Closing Balance)	523,977,424	681,105,313

As per our report attached

**Rajesh Suresh Jain & Associates**  
Chartered Accountants  
Firm Reg. No. 017163N

For & on behalf of Board of Directors

**Rajesh Jain**  
Partner  
Mem. No.098229

**Avinash C Gupta**  
Managing Director  
DIN - 00012077

**Nakul Gupta**  
Director  
DIN - 00012106

Place : New Delhi  
Date : 27<sup>th</sup> May, 2016

**Sandeep Kumar Vij**  
Chief Financial Officer  
Mem. No.076443

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

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**Note : 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31/03/2016**
**1.1 Principles of Consolidation**

The consolidated Financial Statements relate to TECHNOFAB ENGINEERING LIMITED (the Company) and its subsidiaries companies Rivu Infrastructural Developers Pvt. Ltd., Woodlands Instruments Pvt. Ltd. and Arihant Flour Mills Pvt. Ltd. The consolidated financial statements have been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" on the following basis :

- i) The Financial statements of the Company and the subsidiaries companies have been 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 unrealized profit or losses.
- ii) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in the similar circumstances and are presented to, to the extent possible, in the same manner as the Company's separate financial statements.

- iii) In case of associates, where the Company directly or indirectly through subsidiaries holds more than 20% of the equity, Investments in Associates are accounted for using equity method in accordance with The Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements".
- iv) The Company accounts for its shares in the change in net assets of the associates, post acquisition after eliminating unrealized profit & loss resulting from transaction between the Company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balances, based on available information.

**1.2 Other Significant Accounting Policies**

These are said out under "Significant Accounting Policies" as given in the Financial Statements of TECHNOFAB ENGINEERING LIMITED and its subsidiaries Rivu Infrastructural Developers Pvt. Ltd., Woodlands Instruments Pvt. Ltd. and Arihant Flour Mills Pvt. Ltd.

**Certified in terms of our report attached.**

**Rajesh Suresh Jain & Associates**  
**Chartered Accountants**  
**Firm Reg. No. 017163N**

**Rajesh Jain**  
**Partner**  
**Mem. No. 098229**

**Place : New Delhi**  
**Date : 27<sup>th</sup> May, 2016**

**For & on behalf of Board of Directors**

**Avinash C Gupta**  
**Managing Director**  
**DIN - 00012077**

**Sandeep Kumar Vij**  
**Chief Financial Officer**  
**Mem. No. 076443**

**Nakul Gupta**  
**Director**  
**DIN - 00012106**

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

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**
**NOTE : 2 NOTES ON ACCOUNT**

	As At 31/03/2016	As At 31/03/2015
	₹	₹
<b>2.1 Share Capital</b>		
<b>Authorised Capital</b>		
18,000,000 (Previous Year 15,000,000) Equity shares of ₹ 10/- each	180,000,000	150,000,000
<b>Issued, Subscribed &amp; Paid up Capital</b>		
10,490,000 (Previous Year 10,490,000) Equity shares of ₹ 10/- each fully paid up	104,900,000	104,900,000
<b>Total</b>	<b>104,900,000</b>	<b>104,900,000</b>

Note : (i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

Particulars	As At 31/03/2016		As At 31/03/2015	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Shares at the beginning of the year	10490000	104,900,000	10490000	104,900,000
<b>Shares at the end of the year</b>	<b>10490000</b>	<b>104,900,000</b>	<b>10490000</b>	<b>104,900,000</b>

(ii) List of share holders holding more then 5% of the total shares of the Company.

Name of the shares holders	As At 31/03/2016		As At 31/03/2015	
	No. of shares	% of holding	No. of shares	% of holding
Avinash Chander Gupta	3313096	31.58	2299096	21.92
Meera Gupta#	*	*	1528321	14.57
Emerging India Focus Fund	752153	7.17	752153	7.17

Note : # as on 31/03/2016 share holding of the share holder's is less then 5%.

<b>2.2 Reserves and Surplus</b>				
(i) <b>Securities Premium Reserve</b>		736,221,323		736,221,323
(ii) <b>General Reserve</b>	720,794,058		701,225,461	
Add : Fixed Asset & Deferred Tax Liability Adjustment	-		(431,403)	
Add : Transfer from Profit & Loss A/c	25,000,000	745,794,058	20,000,000	720,794,058
(iii) <b>Surplus</b>	640,141,989		577,892,661	
Add : Profit after tax for the year	113,434,925		82,051,328	
Add : Income related to earlier year not accounted			198,000	
Less : Transfer to General Reserve	25,000,000	728,576,914	20,000,000	640,141,989
<b>Total</b>		<b>2,210,592,295</b>		<b>2,097,157,370</b>

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**

2.3 (a) Long-term borrowings (Secured)	As At 31/03/2016	As At 31/03/2015
<b>Term Loans</b>	₹	₹
(i) From Banks		
Vehicle Loans*	6,341,889	6,884,672
Equipment Loans**	49,138,650	61,790,979
(ii) From Other Parties		
Equipment Loans*	-	185,482
<b>Total</b>	<b>55,480,539</b>	<b>68,861,133</b>

**Note :** \* Secured by hypothecation of the asset purchased under various financing scheme and repayment terms of term loans ₹ 20,203,799 payable within one years, ₹ 38,605,502 payable one to three and ₹16,875,037 payable after three years @10 to 13% pa rate of interest.

\*\* ECB Loan of USD 990,000/- is secured against hypothecation of plant and machinery purchased for International Projects @ 3.823% pa rate of interest.

(b) Short-term borrowings (Secured)		
(i) From Banks		
Working Capital**	877,000,472	976,228,759
<b>Total</b>	<b>877,000,472</b>	<b>976,228,759</b>

**Note :** \*\* Loan from Banks (working capital facilities) are secured against tangible movable assets including stock, stores and book debts of the Company and against equitable mortgage of the Company's immovable properties comprising land, building and other structures and fittings, fixed plant and machinery and other fixtures and fittings erected or installed at factory land and building and personal guarantees of three Directors.

2.4 (a) Other Long Term Liabilities			
<b>Others Payables</b>			
(i) Vehicle Security		357,364	303,364
(ii) Advance from Customers		365,995,902	449,276,737
<b>Total</b>		<b>366,353,266</b>	<b>449,580,101</b>
<b>(b) Current Liabilities</b>			
Trade Payables		1,253,963,524	1,194,354,624
<b>Total</b>		<b>1,253,963,524</b>	<b>1,194,354,624</b>
<b>(c) Other Current Liabilities</b>			
(i) Other Creditors Payable	111,516,259		115,685,688
(ii) Advance from Customers	64,587,512		114,578,248
(iii) Unpaid Dividends	58,516		58,516
(vi) Current Maturity of Long Term Borrowings			
(a) Vehicle Loans*	3,645,819		2,155,158
(b) Equipment Loans*	16,557,980	196,366,086	1,660,960
<b>Total</b>		<b>196,366,086</b>	<b>234,138,570</b>

2.5 Provisions			
<b>(a) Long Term Provisions</b>			
(i) Gratuity	2,538,200		4,599,710
(ii) Leave Encashment	3,509,756		2,866,580
(iii) Diminution in Value of Investments	5,399,991	11,447,947	4,886,112
<b>Total</b>		<b>11,447,947</b>	<b>12,352,402</b>
<b>(b) Short Term Provisions</b>			
(i) Income Tax		46,000,000	30,000,000
(ii) Wealth Tax		-	377,000
(iii) Gratuity		4,303,026	4,942,549
(iv) Leave Encashment		1,228,343	1,912,945
<b>Total</b>		<b>51,531,369</b>	<b>37,232,494</b>

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**
**2.6 Fixed Assets**

Description	GROSS BLOCK			DEPRECIATION			Net Block			
	As on 01/04/2015	Addition During the year	Sales/ Adjustment during the year	Total as on 31/03/2016	Upto 01/04/2015	For the year Ended	Sale/ Adjustment during the period	Total upto 31/03/2016	As on 31/03/2016	As on 31/03/2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>(i) Tangible Assets</b>										
Factory Land	42,753,678			42,753,678	-	-	-	-	42,753,678	42,753,678
Building	97,809,176	9,891,746	-	107,700,922	16,288,772	2,343,605	-	18,632,377	89,068,545	81,520,404
Barge	84,469,543	4,259,442	314,392	88,414,593	2,220,091	5,792,618	-	8,012,709	80,401,884	82,249,452
Purely Temp. Construction	91,124,430	5,862,380	-	96,986,810	65,184,095	11,873,622	-	77,057,717	19,929,093	25,940,335
Plant & Machinery	200,822,286	2,418,774	83,295	203,157,765	34,330,844	17,007,249	14,328	51,323,765	151,834,000	166,491,442
Furniture & Fixture	3,769,062	75,484	32,476	3,812,070	1,151,124	438,144	22,478	1,566,790	2,245,280	2,617,938
Office Equipment	4,375,851	387,950	26,500	4,737,301	1,577,772	963,836	25,617	2,515,991	2,221,310	2,798,079
Vehicles	71,718,217	9,519,172	5,284,474	75,952,915	19,344,989	9,273,224	2,611,642	26,006,571	49,946,344	52,373,228
Computers	12,319,394	1,770,815	125,604	13,964,605	6,965,607	3,181,919	94,966	10,052,560	3,912,045	5,353,787
<b>Total</b>	<b>609,161,637</b>	<b>34,185,763</b>	<b>5,866,741</b>	<b>637,480,659</b>	<b>147,063,294</b>	<b>50,874,217</b>	<b>2,769,031</b>	<b>195,168,480</b>	<b>442,312,179</b>	<b>462,098,343</b>
<b>(ii) Intangible Assets</b>										
Computers Software	1,610,180.00	1,136,733	-	2,746,913	380,752	489,968	-	870,720	1,876,193	1,229,428
<b>Total (i) + (ii)</b>	<b>610,771,817</b>	<b>35,322,496</b>	<b>5,866,741</b>	<b>640,227,572</b>	<b>147,444,046</b>	<b>51,364,185</b>	<b>2,769,031</b>	<b>196,039,200</b>	<b>444,188,372</b>	<b>463,327,771</b>
<b>Previous Year</b>	<b>524,518,110</b>	<b>205,268,180</b>	<b>119,014,473</b>	<b>610,771,818</b>	<b>116,567,919</b>	<b>46,153,460</b>	<b>15,277,333</b>	<b>147,444,046</b>	<b>463,327,771</b>	<b>407,950,191</b>

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016

**2.7 Investments**

Particulars	Face Value	Qty. in nos.	As at 31/03/2016	Qty. in nos.	As at 31/03/2015
<b>(a) Non-current Investment-Non Trade</b>	₹		₹		₹
<b>(Long Term Investments at cost)</b>					
<b>(I) Equity Shares, Fully Paid up (quoted)</b>					
Ahluwalia Contracts Ltd.	2	100	11,820	100	11,820
C & C Construction Ltd.	10	100	15,002	100	15,002
Hind Dorr-Oliver Ltd.	2	74037	6,069,017	74037	6,069,017
Hindustan Construction Ltd.	1	100	3,434	100	3,434
IVRCL Infrastructure Ltd.	2	100	6,718	100	6,718
Larsen & Toubro Ltd.	2	150	152,745	150	152,745
Nagarjuna Construction Ltd.	2	100	9,900	100	9,900
Patel Engineering Ltd.	1	100	15,658	100	15,658
Shriram EPC Ltd.	10	200	29,751	200	29,751
Unitech Ltd.	2	2000	70,715	2000	70,715
<b>Total (I)</b>			<b>6,384,760</b>		<b>6,384,760</b>
<b>(II) Unquoted Equity shares, Fully Paid up</b>					
Hydro Air Tectonics (PCD) Ltd.	10	390000	15,639,000	390000	15,639,000
<b>Total (II)</b>			<b>15,639,000</b>		<b>15,639,000</b>
<b>TOTAL (Non-current Investments)</b>			<b>22,023,760</b>		<b>22,023,760</b>
<b>(b) Current Investments (other than trade)</b>					
<b>Unquoted, Fully Paid up units of mutual fund</b>					
BOI Axa Equity Debt Rebanner Fund	10	499990	5,000,000	499990	5,000,000
Sundaram Flexible Fund - Short Term Plan	10	-	-	1317618	24,275,000
IDFC Dynamic Bond Fund	10	-	-	3074073	41,000,000
<b>TOTAL (Current Investments)</b>			<b>5,000,000</b>		<b>70,275,000</b>
<b>GRAND TOTAL (a+b)</b>			<b>27,023,760</b>		<b>92,298,760</b>

- 1 Cost of Quoted Investment ₹ 6,384,760 (Previous Year ₹ 6,384,760). Market Value ₹ 1,033,029 (Previous Year ₹ 1,498,648) as on 31/03/2016.
- 2 Cost of Unquoted Investment other than Mutual fund units ₹ 15,639,000 (Previous Year ₹ 15,639,000) as on 31/03/2016.
- 3 Cost of Unquoted Investment in Mutual Fund ₹ 5,000,000 (Previous Year ₹ 70,275,000). Net Market Value ₹ 6,275,124.50 (Previous Year ₹ 87,320,022) as on 31/03/2016.

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**

	As At 31/03/2016	As At 31/03/2015
	₹	₹
<b>2.8 (a) Long term Loans and Advances (Unsecured, Considered good)</b>		
Capital Advance	-	7,381,875
Deposits	5,845,523	14,311,748
Prepaid Expenses	213,034	9,275,067
<b>Total</b>	<b>6,058,557</b>	<b>30,968,690</b>
<b>(b) Short term Loans and Advances (Unsecured, Considered good)</b>		
Recoverable from Revenue Authorities	246,460,921	206,940,858
Deposits	12,859,485	4,272,298
Prepaid Expenses	38,016,510	36,157,786
Advances for supply of raw materials & Others	297,754,949	323,057,366
Advance to employee	15,278,312	20,415,284
<b>Total</b>	<b>610,370,177</b>	<b>590,843,592</b>
<b>2.9 Inventories : (As taken, valued and certified by the Management)</b>		
Raw Material	90,372,372	53,431,256
Work in Progress	150,886,831	315,253,716
Stores & Spares	201,290,301	238,190,846
<b>Total</b>	<b>442,549,504</b>	<b>606,875,818</b>
<b>2.10 Trade Receivables # Unsecured, Considered Good</b>		
Outstanding exceeding six months	1,224,613,544	913,016,535
Others	1,820,503,388	1,763,979,394
<b>Total</b>	<b>3,045,116,932</b>	<b>2,676,995,929</b>
<b>Note : # Trade receivables includes Retention Money</b>		
<b>2.11 (a) Other Non Current Assets</b>		
<b>Balance with Banks</b>		
- Fixed deposits having remaining maturity of more than 12 months (including interest accrued)	11,727,893	31,710,209
<b>Total</b>	<b>11,727,893</b>	<b>31,710,209</b>
<b>(b) Cash and Cash Equivalents</b>		
<b>Balance with Banks</b>		
- in Current Account with Scheduled Banks	13,674,552	42,106,138
- Fixed deposits having remaining maturity of 3 months or less (including interest accrued)	217,351,425	311,726,162
- in Current Account with Foreign Banks	7,503,812	4,551,248
<b>Cash on Hand</b>	19,626,418	9,591,812
<b>Other Bank Balances</b>		
- Fixed deposits having remaining maturity of more than 3 months but not more than 12 months (including interest accrued)	254,093,323	281,419,744
<b>Total</b>	<b>512,249,530</b>	<b>649,395,104</b>

**Note :** (a) The Current Accounts balance with Scheduled Banks includes amount of ₹ 58,516 (Previous Year ₹58,516) earmarked for payment of unpaid dividend.

(b) Fixed Deposited/cash margin with banks amount to ₹300,148,705 (Previous year ₹ 289,953,641) are under lien with banks as per banking arrangements.

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**

	As At 31/03/2016	As At 31/03/2015
<b>2.12 Deferred tax Liability comprised of the following: -</b>	₹	₹
<b>Liability</b>		
Fixed Assets	32,168,600	28,981,945
<b>Assets</b>		
Expenses allowable under Income Tax Act on payment basis	4,018,413	4,870,565
<b>Net Deferred Tax Liability</b>	<b>28,150,187</b>	<b>24,111,380</b>
<b>Note :</b> Deferred Tax Liability for the period ended 31 <sup>st</sup> March, 2016 has been provided on the estimated tax computation for the year.		
	2015-2016	2014-2015
<b>2.13 Revenue from Operations</b>	₹	₹
(i) Sales	4,626,356,653	4,196,160,788
(ii) Other Operating Income	4,727,766	4,455,882
<b>Total</b>	<b>4,631,084,419</b>	<b>4,200,616,670</b>
<b>2.14 Other Income</b>		
(i) Interest from Others	5,157	8,502,429
(ii) Dividend Income		
(a) From long term Investments	2,478	2,138
(b) From short term Investments	-	-
(iii) Profit on sale of Investments (net)		
(a) From long term Investments	20,208,744	3,345,036
(b) From short term Investments	-	-
(iv) Exchange Rate Variation (Net)	-	9,748,868
(v) Diminution in Value of Investments	-	670,086
(vi) Profit on sale of fixed assets (Net)	462,259	-
<b>Total</b>	<b>20,678,638</b>	<b>22,272,557</b>
<b>2.15 Cost of Materials Consumed</b>	<b>3,255,951,894</b>	<b>3,016,977,219</b>
<b>2.16 (Increase) / Decrease in Raw Material &amp; Work in progress</b>		
<b>(a) Opening Stock</b>		
Raw Material	53,431,256	89,450,272
Work-in-Progress	315,253,716	220,632,771
<b>Total a</b>	<b>368,684,972</b>	<b>310,083,043</b>
<b>(b) Closing Stock</b>		
Raw Material	90,372,372	53,431,256
Work-in-Progress	150,886,831	315,253,716
<b>Total b</b>	<b>241,259,203</b>	<b>368,684,972</b>
<b>Total (a-b)</b>	<b>127,425,769</b>	<b>(58,601,929)</b>

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**

	2015-2016	2014-2015
	₹	₹
<b>2.17 Expenditure on Contracts</b>		
(i) Power & Fuel	32,961,858	50,971,344
(ii) Inspection & Testing	5,434,230	15,735,526
(iii) Repairs & Maintenance	35,606,538	37,497,914
(iv) Freight, Forwarding & Clearing	85,193,578	124,613,578
(v) Rent, Rates & Taxes	88,564,722	106,815,042
(vi) Insurance	22,709,272	17,804,244
(vii) Other Site Expenses	114,776,196	149,218,908
<b>Total</b>	<b>385,246,394</b>	<b>502,656,556</b>
<b>2.18 Employee Benefit Expense</b>		
(i) Salaries, Wages, Bonus, Allowances etc.	351,365,968	315,418,265
(ii) Contributions to Provident Fund, ESI & Others	26,577,463	22,278,239
(iii) Staff Welfare	15,811,342	16,033,698
<b>Total</b>	<b>393,754,773</b>	<b>353,730,202</b>
<b>2.19 Finance Cost</b>		
(i) Bank Charges	101,069,850	80,065,476
(ii) Interest Cost	119,557,862	111,793,002
	220,627,712	191,858,478
Less:-		
(iii) Interest Income on FDR's (Tax Deducted at Source Current Year ₹4,064,234 Previous Year ₹ 4,188,722)	40,601,810	41,989,076
<b>Total</b>	<b>180,025,902</b>	<b>149,869,402</b>
<b>2.20 Other Expenses</b>		
(i) Power & Fuel	4,711,424	4,964,484
(ii) Repairs to Building	8,751	822,213
(iii) Repairs to Machinery	36,400	473,416
(iv) Repairs to Others	4,206,073	5,649,517
(v) Insurance	1,224,387	1,306,401
(vi) Rates & Taxes	6,013,730	6,043,159
(vii) Exchange Rate Variation (Net)*	6,041,273	-
(viii) Auditors Remuneration	149,168	126,727
(ix) Miscellaneous Expenditure	5,594,638	4,887,261
(x) Director's Sitting Fees	1,311,672	1,247,196
(xi) Legal & Professional	27,523,993	18,425,221
(xii) Rent & Hire Charges	981,188	1,742,006
(xiii) Communication Charges	4,488,764	4,599,554
(xiv) Printing & Stationary	4,176,508	3,418,546
(xv) Travelling & Conveyance	31,336,633	34,307,279
(xvi) Vehicle Running & Maintenance Charges	269,401	218,904
(xvii) Loss on Sale of Assets (Net)	-	4,085,906
(xviii) Diminution in Value of Investments**	513,879	-
<b>Total</b>	<b>98,587,882</b>	<b>92,317,790</b>

**Note :** \* In accordance with Accounting Standard 11(Revised) the net exchange Loss is ₹ 6,041,273/- (Previous Year Profit of ₹ 9,748,868/- is shown in Other Income)

\*\* Diminution value of Investment Loss is ₹ 513,879/- (Previous Year Profit of ₹ 670,086/- is shown in Other Income)

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2016**

The accompanying consolidated financial statement includes the accounts of TECHNOFAB ENGINEERING LIMITED and its following subsidiaries :-

Name of Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial Year Ended
Rivu Infrastructural Developers Pvt. Ltd..	India	100% subsidiary of TECHNOFAB ENGINEERING LIMITED	31/03/2016
Woodlands Instruments Pvt. Ltd	India	100% subsidiary of TECHNOFAB ENGINEERING LIMITED	31/03/2016
Arihant Flour Mills Pvt. Ltd.	India	100% subsidiary of TECHNOFAB ENGINEERING LIMITED	31/03/2016

**2.21 Contingent Liability**

- Claims against the Company not acknowledged as debt (net) amount to ₹ 8,194,303 (Previous year ₹ 15,538,070).
- The Bank guarantees/letters of credit/Bill discounted given by the Banks for and on behalf of the Company outstanding at the end of the year amounted to ₹ 6,031,540,763 (Previous year ₹ 6,048,486,719).
- In respect of demand against Sales Tax amounting to ₹ 9,282,836 (Previous year ₹ 9,282,836) raised by the authorities, appeals are pending before the authorities.
- Capital commitment (Net of advances) ₹ 22,992,185 (Previous year ₹ 31,167,051)

**2.22** Fixed Deposits/cash margin with banks amount to ₹ 300,148,705 (Previous year ₹ 289,953,641) are under lien with banks as per banking arrangements.

**2.23** Loan from Banks (working capital facilities) are secured against tangible movable assets including stock, stores and book debts of the Company and against equitable mortgage of the Company's immovable properties comprising land, building and other structures and fittings, fixed plant and machinery and other fixtures and fittings erected or installed at factory land and building and personal guarantees of three Directors. Vehicles/ Equipments loans are secured by hypothecation of respective Vehicle/ equipments financed.

**2.24** In the opinion of the management current assets, loans and advances are approximately of the value stated, if realized, in the ordinary course of business. The balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation/reconciliation.

**2.25 Earning per share:-**

Particulars	As on 31/03/2016	As on 31/03/2015
	₹	₹
Profit for the year after Tax	113,434,925	82,051,328
Weighted average no. of equity Shares of ₹ 10/- each for Basic EPS	10,490,000	10,490,000
Basic Earning per Share	10.81	7.82
Weighted average no. of equity Shares of ₹ 10/- each for Diluted EPS	10,490,000	10,490,000
Diluted Earning per Share	10.81	7.82

**2.26** There is no separate reportable segment as per accounting standard AS-17.

**2.27 Related Party Transactions :**
**(1) Names of Related Parties**
**(A) Key Management Person / Control**
**Whole-time director**

- Avinash C. Gupta (Whole-time Director)
- Arjun Gupta (Whole-time Director)
- Nakul Gupta (Whole-time Director)

**Non whole-time-directors**

- Arun Mittar (Independent Director Non Executive)

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**

- (b) Pawan Chopra (Independent Director Non Executive)  
 (c) Anju Banerjee (Independent Director Non Executive)  
 Wholly Director in Subsidiary Company  
 (a) Arun Kochhar  
 (b) Vijay Nagrajan  
 (c) Ashutosh Jagga  
 (d) Rajesh Kumar Gupta
- (B) Executive Officers  
 (a) Sandeep Kumar Vij (Chief Financial Officer)  
 (b) Ashish Kapil (Company Secretary) Till 31/10/2015  
 (c) Suman Kumar Verma (Company Secretary) From 01/11/2015
- (C) Enterprises under Common Control / enterprises where persons described in "A" above is able to exercise significant influence.  
 (a) Techfab International Pvt. Ltd.  
 (b) Techfab Systems Pvt. Ltd.  
 (c) Bakool Venture Pvt. Ltd.  
 (d) JoyLuck Venture India Pvt. Ltd.  
 (e) Chasha Lands Pvt. Ltd.  
 (f) Wrap Art & Design Private Limited
- (D) Relatives of Key managerial Person  
 (a) Meera Gupta  
 (b) Gunjan Gupta  
 (c) Sucheta Sarvadaman Nakul
- (2) Transaction with related parties as defined in (1) above:-

Amount in ₹

Sr. No.	Particulars	(A)	(B)	(C)	(D)
1	Loan / Security / Advance given	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2	Remuneration Paid	40,179,007 (28,403,031)	5,323,594 (3,664,094)	NIL (NIL)	NIL (NIL)
3	Reimbursement of Expenses	654,000 (654,000)	NIL NIL	NIL (269,335)	NIL (NIL)
4	Director Sitting Fees Paid	1,311,672 (1,247,196)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5	Legal & Professional Charges	936,000 (936,000)	NIL NIL	NIL (NIL)	NIL (NIL)
6	Outstanding Balance as on 31/03/2016				
	-Receivable in respect of advance to subsidiaries & other related parties	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	-Payable in respect of remuneration, commission & Professional charges	13,004,199 (9,145,486)	293,120 (243,557)	NIL (NIL)	NIL (NIL)

Figures in brackets are in respect of previous year

**2.28** Turnover is net of Procurement and other related charges.

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**2.29 Disclosure pursuant to Accounting Standard – 15:-**
**(a) Defined Contribution Plan :**

Amount recognized as expense for defined contribution plans are as under :-

Particulars	Amount in ₹	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	6,069,077 (5,344,889)	Contribution to Provident Fund

**(b) Movement in net liability :-**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
	₹	₹	₹	₹
Present value of obligations as at the beginning of the year (A)	14,998,783	12,196,848	4,779,525	4,953,167
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	1,117,409	952,574	356,075	386,842
Past service cost	NIL	NIL	NIL	NIL
Current service cost (D)	1,861,142	2,065,486	1,328,633	860,529
Benefits paid (E)	(1,307,915)	(1,107,387)	(1,205,963)	(965,894)
Actuarial (gain) / loss on obligation (F)	(2,702,122)	891,262	(457,881)	(455,119)
<b>Present value of obligations as at the end of year (A+B+C+D-E+F)</b>	<b>13,967,297</b>	<b>14,998,783</b>	<b>4,800,389</b>	<b>4,779,525</b>

**(c) The amounts recognized in the Balance Sheet and Profit & loss account are as follows :-**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
	₹	₹	₹	₹
Present value of obligation (A)	13,967,297	14,998,783	4,800,389	4,779,525
Estimated fair value of plan assets (B)	7,126,071	5,456,524	NIL	NIL
<b>Net Liability (A)-(B)</b>	<b>6,841,226</b>	<b>9,542,259</b>	<b>4,800,389</b>	<b>4,779,525</b>
<b>Amounts in the Balance Sheet</b>				
<b>Liabilities</b>	<b>6,841,226</b>	<b>9,542,259</b>	<b>4,800,389</b>	<b>4,779,525</b>
<b>Amount charged to Profit &amp; Loss Account</b>				
Current Service Cost	1,861,142	2,065,486	1,328,633	860,529
Past service cost	NIL	NIL	NIL	NIL
Interest Cost	1,117,409	952,574	356,075	386,842
Expected return on plan assets	(477,462)	(402,053)	NIL	NIL
Actuarial (Gain)/Loss	(2,702,122)	797,802	(457,881)	(455,119)
	<b>(201,033)</b>	<b>3,413,809</b>	<b>1,226,827</b>	<b>792,252</b>
Head under which shown in the Profit & Loss account	Salaries, Wages, Gratuity, Bonus, Allowances etc.		Salaries, Wages, Gratuity, Bonus, Allowances etc.	

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## (d) Changes in the fair value of plan assets

Amount in ₹

S. No.	Particulars	31/03/2016	31/03/2015
A	Fair value of plan assets at the beginning of the period	5,456,524	4,594,889
B	Acquisition adjustment	NIL	NIL
C	Expected return on plan assets	477,462	402,053
D	Contributions	2,500,000	1,473,509
E	Benefits paid	(1,307,915)	(1,107,387)
F	Actuarial gain/(loss) on plan assets	NIL	93,460
G	Fair value of plan assets at the end of the period	7,126,071	5,456,524

## 2.30 Un-hedged position of Foreign Exchange :-

Particulars	As At 31/03/2016		As At 31/03/2015	
	Amount (in Foreign Currency)	Amount (₹)	Amount (in Foreign Currency)	Amount (₹)
<b>- In Respect of receivables</b>				
USD	6,424,120	425,145,348	14,905,233	929,192,236
EURO	2,266,556	170,830,302	1,421,085	95,170,091
ETB - (Ethiopian Birr)	1,926,592	5,933,904	1,433,671	4,372,695
GHS - (Ghanian Cedi)	240,926	4,163,208	663,415	10,800,390
KSH - (Kenya Shilling)	3,102,228	2,018,703	35,671,051	24,077,960
FJD - (Fiji Dollar)	-	-	19,957	603,902
MZN - (Mozambican Metical)	14,176,800	18,288,072	14,176,800	23,958,792
TZS - (Tanzanian Shilling)	21,402,031	647,957	3,266,425,121	109,869,664
<b>TOTAL</b>		<b>627,027,494</b>		<b>1,198,045,731</b>
<b>- In Respect of Payables</b>				
USD	2,373,020	156,819,544	8,955,193	558,266,732
EURO	2,506,210	188,893,080	2,765,585	185,211,238
GHS - (Ghanian Cedi)	704,699	4,080,609	2,190,964	35,668,887
ETB - (Ethiopian Birr)	21,854,516	12,177,195	812,512	2,478,162
KSH - (Kenya Shilling)	17,668,346	14,249,144	17,668,346	11,926,133
FJD - (Fiji Dollar)	2,131	67,936	3,456	104,588
MZN - (Mozambican Metical)	704,340	908,599	704,340	1,190,335
TZS - (Tanzanian Shilling)	1,214,142,415	36,758,777	804,089,665	27,046,406
GBP - (British Pound)	76,927	7,320,373	-	-
<b>TOTAL</b>		<b>421,275,257</b>		<b>821,892,480</b>

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**
**2.31 Disclosure as per AS-7 :**

S. No.	Particulars	As At 31/03/2016	As At 31/03/2015
		₹	₹
1	Contract Revenue	4,631,084,419	4,200,616,670
2	Cost incurred on Contract	3,768,624,057	3,461,031,846
3	Advance received	430,583,414	563,854,984
4	Amount due from Customers includes Retention Money	3,045,116,932	2,676,995,929
5	Contract Profit / (Losses) recognized	862,460,361	739,584,824

2.32 Previous year figures have been regrouped / rearranged wherever considered necessary.

**Certified in terms of our report attached**

**Rajesh Suresh Jain & Associates**  
**Chartered Accountants**  
**Firm Reg. No. 017163N**

**For & on behalf of Board of Directors**

**Rajesh Jain**  
**Partner**  
**Mem. No.098229**

**Avinash C Gupta**  
**Managing Director**  
**DIN - 00012077**

**Nakul Gupta**  
**Director**  
**DIN - 00012106**

**Place : New Delhi**  
**Date : 27<sup>th</sup> May 2016**

**Sandeep Kumar Vij**  
**Chief Financial Officer**  
**Mem. No.076443**

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





as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Forty Fifth Annual General Meeting of the Company, to be held on Friday, September 30, 2016, at 10:30 a.m. IST, at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi - 110 003 and at any adjournment thereof in respect of such resolutions as are indicated below:.

Resolution number	Resolution	Vote (Optional see Note 2)		
		For	Against	Abstain
<b>Ordinary business</b>				
1	Adoption of Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31 March 2016 including Board of Directors and Auditors' Report thereon			
2	Appoint a director in place of Mr. Nakul Gupta (DIN 00012106), who retires by rotation and being eligible, seeks re-appointment			
3	Re-appointment of M/s Rajesh Suresh Jain & Associates, Chartered Accountants as Statutory Auditors of the Company			
<b>Special business</b>				
4	To avail coporate guarantee and security from M/s Arihant Flour Mills Private Limited (Type of Resolution: Special)			
5	To avail coporate guarantee and security from M/s Woodlands Instruments Private Limited (Type of Resolution: Special)			
6	To give approval to various transactions with Techfab Systems Private Limited and Techfab International Private Limited (Type of Resolution: Special)			
7	To approve the Issue of Equity Shares of the Company by way of private placement to Qualified Institutional Buyers for extended period (Type of Resolution: Special)			
8	To approve creation of Charges under Section 180(1)(a) on the assets of the Company (Type of Resolution: Special)			

Signed this ..... day of ..... 2016.

Affix revenue  
stamp of  
not less than  
Rs. 1.00

.....  
Signature of the member(s)

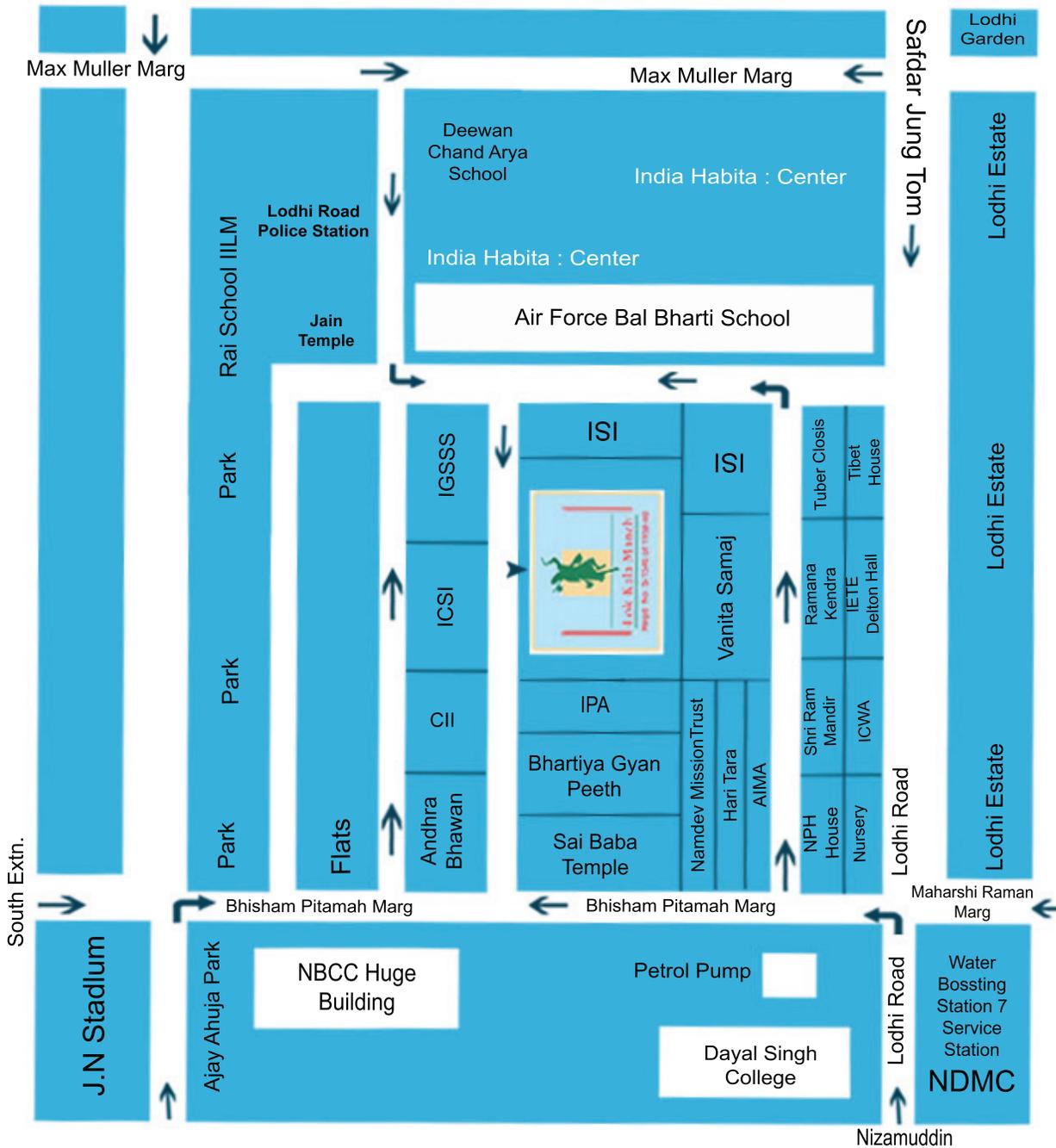
.....  
Signature of the proxy holder(s)

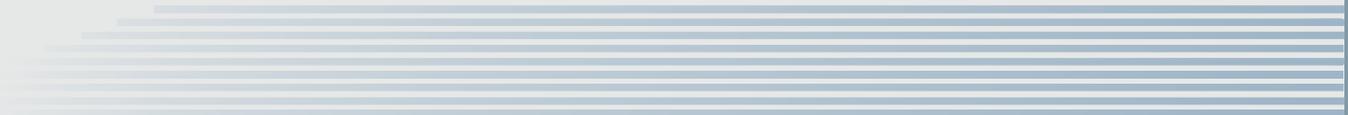
**Notes :**

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.



## Route Map-Venue of Annual General Meeting 2016







## **TECHNOFAB ENGINEERING**

L I M I T E D

An Engineering Procurement & Construction Company

**Corporate Office:**

Plot 5, Sector-27C, Mathura Road, Faridabad-121 003, Haryana, India

Tel: +91-129-227-0202, 227-5310 Fax: +91-129-227-0201

E-mail: [info@technofabengineering.com](mailto:info@technofabengineering.com)

**Registered Office:**

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