



# ANNUAL REPORT

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2013-2014



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## GENERAL INFORMATION

### BOARD OF DIRECTORS

Mr. Avinash C Gupta  
Chairman & Managing Director

Mr. Arjun Gupta  
Whole Time Director

Mr. Nakul Gupta  
Whole Time Director

Mr. Pawan Chopra  
Non Executive, Independent Director

Mr. V S Mathur  
Non Executive, Independent Director

Mr. Arun Mitter  
Non Executive, Independent Director

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sandeep Kuamr Vij

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### STATUTORY AUDITORS

RAJESH SURESH JAIN & ASSOCIATES  
Chartered Accountants,  
E-3/38, IInd Floor, Sector-7,  
Rohini, Delhi-110085

### WEBSITE

[www.technofabengineering.com](http://www.technofabengineering.com)

### REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited  
44, Community Centre, 2nd Floor,  
Naraina Industrial Area, Phase-I,  
Near PVR, Naraina,  
New Delhi-110028

### INVESTOR SERVICES E-MAIL ID

[investors@technofabengineering.com](mailto:investors@technofabengineering.com)



## CHAIRMAN'S MESSAGE

**Dear Shareholders,**

It gives me great pleasure to welcome you to our Company's 43<sup>rd</sup> Annual General Meeting.

It is now three years in a row that the general economic slowdown is continuing. What is different today is that there is once again a mood of optimism. While there is still no improvement in the situation on the ground, there are clearly high expectations of such an improvement happening soon.

Last year I had expressed confidence in our ability to cope with the headwinds and the Company had announced its highest dividend of 25%, on the expectation of continuing but modest growth in business.

At the macro level, the Company's business strategy has continued to be successful. On the other hand, at the micro level, a setback in one particular overseas project has substantially impacted our profitability. More details on this issue are covered in the Directors Report. As a direct consequence we have been compelled to skip dividend this year.

What is heartening is that the success of our business strategy at the macro level has resulted in our securing record fresh business of over ₹ 8.7 billion. As a result we are hopeful to be back on the growth path in the current year. The new business has largely been in the rural sectors, both water and power, which means that the margins will be modest.

### **Outlook**

An order book of ₹ 12 billion gives us a fairly clear visibility of revenue growth in FY 15 and FY 16. We should be back on the growth path, but the real impetus will come from fresh business consequent to our country's economy rebounding to a higher growth trajectory.

While any exuberance is uncalled for, I look forward to the future with quiet optimism.

Thank You

**Avinash C Gupta**

Chairman and Managing Director



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 43<sup>rd</sup> Annual General Meeting of the members of Technofab Engineering Limited will be held at the **India Islamic Cultural Centre, 87-88 Lodhi Road, New Delhi - 110003** at 10.30 A.M. on **Thursday, the 25<sup>th</sup> day of September, 2014** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2014, the Balance Sheet as on March 31, 2014 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Sh. Arjun Gupta, Director who retires by rotation and being eligible, seeks 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Consent of the Company be and is hereby accorded to appoint, Shri Pawan Chopra (DIN:00417967), Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years commencing 25<sup>th</sup> September 2014, not liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Consent of the Company be and is hereby accorded to appoint, Shri Viresh Shankar Mathur (DIN:01382982), Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years commencing 25<sup>th</sup> September 2014, not liable to retire by rotation.”



6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Consent of the Company be and is hereby accorded to appoint, Shri Arun Mitter (DIN:00022941), Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years commencing 25<sup>th</sup> September 2014, not liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

To reconfirm authority to the Board of Directors for borrowing money up to ₹ 1500 crore.

**“RESOLVED THAT** in supersession of resolution passed in this regard at the Annual General Meeting of the Company held on 11<sup>th</sup> August, 2011 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force) (‘the Act’) and other applicable provisions, if any, of the Act and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’ which term shall include a committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of ₹ 1500 crores (Rupees One Thousand Five Hundred Crores only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such act, deeds and things as may be necessary and expedient to give effect to this resolution.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

To authorize Board of Directors to enter into related party transactions

**“RESOLVED THAT** Pursuant to the provisions of section 188 and other applicable provisions, if any of the Companies Act, 2013 (the “Act”) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter in to contracts and/or arrangements with the related parties as defined under the act 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 with related parties.”

Name of the Related Parties

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

“**RESOVED FURTHER THAT** for the purpose of giving effect to this resolution, the board be and is hereby authorised 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.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

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

1. Basic Salary: ₹ 5.85 Lacs per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time, ensuring that any such revision shall be in compliance with Companies Act, 2013, taking into account the performance of the Company.
2. Housing: Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof.
3. Medical Expenses: Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month’s basic salary in a year or three months’ basic salary over a period of three years.
4. Leave Travel Allowance: For self and family, in accordance with rules of the Company.
5. Club Fees: Membership of two clubs in India (including admission and membership fee).
6. Entertainment: Travelling and all other expenses incurred for the business of the Company shall be reimbursed as per rules of the Company.
7. Car & Telephone: The Company shall provide car with driver and telephone at the residence of the Managing Director for business purposes of the Company.





8. PF Contribution: Contribution to Provident Fund shall be as per the rules of the Company and applicable laws.
9. Gratuity: Gratuity payable shall be as per rules of the Company and applicable laws.
10. Performance Incentive: up to 2% of the net profit of the Company P.A.

Subject to the condition that total managerial remuneration during a financial year does not exceed the threshold limit of 5% or 10% of the net profits of the Company, as the case may be, as provided under Section 197 of the Companies Act, 2013.

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

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

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

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

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

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

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.



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

1. Basic Salary: ₹ 2.34 Lacs per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time, ensuring that any such revision shall be in compliance with Companies Act, 2013, taking into account the performance of the Company.
2. Housing: Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof.
3. Medical Expenses: Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.
4. Leave Travel Allowance: For self and family, in accordance with rules of the Company.
5. Club Fees: Membership of one club in India (including admission and membership fee).
6. Entertainment: Travelling and all other expenses incurred for the business of the Company shall be reimbursed as per rules of the Company.
7. Car & Telephone: The Company shall provide car with driver and telephone at the residence of the Whole Time Director for business purposes of the Company.
8. PF Contribution: Contribution to Provident Fund shall be as per the rules of the Company and applicable laws.
9. Gratuity: Gratuity payable shall be as per rules of the Company and applicable laws.
10. Performance Incentive: upto 1% of the net profit of the Company P.A.

Subject to the condition that total managerial remuneration during a financial year does not cross the threshold limit of 5% or 10% of the net profits of the Company, as the case may be, as per Section 197 of the Companies Act, 2013.

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



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

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

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

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

**RESOLVED FURTHER THAT** so long as shri Arjun Gupta functions as the Whole Time Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any committee thereof.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

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

1. Basic Salary: ₹ 2.34 Lacs per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time, ensuring that any such revision shall be in compliance with Companies Act, 2013, taking into account the performance of the Company.
2. Housing: Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof.



3. Medical Expenses: Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.
4. Leave Travel Allowance: For self and family, in accordance with rules of the Company.
5. Club Fees: Membership of one club in India (including admission and membership fee).
6. Entertainment: Travelling and all other expenses incurred for the business of the Company shall be reimbursed as per rules of the Company.
7. Car & Telephone: The Company shall provide car with driver and telephone at the residence of the Whole Time Director for business purposes of the Company.
8. PF Contribution: Contribution to Provident Fund shall be as per the rules of the Company and applicable laws.
9. Gratuity: Gratuity payable shall be as per rules of the Company and applicable laws.
10. Performance Incentive: upto 1% of the net profit of the Company P.A.

Subject to the condition that total managerial remuneration during a financial year does not cross the threshold limit of 5% or 10% of the net profits of the Company, as the case may be, as per Section 197 of the Companies Act, 2013.

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

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

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

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



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

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

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

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

**Sandeep Kumar Vij  
CFO & Company Secretary**

New Delhi  
August 08, 2014

#### Notes:

1. **A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) 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, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

**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.**

2. Corporate members intending to send their authorised 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.
3. The Register of Members and the Share transfer books of the Company shall remain closed from 19<sup>th</sup> September, 2014 to 25<sup>th</sup> September, 2014 (both days inclusive).
4. 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.
5. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between



directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

6. Relevant documents referred to in the accompanying notice and the statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
7. 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.
8. 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 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 Annual General Meeting for ready reference.
  - d. To produce at the entrance the enclosed attendance slip duly completed and signed for admission to the meeting place.
9. **Voting through electronic means:**

The Company is pleased to offer e-voting facility for its Members to enable them to cast their votes electronically and the business may be transacted through electronic voting system

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

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.



(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field</li><li>Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.</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#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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 the number of shares held by you as on August 22, 2014 in the Dividend Bank details field.</li></ul>

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant Technofab Engineering Limited on which you choose to vote.



- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) 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.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit 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 they have to create a user who would be able to link the account(s) 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.
  - They should upload 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.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to Sl. no. (xvi) above to cast vote.

## General

- (A) The voting period begins on 20<sup>th</sup> September, 2014 (9:00 am) and ends on 21<sup>st</sup> Septemebr, 2014 (6:00 pm) During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup>, August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.





- (B) Mr. Naresh Verma, Practising Company Secretary, (Membership No. FCS 5403), has been appointed as the Scrutinizer to scrutinize the e-voting process.
- (C) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 22<sup>nd</sup> August 2014.
- (D) 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).

## **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 to 6**

#### **Appointment of Independent Directors**

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Shri Pawan Chopra, Shri Viresh Shankar Mathur and Shri Arun Mitter, Directors were appointed by the Members of the Company in the 38<sup>th</sup> AGM held on 8<sup>th</sup> July, 2009. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company.

In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Shri Pawan Chopra, Shri Viresh Shankar Mathur and Shri Arun Mitter as an Independent Directors on the Board of the Company for a period of five years, commencing from 25<sup>th</sup> Septemeber, 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in the Corporate Governance Report forming part of the Annual Report.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, Shri Pawan Chopra, Shri Viresh Shankar Mathur and Shri Arun Mitter fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder for the appointment as an Independent Directors of the Company. None of the proposed Directors are disqualified from being appointed as Directors in terms of Section 164 of the Act and proposed Directors have given their consent to act as Directors. Keeping in view their vast experience and knowledge, it will be beneficial for the Company if these persons are appointed as an Independent Directors.



This Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board commends the Ordinary Resolutions as set out at item no. 4 to 6 for approval of the Members.

#### **Item No. 7**

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company by a special resolution, borrow moneys, apart from temporary loans, in excess of aggregate of the paid up capital and its free reserves.

The above section 180 of the Companies Act, 2013 corresponds to section 293 of Companies Act, 1956, under Section 293 of the Companies Act, 1956 the consent of the Company was required by ordinary resolution. Accordingly, the shareholders of the Company vide their resolution dated 10th August, 2011 had accorded consent by ordinary resolutions to the Board of Directors for borrowing any sum or sums of money outstanding at any point of time, not exceeding the sum of ₹ 1500 Crores (Rupees One Thousand Five Hundred Crores only).

However, the Ministry of Corporate Affairs, New Delhi vide its General Circular No. 4/2014 dated 25th March, 2014 has stated that such ordinary resolutions passed under old Companies Act, 1956 for borrowing money in excess of limits shall remain valid upto one year from the commencement of the Companies Act, 2013 i.e. upto 11<sup>th</sup> September, 2014. Therefore, it is proposed to reconfirm the limit of such borrowing power of ₹ 1500 Crores through special resolution.

None of the Directors, Key Managerial Personnel or their relatives has any concern or interest, financial or otherwise, in this resolution.

The Board recommends the resolution set out in item no. 7 for the approval of the members.

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

The Company has been entering in to transactions with related parties confirming to prescribed statutory procedure under the Companies Act, 1956 in respect of such transactions falling under Section 297 of the Companies Act, 1956.

The Company also proposes to enter into such transactions with related parties confirming to the requirement of Companies Act, 2013. It may be noted that no contract or arrangement, in the case of a Company having a paid-up capital of not less than ₹ 10 Crore, shall be entered into except with the prior approval of the Company by a special resolution.

In the above context 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 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	Sh. Arjun Gupta Sh. Avinash C Gupta Sh. Nakul Gupta
Nature of relationship	Interested as Director
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 25 <sup>th</sup> September, 2014.
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	Sh. Nakul Gupta Sh. Avinash C Gupta Sh. Arjun Gupta
Nature of relationship	Interested as Director
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 25 <sup>th</sup> September, 2014.
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. 9 to 11

### Appointment of Managing Director & Whole-Time Directors

The Board of Directors of the Company at its Meeting held on 14<sup>th</sup> February 2014 has appointed Shri Avinash C Gupta as Managing Director of the Company for a period of 5 years and Shri Arjun Gupta and Shri Nakul Gupta as Whole time Directors of the Company for a period of 3 years as recommended by the remuneration committee, on their existing remuneration, subject to the approval of shareholders w.e.f April 01, 2014 at the terms & conditions (as provided in the resolution) in accordance with the provisions of Companies Act, 1956.

Members may note that provisions of New Companies Act, 2013 with respect to appointment of Managing/ Whole-Time Director has been made effective from April 01, 2014. Therefore the Board of Directors of the



Company has decided to adopt amended provisions with respect to appointment of Managing/Whole – Time Directors and modified tenure of appointment of Managing Director to 3 years instead of 5 years at its Meeting held on 08<sup>th</sup> August 2014, subject to approval of shareholders, in accordance with norms laid down in Sections 196, 197 and Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

The Board recommends Resolutions as set out at item no. 9 to 11 for approval of the Members.

None of the Directors and key managerial personnel or their relatives other than Shri Avinash C Gutpa, Shri Arjun Gupta and Shri Nakul Gupta are interested or concerned in the proposed resolutions as set out in item no. 9 to 11

### Statement Pursuant to Section II of Schedule V

<b>I General Information</b>				
1.	Nature of Industry	The Company is in Construction & Engineering Industry		
2.	Date of expected date of commencement of production	Company was established in the year 1971 and had already commenced commercial production.		
3.	In case of new companies expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus.	Not Applicable		
4.	Financial Performance	Particulars	<b>31.03.2014</b> ₹ In Million	31.03.2013 ₹ In Million
		Turnover	4072.37	4263.01
		PBT	108.03	471.80
		PAT	74.11	326.92
5.	Export Performance and Non Forex Collaborations.	For the year ended 31.03.2014 Foreign Exchange Earnings – ₹ 1822.89 Million Foreign Exchange Outgo – ₹ 1542.71 Million		
6.	Foreign Investments of collaborators, if any	Not Applicable		
<b>II Information about the appointee.</b>				
1.	Background details	<b>Shri Avinash C Gupta</b> aged 73 years is the Founder & Chairperson of the Company and was re-appointed as Managing Director of the Company on April 01, 2009. He is Science Graduate and holds more than 53 years of experience in the field of Engineering & Construction business. Under his able leadership and guidance, the Company has been able to successfully come out with its IPO and has today become a multi location profit generating unit.		



	<p><b>Shri Arjun Gupta</b> aged 43 years has been associated with the Company since 1998 and was re-appointed as Whole Time Director of the Company on April 01, 2011. He is an Engineering Graduate (USA) and holds more than 20 years experience in the field of Engineering &amp; Construction business. Your Directors place on record the valuable guidance, support and advice extended by Shri Arjun Gupta during his tenure as Director.</p> <p><b>Shri Nakul Gupta</b> aged 42 years has been associated with the Company since 1994 and was re-appointed as Whole Time Director of the Company on April 01, 2011. He is a Science Graduate and holds more than 19 years of experience in the field of Engineering &amp; Construction business. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Nakul Gupta as Director.</p>
2. Past Remuneration	As provided in resolution.
3. Recognition or awards	NIL
4. Job Profile and his suitability	<p><b>Shri Avinash C Gupta:</b> Subject to Superintendence, direction and control of the Board of Directors, Shri. Avinash C Gupta is responsible for overall management and Head of all Divisions.</p> <p><b>Shri Arjun Gupta</b> is responsible for execution of Turnkey Projects both in India and abroad.</p> <p><b>Shri Nakul Gupta</b> is responsible for handling Finance &amp; Accounts, banking activities, export business of the Company</p>
5. Remuneration Proposed	As mentioned in the resolution. There is no change in the remuneration. Consent of members is being taken for re-appointment. There is no enhancement in the remuneration payable to Directors.
6. Comparative remuneration profile to industry, size of the Company, profile of the position and person	Commensurate with the size and the operations of the Company the profile of the appointees, the responsibilities shouldered on them and the industry bench marks, the remuneration proposed to be paid is reasonable to that of the similar other companies.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any.	Save and except Shri Avinash C Gupta, Shri Arjun Gupta and Shri Nakul Gupta being relatives, none of the other Directors/ Key Managerial Personnel of the Company their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item no. 9 to 11



<b>III Other Information</b>	
1. Reasons of loss or inadequate profits:	The Company had to face many challenges during the financial year 2013-14, like huge purchase of new assets which were required to complete new projects. Increased finance cost & depreciation expenses as compare with the corresponding period of the previous fiscal year. Another bigger challenge before the Company was global downturn in Engineering & Construction business which was contributing significantly to erode the bottom line.
2. Steps taken or proposed to be taken for improvement	The Company has acquired new projects and also developed new customers during the last financial year resulting in new business. The Company has also embarked on several yield improvement methods for improved profitability. The results of these steps and other initiatives will be seen in the coming years.
3. Expected increase in productivity and profits in measurable terms	There are signs of revival in economic activity which should lead to improvement prospects of the company during the year.
<b>IV Disclosure</b>	
1. Remuneration Package	As mentioned in the respective resolution
2. Details to be furnished in Corporate Governance	Given under Remuneration to Directors in "Report on Corporate Governance."



## DIRECTORS' REPORT

### TO THE MEMBERS OF TECHNOFAB ENGINEERING LIMITED

Your Directors have pleasure in presenting their 43<sup>rd</sup> Annual Report on the business and operations of your Company along with the audited statement of accounts for the year ended 31<sup>st</sup> March, 2014.

### THE FINANCIAL HIGHLIGHTS ARE SET OUT BELOW

	Year ended March 31, 2014 (₹ in Million)	Year ended March 31, 2013 (₹ in Million)
Turnover (from operations incl. export incentives)	4072.37	4263.01
Other Income	40.81	19.33
Total Income	4113.18	4282.34
Total Expenditure	3822.45	3701.78
Profit before Interest, depreciation and Tax (EBIDTA)	290.73	580.56
Less: Interest & finance charge	119.63	73.28
Less: Depreciation	63.07	35.47
Profit before Tax	108.03	471.81
Less: Provision for Tax- current tax	33.50	137.50
Less: Wealth Tax	0.40	0.35
Profit before Deferred Tax	74.13	333.96
Add/(Less): Deferred Tax Credit/(Debit)	0.02	(7.04)
Profit after Tax	74.15	326.92
Add/(Less): Income Tax for earlier years	(5.09)	(1.58)
Profit Available for Appropriation	69.06	325.34
Proposed Dividend including Dividend Tax	-	30.68
Transfer to General Reserve	20.00	150.00
Profit After Appropriation	49.06	144.66
Balance Brought Forward From Last Year	537.46	392.80
Profit & Loss Account balance	586.52	537.46

### REVIEW OF OPERATIONS

#### Financial Highlights

Your company has achieved a gross operating turnover of ₹ 4072 Million for the year ended 31<sup>st</sup> March, 2014 as against ₹ 4263 Million for the previous financial year. This amounts to a 4.5% decrease over the previous year. The EBIDTA at ₹ 290.73 Million decreased by 49.92% in comparison to the previous year. The profit after tax in the period under review was ₹ 74 Million as compared to ₹ 326.9 Million in the previous year.

The net worth of your Company, which has been steadily increasing, stands at over ₹ 2095 million as on 31<sup>st</sup> March 2014.



The growth momentum created in the period 2006 to 2011 had been sustained, though at a more moderate rate, till FY 2013, despite the severe slowdown in the investment cycle in the country. The slight fall in turnover and the severe decrease in the profitability have been mainly due to a one of reason which has been covered in the Management Discussion and Analysis accompanying this Report.

### **Sectoral Overview**

Your Company has in recent years developed capabilities to undertake turnkey EPC Services across diverse sectors and geographies. The contribution of various sectors towards the Company's business is therefore continuously varying. In the previous year, the water sector had the maximum contribution at 40% followed by the power sector at 27% and by the Oil & Gas Sector which contributed 13%. In the year under review the Water Sector's contribution got further enhanced to 58%, whereas the power sector's contribution remained steady at 25%. These two sectors accounted for around three quarter of the Company' turnover.

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

### **Geographical Spread**

Your 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 Ethiopia, Fiji, Ghana, Kenya, Liberia Mozambique and Tanzania. Slightly over half of the Company's revenue came from overseas assignments.

### **Fresh business Secured**

Your company continued to put great emphasis on securing new business from existing as well as new customers and new geographies. During the year, the Company secured fresh business of around ₹ 8630 Million. The largest share of orders were received from the domestic water Sector followed by the Rural Electrification Sector. The traditional Power and Industrial Sectors did not contribute any fresh business and this is a reflection of the severe impairment of the project investment cycle in our country.

At present your Company has outstanding proposals worth over ₹ 40 billion, 60% of which pertain to domestic business and the remaining overseas.

### **ECONOMIC AND BUSINESS OUTLOOK**

For the third year in a row, the economic and business outlook in the country has been gloomy. The economic growth has dipped below 5%, and a turnaround cannot yet be seen. Reproduced below (in italics) is a paragraph from last year's Annual Report:

*The previous year had seen a dip in confidence of our country's economic outlook, and this has deepened. Investment in the main sectors that are crucial to us viz. the thermal power, nuclear power and the industrial sectors is reduced to a bare trickle. Even though there is no dearth of viable projects, several factors which are not in the control of project developers have resulted in many of these projects coming to a virtual standstill. With the project investment pipeline thus severely impaired, the outlook is compounded by the absence of any realistic hopes of an upturn during the current fiscal year.*





*The scenario is adversely impacted by many factors, which are well known. There seems to be no end to the uncertainties faced on fuel for power plants, the difficulties in obtaining environmental clearances and in land acquisition. The continuous high fiscal and balance of payments deficits have caused a severe denting of confidence apart from the steady erosion in the value of the rupee.*

*As a result, the slowdown in enquiries and longer than normal gestation in converting enquiries to orders and orders to revenue, which was visible last year has continued unabated.*

The foregoing continues to be valid a year later. Many of our customers continue to be financially stressed. Not only is there a delay in receiving payments, the standstill or slowdown on many of our projects means that retention money which is linked to project completion continues to pile up. Of course there has recently been a significant improvement in sentiment. However this is yet to translate into any movement on the ground in terms of resumption of stalled projects or fresh enquiries. Having said that, we are happy to convey that early in FY 2015 the Company has received one modest order from the Thermal Power Sector (after a gap of over 30 months).

As far as the overseas market is concerned, your 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. In fact during the year the Company has dropped two fairly large private overseas projects from its order book, as they did not seem to have any prospect of achieving financial closure.

Even in this market there has been a significant increase in competition, as competitors facing dwindling orders in home countries try to make up by targeting projects in Africa, which being mainly linked with basic social issues and/ or funded have not been so adversely affected by the general economic slowdown.

The combination of a significant decrease in bidding opportunities and increase in competition, both domestically, and to a lesser extent, in the overseas markets has had the inevitable impact of adversely affecting margins. The fact that the Company still has a decent order book, is on account of its strategy of diversifying its customer base by targeting newer sectors and geographies, whilst sticking to its domain competence of undertaking turnkey EPC Projects. This has helped us to cope with the slowdown in the traditional Power and Industrial Sectors. As a result we continue to remain in decent shape and revenue for next two years is visible from existing orders. Hence your Company is expected to be in a healthy shape to take advantage of the upturn which hopefully should occur by FY 2016.

## **STRATEGIC INITIATIVES**

Your 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
- 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

### **Quality upgradation**

Your 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 and recently our external auditors have conducted a surveillance and reconfirmed our ISO 9001 accreditation.

### **DIVIDEND**

Your Directors have, taking into account the business situation/ outlook and the dip in profits, decided to recommend that there be no dividend this year. The money so preserved would assist in ongoing operations.

### **RESERVES**

It is proposed to transfer ₹ 20.00 Million which amounts to 27% of the profits after tax, to the General Reserves of the Company.

### **DIRECTORS’ RESPONSIBILITY STATEMENT**

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. The Directors have selected such appropriate accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting of fraud and other irregularities;
- iv. The Annual Accounts have been prepared on a going-concern basis.

### **PARTICULARS OF EMPLOYEES**

None of the employees during the year under review was in receipt of remuneration in excess of the limits prescribed under Section of 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

### **SUBSIDIARY COMPANIES**

In accordance with the requirements of Accounting Standards AS 21, issued by the Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its subsidiaries are a part of this Annual Report.



A statement pursuant to section 212(3) of the Companies Act, 1956 relating to subsidiary company is attached.

In terms of the General Circular No. 2/2011 dated 8<sup>th</sup> February 2011, issued by the Government of India, Ministry of Corporate Affairs, the Annual Reports of the subsidiary Companies are not Annexed to this Report. Members desiring to have a copy of audited Annual Accounts and the related detailed information of the subsidiaries may write to the Company Secretary at the Registered Office of the Company and they will be provided with the same upon such a request. Annual Accounts of these subsidiary Companies will also be kept for inspection at the Registered Office of the Company as well as at the offices of the subsidiary Companies

### **PUBLIC DEPOSITS:**

The Company has not accepted any deposit in the year under review.

### **CORPORATE GOVERNANCE REPORT**

Your Company has fully complied with the requirements and disclosures that have to be made under the Code of Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (the “Stock Exchanges”). As a listed company, necessary measures are taken to comply with the Listing Agreements with the Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Statutory Auditors, forms part of this Annual Report. The Chairman & Managing Directors’ declaration regarding compliance with Code of Conduct for Board Members and Senior Management is attached to the Corporate Governance Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management’s Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is presented in a separate section forming part of the Annual Report.

### **DIRECTORS**

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri. Arjun Gupta is liable to retire by rotation and is eligible for re-appointment. Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Pawan Chopra, Mr. Viresh Shankar Mathur and Mr. Arun Mitter as an Independent Directors for a period of five years with effect from the conclusion of the forthcoming Annual General Meeting. The particulars of Directors proposed to be appointed/re-appointed, as the case may be, are given in the Corporate Governance Report of this Annual Report.

### **AUDITORS**

The Auditors Rajesh Suresh Jain & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter pursuant to Section 139 and 141 of the Companies Act, 2013 from Messrs Rajesh Suresh Jain & Associates, Chartered Accountants, regarding their eligibility for re-appointment as Auditors of the Company.



## **AUDITORS' REPORT**

The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### **PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:**

#### **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. Your 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	–	₹ 1822,885,353/-
Foreign Exchange Outgo	–	₹ 1542,714,592/-

## **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.

## **ACKNOWLEDGEMENT**

Your Directors wish to express their sincere appreciation to the Banks, Central and State Governments, Public and Private Sector Customers in India and abroad and the Company's valued shareholders for their continued co-operation and support. Your Directors particularly wish to thank all the employees of the Company whose enthusiasm, vitality and application have been vital to the Company's business performance.

**On Behalf of the Board of Directors**

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

New Delhi, August 08, 2014



## REPORT ON CORPORATE GOVERNANCE

In Compliance with Clause 49 of the Listing Agreement entered into with the stock exchange, the Company hereby submits the report on matters as mentioned in the said clause and corporate governance practices followed by the Company.

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

TECHNOFAB 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 important business investment which is not only necessary to preserve your Company's reputation but also crucial for obtaining and retaining the business.

Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all. At TECHNOFAB, 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

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company.

The Company has an Executive Chairman. The number of Non-Executive Director is half of the total strength. The total board strength is six out of which three are independent Directors.

### COMPOSITION, MEETINGS AND ATTENDANCE

During the Financial year ended March 31, 2014, 5 Board Meetings were held on 23.05.2013, 22.07.2013, 13.08.2013, 14.11.2013 and 13.02.2014.

The Composition and category of Directors along with number of directorship/ membership of the Committees in other Companies and also the attendance of each director at the Board Meetings of Technofab Engineering Ltd. held during financial year 2013-14 and the last Annual General Meeting are as under:-

Name of the Director	Director ships*	No. of Chairmanships/ Memberships of other Board Committees#		No. of Board Meetings		Attendance at Last AGM
		Memberships	Chairmanship	Held during tenure	Attended	
<b>PROMOTERS &amp; EXECUTIVE DIRECTORS</b>						
Mr. Avinash C Gupta (Chairman & Managing Director)	NIL	NIL	NIL	5	5	Yes
Mr. Arjun Gupta (Whole Time Director)	NIL	NIL	NIL	5	5	Yes
Mr. Nakul Gupta (Whole Time Director)	NIL	NIL	NIL	5	5	No
<b>NON EXECUTIVE / INDEPENDENT DIRECTORS</b>						
Mr. Arun Mitter	6	6	2	5	5	Yes
Mr. Pawan Chopra	1	1	NIL	5	5	No
Mr. V S Mathur	4	3	NIL	5	5	No

\* For the purpose of considering the total number of directorships, all Public Limited Companies, whether listed or not, have been considered. Private Limited Companies whether subsidiary of a Public Limited Company or not, Alternate Directorships, Foreign Companies, Directorships of Technofab Eng. Ltd. and Companies under section 25 of The Companies Act, 1956, have not been included.

# For the purpose of considering the total number of Memberships/ Chairmanships of Committee(s) only Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered.

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

Particulars	Mr. Avinash C Gupta	Mr. Arjun Gupta	Mr. Nakul Gupta	Mr. Pawan Chopra	Mr. V S Mathur	Mr. Arun Mitter
Date of Birth	26/10/1940	07/08/1970	30/08/1971	22/05/1944	09/03/1946	27/11/1962
Date of last appointment	01/04/2009	01/04/2011	01/04/2011	08/06/2009	08/06/2009	08/06/2009
Qualifications	Bachelor of Science	Bachelor of Engineering (USA)	Bachelor of Science (Indiana)	Retired IAS officer	Retired IRS officer	Chartered Accountant
Expertise in specific functional areas	Wide and varied experience in Engineering & Construction Business	Wide experience and renowned knowledge of Turnkey Projects, Design & Engineering	Wide and varied experience in Finance & Banking	Rich experience in various sectors	Wide experience of Income Tax	Eminent professional having wide and varied experience in Finance



Particulars	Mr. Avinash C Gupta	Mr. Arjun Gupta	Mr. Nakul Gupta	Mr. Pawan Chopra	Mr. V S Mathur	Mr. Arun Mitter
Directorships held in other Public Companies (excluding foreign and private companies)	NIL	NIL	NIL	– National Energy Trading and Services Ltd.	– Emmsons International Ltd. – Bhrahmaputra Infrastructure Ltd. – Precision Fasteners Ltd. – Gujarat Foils Ltd.	– Bahubali Services Ltd – The Motor and General Finance Ltd – India Lease Development Ltd – MGF Development Ltd – Upper India Hire Purchase Companies Association Ltd. – Jayabharat Credit Ltd.
Memberships/ Chairmanships of Audit and Shareholders Grievance committees across Public companies	NIL	NIL	NIL	– National Energy Trading and Services Ltd. Audit Committee (Member)	– Emmsons International Ltd. Audit & Shareholders Grievance Committee (Member) – Bhrahmaputra Infrastructure Ltd. Audit Committee (Member)	<b>Audit Committee</b> – India Lease Development Ltd. (Chairman) – Jayabharat Credit Ltd. (Chairman) – The Motor and General Finance Ltd. (Member) <b>Shareholder Grievance Committee</b> – India Lease Development Ltd (Member) – Jayabharat Credit Ltd. (Member) – The Motor and General Finance Ltd. (Member)
Shareholding (No. of shares)	2299096	432872	471264	400	400	NIL

Mr. Avinash C Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta are inter-se related.

## DETAILS OF THE REMUNERATION PAID TO THE DIRECTORS FOR THE YEAR 2013-14

### (a) Remuneration to Directors

The Remuneration/Sitting fees paid to the Directors during the financial year 2013-14 are mentioned below:

(Amount in ₹)

Sl.No.	Name of Director	Salary & Allowance	Commission	Sitting Fees	Total
1.	Mr. Avinash C Gupta	48,00,000	-	-	48,00,000
2.	Mr. Arjun Gupta	44,46,000	-	-	44,46,000
3.	Mr. Nakul Gupta	44,46,000	-	-	44,46,000
4.	Mr. Arun Mitter	-	-	2,47,192	2,47,192
5.	Mr. Pawan Chopra	-	-	2,47,192	2,47,192
6.	Mr. V S Mathur	-	-	2,47,192	2,47,192

### (b) 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	20,000
2.	Audit Committee	20,000
3.	Remuneration Committee	20,000
4.	Shareholders / Investors Grievance Committee	20,000

### 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 are:

#### A. CORPORATE GOVERNANCE COMMITTEES

1. Audit Committee
2. Remuneration Committee
3. Shareholders / Investors Grievance Committee

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

#### (1) AUDIT COMMITTEE

##### Composition:

All Members of the Committee are having good financial and accounting knowledge. The Chairman of the Audit Committee is having accounting and financial management expertise. The Statutory Auditors and Internal Auditors are invitees to the Audit Committee Meetings. The Audit Committee of the Company is constituted in accordance with the provision of Clause 49 of Listing Agreement with the Stock Exchange(s) and Section 292A of the Companies Act, 1956. The Audit Committee comprises of the following Directors.

##### The Composition of Audit Committee as on March 31, 2014: -

1. Mr. Arun Mitter : Chairman, Independent, Non-Executive
2. Mr. Pawan Chopra : Member, Independent, Non-Executive
3. Mr. V S Mathur : Member, Independent, Non-Executive





**Secretary:** Mr. Sandeep Kumar Vij, Company Secretary of the Company is the secretary of the Committee.

**Brief Description of Terms of Reference of Audit Committee: -**

The term of reference of Audit Committee includes overseeing the audit functions, review of Company's financial performance, review critical findings of Internal Audit, compliance with the Accounting Standards & all other matters specified under Clause 49 of the Listing Agreement of the Stock Exchange and in Section 292A of the Companies Act, 1956.

**Meetings and Attendance:-**

During the financial year ended March 31, 2014, Four Audit Committee meetings were held on 23.05.2013, 13.08.2013, 14.11.2013 and 13.02.2014

**The attendance details are as under: -**

Name of the Member	No. of Meetings Attended
Mr. Arun Mitter	4
Mr. Pawan Chopra	4
Mr. V S Mathur	4

**(2) REMUNERATION COMMITTEE**

**(a) Composition:**

The Committee comprises of following three Directors:

1. Mr. Pawan Chopra : Chairman, Independent, Non-Executive
2. Mr. Arun Mitter : Member, Independent, Non-Executive
3. Mr. V S Mathur : Member, Independent, Non-Executive

**Secretary:** Mr. Sandeep Kumar Vij, Company Secretary of the Company is the secretary of the Committee.

**(b) Brief Description of Terms of Reference of Remuneration Committee: -**

The committee deliberates on the remuneration policy of the Directors including granting options/ equity shares under the Employees Stock Option / Purchase Plans of the Company to the Directors as well as employees of the Company and/or its holding and subsidiary Companies, if any.

**Meetings and Attendance:-**

The committee met 02 (Two) times during the period under review on August 13, 2013 and February 13, 2014. The detail of attendance of members at the Committee Meeting is as under:

Name of the Member	No. of Meetings Attended
Mr. Arun Mitter	2
Mr. Pawan Chopra	2
Mr. V S Mathur	2

### Remuneration Policy of the Company:-

The Remuneration policy aims at encouraging and rewarding good performance/contribution for the company's objective.

### (3) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

#### Composition:

#### The Composition of Shareholders / Investor Grievance Committee as on March 31, 2014: -

1. Mr. Pawan Chopra : Chairman, Independent, Non-Executive
2. Mr. Arun Mitter : Member, Independent, Non-Executive
3. Mr. V S Mathur : Member, Independent, Non-Executive

**Secretary:** Mr. Sandeep Kumar Vij, Company Secretary of the Company is the secretary of the Committee.

#### Brief Description of Terms of Reference of Shareholders / Investors Grievance Committee:-

The Committee supervises the systems of redressal of Investor Grievances and ensures cordial investor relations.

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, dematerialisation/ rematerialisation of shares in stipulated period of time.

#### Meetings and Attendance:-

During the financial year ended March 31, 2014, no meeting of Shareholders/Investors Grievance Committee meetings was held.

### IV. COMPLIANCE OFFICER: -

Mr. Sandeep Kumar Vij is the Company Secretary cum Compliance Officer of the Company appointed by the Board. 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.

#### DETAILS OF SHAREHOLDERS' /INVESTORS' COMPLAINTS

A status of the Complaints received from investors and attended during financial year 2013-14 is as follows:

Opening Balance	Received	Redressed	Closing Balance
01	01	02	NIL

#### V. GENERAL BODY MEETINGS

The location and time of the last three Annual General Meetings were as under:

Financial Year	Date	Time	Venue
2010-11	August, 10, 2011	10.30 AM	PHD Chamber of Commerce and Industry, August Kranti Marg, New Delhi-110016
2011-12	September 10, 2012	10.30 AM	same as above
2012-13	September 25, 2013	10.30 AM	India Islamic Cultural Centre, 87-88 Lodhi Road, New Delhi - 110003

**In the last three Annual General Meetings, following special business items were approved by the members by means of Special Resolution:**

Financial Year	Special Resolution passed
2010-11	<ul style="list-style-type: none"><li>- Increase In Remuneration of Shri Avinash C Gupta, Managing Director of the Company.</li><li>- Reappointment of Shri Arjun Gupta as Whole Time Director of the Company.</li><li>- Reappointment of Shri Nakul Gupta as Whole Time Director of the Company.</li><li>- Increase in Borrowing Powers of the Company from ₹ 800 Crores to ₹ 1500 Crores</li></ul>
2011-12	No Special Resolution was passed.
2012-13	Increase in remuneration of Shri Avinash C Gupta, Chairman and Managing Director of the Company

#### VI. POSTAL BALLOT

No resolution was put to vote through Postal Ballot in the last year and there is no resolution which is required to be passed by Postal Ballot at present.



## **VII. DISCLOSURES**

### **a. Related Party Transactions**

The Company has not entered into any materially significant transactions with the related parties viz. Promoters, Directors or the Management, their subsidiaries or relatives, etc. 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 Central Government approval, wherever required.

### **b. 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.

### **c. 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.

### **d. Details of compliance with mandatory requirements under Clause 49 of the Listing Agreement**

## **VIII. MEANS OF COMMUNICATION**

The quarterly / half-yearly results are forthwith communicated to the Bombay Stock Exchange Limited and the National Stock Exchange, 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 are published in leading newspapers, namely, Business Standard both English and Hindi, Financial Express in English, Jansatta in Hindi, etc., along with the official news releases in accordance with the guidelines of the Stock Exchanges.

The results are also put- up on Company's website [www.technofabengineering.com](http://www.technofabengineering.com). The website also hosts official news release.



For investors, the Company has created a separate e-mail ID investors@technofabengineering.com. During the financial year, the Company organized conference Calls after announcement of Quarterly Results, which were very well attended by the analysts, fund managers and investors.

## IX. GENERAL SHAREHOLDERS INFORMATION

### a. Annual General Meeting: -

The 43<sup>rd</sup> Annual General Meeting of the Company is scheduled to be held as under :-

**Date and Time** : **Thursday, 25<sup>th</sup> September, 2014 at 10.30 AM**

**Venue** : India Islamic Cultural Centre, 87-88 Lodhi Road, New Delhi 110003

### b. Financial Calendar (Tentative): -

The company follows financial year from April 1 to March 31. The Current financial year of the Company is April 1, 2014 to March 31, 2015

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

First Quarter Results : On or before 14/08/2014

Half Yearly / Second quarter Results : On or before 14/11/2014

Third Quarter Results : On or before 14/02/2015

Audited Annual results for the year : On or before 30/05/2015

### c. Date of Book Closure: - September 19, 2014 to September 25, 2014 (both days inclusive)

### d. Listing on Stock Exchanges: -

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

### e. ISIN Number: INE509K01011

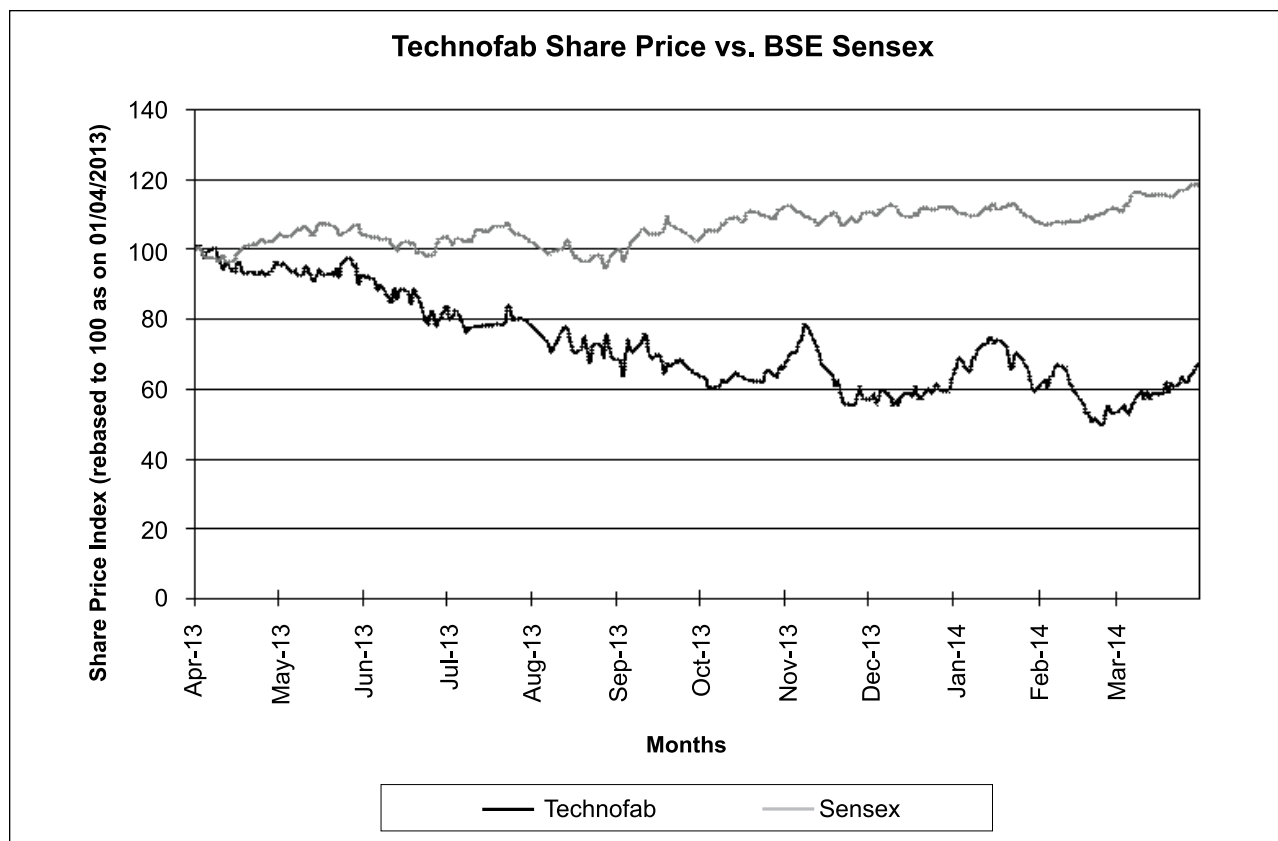
### f. Listing Fees: Applicable Annual Listing fees for the year 2014-15, have been paid to respective Stock Exchanges.

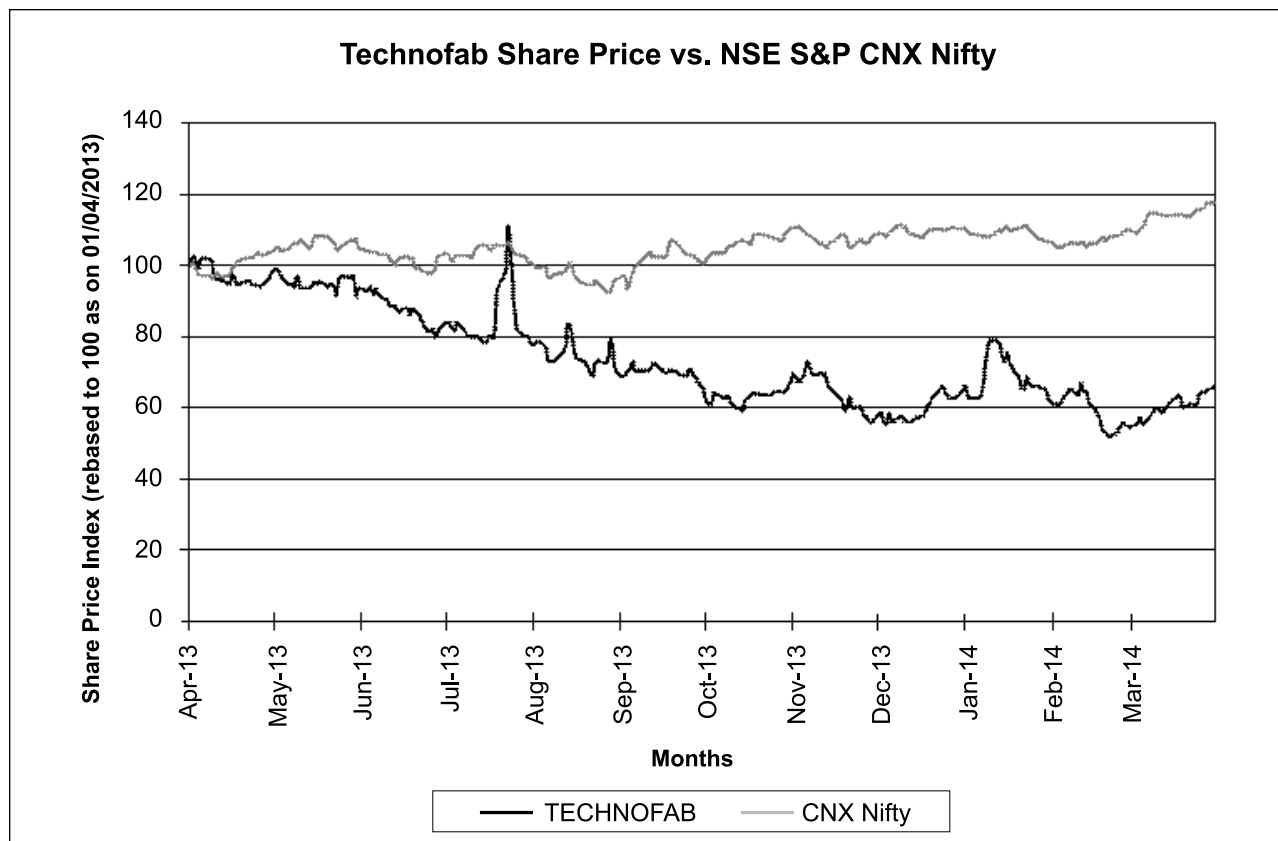
### g. Market Price Data & Share price performance: -

Monthly High, Low (based on the closing prices) 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 2013	123.00	107.00	121.40	107.65
May 2013	124.55	100.00	115.70	103.50
June 2013	111.75	90.10	110.65	90.80
July 2013	100.95	85.50	129.00	90.00
August 2013	99.00	80.00	105.00	78.60
September 2013	93.90	75.40	89.00	76.10
October 2013	82.00	71.35	78.50	68.00
November 2013	93.20	66.00	85.05	64.50
December 2013	74.95	62.95	79.00	62.00
January 2014	91.10	70.75	95.70	70.75
February 2014	79.40	59.00	78.85	59.00
March 2014	79.70	59.90	82.30	63.10

**COMPANY'S EQUITY SHARE PRICE COMPARISON  
WITH BSE SENSEX AND S&P CNX NIFTY**





**h. Registrar and Share Transfer Agent: -**

Link Intimae 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**

44, Community Centre, 2nd Floor,  
Naraina Industrial Area, Phase-I,  
Near PVR, Naraina,  
New Delhi-110028  
+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)

**i. 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 Agreement subject to documents being found valid and complete in all respects. The dematerialized shares are transferred directly to the beneficiaries by the depositories.



## Distribution of shareholding as on 31<sup>st</sup> March 2014:

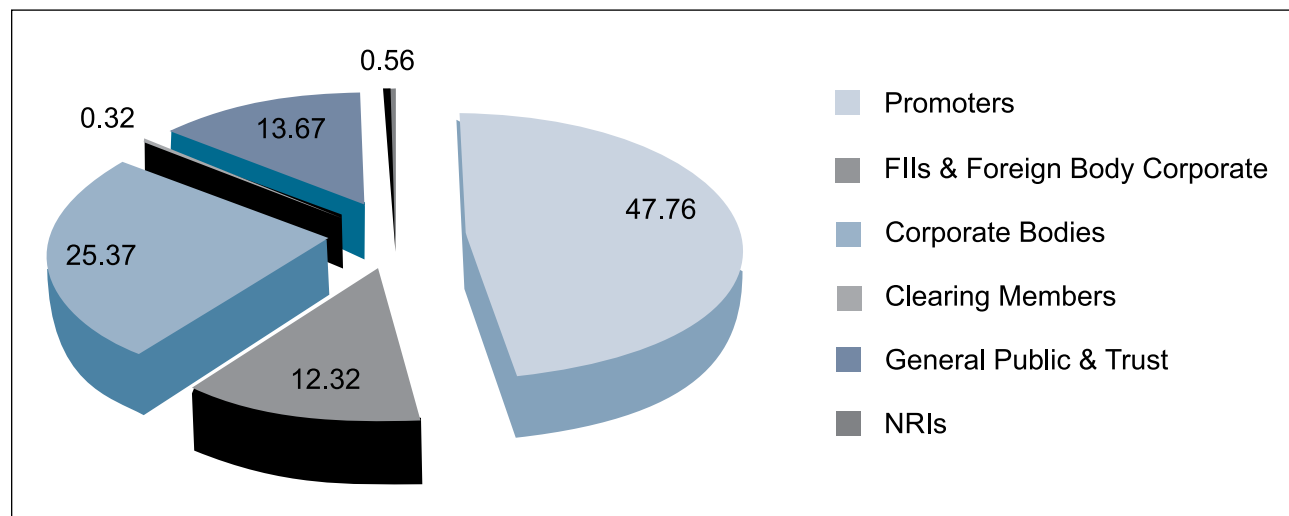
### a) Distribution of Shareholding as on 31<sup>st</sup> March 2014

Slab	Share Holders		No. of Shares	
	Number	% to total	Shares	% to total
1 - 500	5,920	93.01	450593	04.30
501 - 1,000	209	3.28	163051	01.55
1,001 - 2,000	110	1.73	158712	01.51
2,001 - 3,000	36	0.57	90754	0.87
3,001 - 4,000	20	0.31	69998	0.67
4,001 - 5,000	14	0.22	66243	0.63
5,001 - 10,000	10	0.16	70913	0.67
10,001 - Above	46	0.72	9419736	89.80
<b>Total</b>	<b>6365</b>	<b>100</b>	<b>10490000</b>	<b>100</b>

### b) Categories of Equity Shareholding as on 31<sup>st</sup> March, 2014

Sl.No.	CATEGORY	No of Shares held	% of Share holding
1	Promoters	50,09,641	47.76
2	FII's & Foreign Body Corporate	12,91,929	12.32
3	Corporate Bodies	26,61,558	25.37
4	Clearing Members	33,065	0.32
5	General Public & Trusts	14,34,322	13.67
6	NRIs	59,485	0.56
	<b>GRAND TOTAL</b>	<b>1,04,90,000</b>	<b>100</b>

### Graphic presentation of the Shareholding pattern as on 31.03.2014







**j. Dematerialisation of Shares and Liquidity: -**

The shares of the Company are compulsorily traded in dematerialized form. All equity shares except 7(seven) have been dematerialized as on March 31, 2014. The equity shares of the Company are actively traded at BSE & NSE.

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

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

**X. 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 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.

**XI. CEO/ CFO CERTIFICATION**

In compliance with Clause 49(V) 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: New Delhi  
Date: August 08, 2014**

**Avinash C Gupta  
Chairman & Managing Director**



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We have reviewed the implementation of the Corporate Governance procedures by Technofab Engineering Limited (the Company) during the year ended March 31, 2014, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate Governance, as approved by the Board of Directors.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was 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.
3. We state that no investor grievance is pending for a period of exceeding one month against the Company from the date of receipt of the grievance by the Company as per the records and other documents maintained by the Shareholders/Investor Grievance Committee.
4. We further state that such compliance is neither an assurance as to the future validity of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
5. On the basis of our review and according to the best of our information and according to the explanations given to us, the Company has been complying with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange(s), as in force.

For Rajesh Suresh Jain & Associates  
Chartered Accountants

Sd/-  
Rajesh Jain  
Proprietor  
Membership No. 98229

Place: New Delhi  
Date: August 08, 2014



## CMD AND CFO CERTIFICATION

### **The Board of Directors, Technofab Engineering Limited**

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

- (a) We have reviewed financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. 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 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls 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 further certify that:
  - a) There have been no significant changes in the internal control over financial reporting during this year.
  - b) 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.
  - c) 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 &  
Company Secretary

Place: New Delhi  
Date: August 08, 2014



## **Declaration - Compliance with the Code of Conduct**

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, 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 March 2014.

For Technofab Engineering Limited

Avinash C Gupta  
Chairman & Managing Director

Place : New Delhi  
Date : August 08, 2014



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### BUSINESS OVERVIEW

As a pure service EPC Company, our business opportunities are linked with investments taking place in the sectors that we operate in.

For the third successive year, the investment in our country remained severely impaired and there was no fresh business opportunities in our traditional Power and Industrial sectors. This was compounded by a slowdown in several ongoing projects in the power sectors as our customers faced severe problems across the business spectrum - on account of raw material and environmental issues, land acquisition issues or financial closure. The last factor even made its presence felt in some of our overseas assignments.

Previous similar experiences had resulted in your Company evolving a business strategy of diversifying market opportunities by focussing on newer sectors and geographies whilst adhering to its core domain competence of undertaking EPC projects on turnkey basis. This strategy aimed at insulating the Company from any downturn in the traditional power and industrial sectors and compensating the same through business in newer sectors and geographies. The benefits of this strategy became obvious in the last three years, as the Company's success in securing business in the rural sectors and in newer geographies in sub Saharan Africa ensured a reasonably healthy order book throughout this period. However in part due to increase in competition and in part due the intrinsic nature of some of these newer sectors, there has concurrently been a pressure on margins.

This has been emphasised in our previous Annual Reports and Information updates. Hence whilst a dip in profits was expected the mild dip in turnover along with a steep fall in profits in FY 2014 need some explanation. This has been on account of the unexpected cessation of funding in one of the Companies Overseas projects. This resulted in losses on account of several factors like inability to realise adequate value for the substantial inventory/Work in Progress, non recovery of the substantial investment in Plant and Machinery and of fixed costs, along with expenses associated with closing our various subcontracts and some loss on account of exchange rate variation associated with unadjusted advances.

As a direct consequence, instead of a modest increase in turnover and slight fall in profit, we had a slight fall in turnover and a steep fall in profit. Remaining business went fairly well.

The contribution of individual sectors as a percentage to total revenue and its comparison with previous years is given below:

Segment	FY 2014	FY 2013	FY 2012	FY2011	FY2010	FY2009
Conventional Power	7	27	33	20	25	22
Nuclear Power	2	3	4	10	27	18
Oil & Gas	6	13	23	4	1	13
Water & Waste Water Treatment	58	40	12	12	20	35
Industrial & Infrastructure Sectors	3	10	27	49	19	12
Electrical Distribution and Rural Electrification	24	7	1	5	8	0

Similarly our foreign turnover in the last few years has been :

Year	%age revenue from overseas
2013-2014	55
2012-2013	52
2011-2012	34
2010-2011	21
2009-2010	10
2008-2009	39
2007-2008	55

## ORDER BOOK

The Company received fresh orders aggregating around ₹ 8.7 billion during the course of the year of which around 14% was from overseas. This has been the largest ever inflow of orders in any year. The order book of the Company as on 31st march 2014 stands at around ₹ 12 billion. This is after dropping orders worth ₹ 2.6 billion, mainly overseas orders which did not seem anywhere on the road to achieving financial closure. The sector wise break up is as follows:

No.	Segment	% contribution
1.	Conventional Power	8
2.	Nuclear Power	1
3.	Water & Waste Water Treatment	48
4.	Electrical Distribution and Rural Electrification	38
5.	Industrial & Infrastructure Sectors	2
6.	Oil & Gas	3

Around 29% of order book is on account of foreign orders

## 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.

When we objectively scan the horizon looking for an upturn, no concrete steps are yet visible. Despite the absence of any such concrete steps, the atmosphere has begun to turn optimistic, particularly after our recent general elections. While the Board hopes that this optimism translates into positive action, the impact may take considerable more time to translate into an upturn.

The Company's order book is healthy, thanks to the record intake of orders in FY 2014 and amounts to almost three times trailing revenue. This gives visibility of steady increase in turnover, whilst preparing to take advantage of the expected upturn which may occur in FY 2016.

The Company continues to see the Water Sector as a major contributor to its business, both domestically and overseas. We maintain our focus on enhancing qualifications so as to increase the addressable market in this sector. 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 also pursue privately funded projects, albeit in a cautious manner.



We see increased competitive pressures in virtually all areas that we operate in.

### **COMPARISON OF PERFORMANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2014 VIS-À-VIS FINANCIAL YEAR ENDED MARCH 31, 2013**

**Turnover:** Our turnover decreased by 4.5% from ₹ 4263 million in fiscal 2013 to ₹ 4072 million in fiscal 2014. The decrease in revenue was on account of the unexpected cessation in funding of one of our overseas projects.

During the fiscal 2014, projects in the Water and Waste Water sector again had the highest contribution to turnover, being ₹ 2353 million as against ₹ 1704 million in the previous year.

**Other Income:** Other income was ₹ 40.81 million as against ₹ 19 million for the year ended March 31, 2013.

**Expenditure on Contracts:** Our Expenditure on Contracts increased by 29% from ₹ 419 million for the year ended March 31, 2013 to ₹ 540 million for the year ended March 31, 2014.

**Finance Costs :** Finance costs which amounted to ₹ 73.28 million in the year ended 31 March, 2013 increased significantly to ₹ 119.63 million in the year ended 31 March, 2014. The increase was mainly due to the need to take recourse to enhanced bank credit to take care of delays in payment from customers.

**Profit before Taxation:** Due to factors discussed above, our net profit before taxation decreased by 77% to ₹ 108.03 million in fiscal 2014 from ₹ 471.81 million in fiscal 2013.

**Net Profit after tax:** Our net profit after tax decreased by 79 % to ₹ 69 million in fiscal 2014 from ₹ 325 million in fiscal 2013.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company management recognises the necessity, and has 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.

### **MATERIAL DEVELOPMENTS IN HUMAN RELATIONS**

Your 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 March 31, 2014, there were around 400 employees on the roll of the Company.

### **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 financial statements of **TECHNOFAB ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the general Circular 15/2013 dated 13 September of the Ministry of Corporate Affair in respect of the Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 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 aforesaid 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:





- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the general Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e) on the basis of written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**Ravi Kant  
Partner  
Mem. No. 525917**

**Place: New Delhi**

**Dated: 23.05.2014**



## Annexure to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on other legal and Regulatory Requirements" of our report of even date for the year ended 31<sup>st</sup> March, 2014)

- i) In respect of its fixed assets:
  - (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 fixed assets have been physically verified by the management during the year 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 Company has not disposed off any substantial part of fixed assets during the year and therefore going concern status of the Company is not affected.
- ii) In respect of its inventories:
  - (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.
- iii)
  - (a) According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(a), (b), (c) and (d) of the order are not applicable.
  - (b) The Company has not taken unsecured loans from parties covered in register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control system.
- v) In respect of transaction covered under section 301 of the Companies Act 1956:
  - (a) According to the information and explanations given to us, the particulars of contracts or arrangements that needed to be entered into the register required to be maintained under



section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act.1956
- vii) According to the information and explanations given to us, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii) The nature of the business activities is such that Clause 4 (viii) of the Companies (Auditors Report 2003) regarding maintenance of Cost Records is not applicable to the Company.
- ix) In respect of statutory dues:
  - (a) According to the records of the Company and information and explanations given to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable have generally been regularly deposited with the appropriate authorities. However, there have been some delays in few cases.
  - (b) The disputed statutory dues 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 (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Orissa	WCT Wrongly Assessed	13,55,000	2002-03	Before Sales Tax Tribunal–Orissa
Delhi	CST Wrongly Assessed by Audit	43,56,754	2010-11	Before Special Commissioner (VAT) – Delhi
Delhi	Penalty on CST Wrongly Assessed by Audit	35,71,082	2010-11	Before Special Commissioner (VAT) – Delhi

- x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediate preceding financial year.
- xi) According to the information and explanations given to us, the Company has not made any default during the year towards dues of financial institutions, banks and debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.



- xiii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- xiv) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- xv) According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- xvii) According to the information and explanations given to us, the Company has not taken any term loans during the year.
- xviii) On the basis of overall examination of the Balance Sheet of the Company and information and explanations given to us, we report that during the year short term funds have not been used to finance long term investments.
- xix) During the year, the Company has not made any preferential allotment of shares to parties covered in the register maintained u/s 301 of Companies Act, 1956.
- xx) The Company has not issued any debentures during the year.
- xxi) In our opinion and according to the information and explanations given to us, no material fraud on or by the Company have been noticed or reported during the year nor have we been informed of any such case by the management.

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

**Ravi Kant  
Partner  
Mem. No. 525917**

**Place: New Delhi**

**Dated: 23.05.2014**



## TECHNOFAB ENGINEERING LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2014

	Note no.	As at 31/03/2014		As at 31/03/2013	
		₹		₹	
<b>EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds:</b>					
(a) Share Capital	2.1	10,49,00,000		10,49,00,000	
(b) Reserves and Surplus	2.2	1,98,96,80,178	2,09,45,80,178	1,92,06,23,547	2,02,55,23,547
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Borrowings	2.3(a)	48,28,269		—	
(b) Deferred Tax Liabilities (Net)	2.12	1,42,62,895		1,42,83,984	
(c) Other Long Term Liabilities	2.4(a)	21,19,26,808		2,13,12,502	
(d) Long Term Provisions	2.5(a)	1,51,41,257	24,61,59,229	1,53,79,105	5,09,75,591
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	2.3(b)	79,96,77,304		69,97,55,560	
(b) Trade Payables	2.4(b)	1,43,67,70,814		1,52,41,49,069	
(c) Other Current Liabilities	2.4(c)	33,63,08,137		16,53,14,196	
(d) Short Term Provisions	2.5(b)	3,68,65,067	2,60,96,21,322	17,08,12,056	2,56,00,30,881
<b>Total</b>		<b>4,95,03,60,729</b>		<b>4,63,65,30,019</b>	
<b>ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed assets	2.6				
(i) Tangible assets		29,19,31,711		26,92,69,671	
(ii) Capital WIP		5,91,28,834		—	
(iii) Intangible assets		7,89,546		—	
(b) Non-Current Investments	2.7(a)	9,00,77,520		9,10,77,520	
(c) Long Term Loans and Advances	2.8(a)	6,02,02,286		5,22,47,595	
(d) Other Non Current Assets	2.11(a)	5,66,32,498	55,87,62,395	8,31,95,072	49,57,89,858
<b>(2) Current Assets</b>					
(a) Current Investments	2.7(b)	11,95,50,000		49,51,52,842	
(b) Inventories	2.9	51,11,38,458		45,35,36,964	
(c) Trade Receivables	2.10	2,72,52,34,104		2,12,00,81,522	
(d) Cash and Cash Equivalents	2.11(b)	46,44,48,837		46,62,83,585	
(e) Short-Term Loans and Advances	2.8(b)	57,12,26,935	4,39,15,98,334	60,56,85,248	4,14,07,40,161
<b>Total</b>		<b>4,95,03,60,729</b>		<b>4,63,65,30,019</b>	

**SIGNIFICANT ACCOUNTING POLICIES** 1  
**NOTES ON ACCOUNTS** 2

As per our report attached  
Rajesh Suresh Jain & Associates

Chartered Accountants  
Firm Reg. No.017163N

Ravi Kant  
Partner  
Mem. No.525917

For & on behalf of the Board

Managing Director

Director

Date : 23.05.2014  
Place: New Delhi

Company Secretary



## TECHNOFAB ENGINEERING LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note no.	2013-2014	2012-2013
		₹	₹
<b>REVENUE :</b>			
Revenue from Operations	2.13	4,07,23,73,249	4,26,30,05,263
Other Income	2.14	4,08,08,296	1,93,33,499
<b>Total Revenue</b>		<b>4,11,31,81,545</b>	<b>4,28,23,38,762</b>
<b>EXPENSES :</b>			
Cost of Materials Consumed	2.15	2,99,77,30,337	2,89,42,00,742
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.16	(15,39,70,678)	(5,03,75,246)
Expenditure on Contracts	2.17	53,98,73,517	41,90,83,218
Employee Benefit Expense	2.18	28,87,16,497	31,09,54,732
Finance Cost	2.19	11,96,31,022	7,32,75,918
Depreciation and Amortization Expense	2.6	6,30,74,213	3,54,74,380
Other Expenses	2.20	15,01,03,032	12,79,15,173
<b>Total Expenses</b>		<b>4,00,51,57,940</b>	<b>3,81,05,28,917</b>
<b>Profit Before Tax</b>		<b>10,80,23,605</b>	<b>47,18,09,845</b>
<b>Tax Expense :</b>			
– Current Tax		3,35,00,000	13,75,00,000
– Deferred Tax		(21,088)	70,44,570
– Wealth Tax		3,95,000	3,45,000
– Tax Adjustment for Earlier Years		50,93,062	15,81,189
<b>Profit after tax carried to Balance Sheet</b>		<b>6,90,56,631</b>	<b>32,53,39,086</b>
<b>Earning per share (₹)</b>			
<b>Basic</b>	<b>2.24</b>	<b>6.58</b>	<b>31.01</b>
<b>Diluted</b>	<b>2.24</b>	<b>6.58</b>	<b>31.01</b>
<b>Face Value of Share (₹)</b>		<b>10.00</b>	<b>10.00</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>		
<b>NOTES ON ACCOUNTS</b>	<b>2</b>		

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

For & on behalf of the Board

Ravi Kant  
Partner  
Mem. No.525917

Managing Director

Director

Date : 23.05.2014  
Place : New Delhi

Company Secretary



## TECHNOFAB ENGINEERING LIMITED

### NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2014

#### 1.1 Basis of Preparation of Financial Statements

- i) The Financial Statements have been prepared under the historical cost convention method in accordance with the generally accepted Accounting Principles and the Accounting Standard referred to Section 211(3C) of the Companies Act, 1956.
- ii) Use of Estimates:- The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### 1.2 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/realisation of income, the same is not accounted for.

#### 1.3 Fixed Assets

- a) All fixed assets are stated at historical cost less accumulated depreciation.
- b) Depreciation is provided on straight-line method at the rates specified in Schedule XIV of Companies Act, 1956.

#### 1.4 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.



## 1.5 Inventories

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

## 1.6 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.

## 1.7 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.

## 1.8 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.

## 1.9 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.

### **1.10 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.

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

**For and on behalf of the Board**

**Ravi Kant**  
**Partner**  
**Mem. No. 525917**

**Managing Director**

**Director**

**Place: New Delhi**

**Dated: 23.05.2014**

**Company Secretary**



## TECHNOFAB ENGINEERING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

### NOTE : 2 NOTES ON ACCOUNTS

#### 2.1 Share Capital

##### Authorised Capital

1,50,00,000 (Previous Year 1,50,00,000)  
Equity shares of ₹ 10/- each

##### Issued, Subscribed & Paid up

1,04,90,000 (Previous Year 1,04,90,000)  
Equity shares of ₹ 10/- each fully paid up

##### Total

	As At 31/03/2014	As At 31/03/2013
	₹	₹
	15,00,00,000	15,00,00,000
	10,49,00,000	10,49,00,000
<b>Total</b>	<b>10,49,00,000</b>	<b>10,49,00,000</b>

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

Particulars	As At 31/03/2014		As At 31/03/2013	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Shares at the beginning of the year	10490000	10,49,00,000	10490000	10,49,00,000
<b>Shares at the end of the year</b>	<b>10490000</b>	<b>10,49,00,000</b>	<b>10490000</b>	<b>10,49,00,000</b>

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

Name of the shares holders	As At 31/03/2014		As At 31/03/2013	
	No. of shares	% of holding	No. of shares	% of holding
Avinash Chander Gupta	2299096	21.92	2261694	21.56
Meera Gupta	1502602	14.32	1478439	14.09
Emerging India Focus Fund	752153	7.17	752153	7.17

#### 2.2 Reserves and Surplus

##### (i) Securities Premium Reserve

70,19,42,133

70,19,42,133

##### (ii) General Reserve

68,12,25,461

53,12,25,461

Add : Transfer from Profit & Loss A/c

2,00,00,000

70,12,25,461

15,00,00,000

68,12,25,461

##### (iii) Surplus

53,74,55,953

39,27,98,806

Add : Profit after tax for the year

6,90,56,631

32,53,39,086

Less : Transfer to General Reserve

2,00,00,000

15,00,00,000

Less : Proposed Dividend on equity

-

2,62,25,000

shares ₹ NIL per share (previous  
year ₹ 2.50 per share)

Less : Dividend distribution tax

-

58,65,12,584

44,56,939

53,74,55,953

##### Total

**1,98,96,80,178**

**1,92,06,23,547**



## TECHNOFAB ENGINEERING LIMITED

### NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

	As At 31/03/2014	As At 31/03/2013
<b>2.3 (a) Long-term borrowings (Secured)</b>		
<b>Term Loans</b>	₹	₹
(i) <b>From Banks</b>		
Vehicle Loans*	38,92,340	-
(ii) <b>From Other Parties</b>		
Equipment Loans*	9,35,929	-
<b>Total</b>	<b>48,28,269</b>	<b>-</b>
<b>Note :</b>	* Secured by hypothecation of the asset purchased under various financing scheme and repayment terms of term loans ₹ 14,04,989 payable within one years, ₹ 29,79,082 payable one to three and ₹ 18,49,187 payable after three years.	
<b>(b) Short-term borrowings (Secured)</b>		
(i) <b>From Banks</b>		
Working Capital**	79,96,77,303	69,97,55,560
<b>Total</b>	<b>79,96,77,304</b>	<b>69,97,55,560</b>
<b>Note :</b>	**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.	
<b>2.4 (a) Other Long Term Liabilities</b>		
<b>Others Payables</b>		
(i) Vehicle Security	19,26,808	13,12,502
(ii) Advance from Customers	21,00,00,000	2,00,00,000
<b>Total</b>	<b>21,19,26,808</b>	<b>2,13,12,502</b>
<b>(b) Current Liabilities</b>		
Trade Payables	1,43,67,70,814	1,52,41,49,069
<b>Total</b>	<b>1,43,67,70,814</b>	<b>1,52,41,49,069</b>
<b>(c) Other Current Liabilities</b>		
(i) Other Payable	12,44,74,683	13,82,54,280
(ii) Advance from Customers	21,03,68,325	2,33,63,374
(iii) Unpaid Dividends	60,141	36,796
(vi) Current Maturity of Long Term Borrowings		
(a) Vehicle Loans*	8,65,019	-
(b) Equipment Loans*	5,39,970	36,59,746
<b>Total</b>	<b>33,63,08,137</b>	<b>16,53,14,196</b>
<b>2.5 Provisions</b>		
<b>(a) Long Term Provisions</b>		
(i) Gratuity	59,09,178	1,15,32,101
(ii) Leave Encashment	36,75,881	38,47,004
(iii) Diminution in Value of Investments	55,56,198	-
<b>Total</b>	<b>1,51,41,257</b>	<b>1,53,79,105</b>
<b>(b) Short Term Provisions</b>		
(i) Income Tax	3,35,00,000	13,75,00,000
(ii) Dividend	-	2,62,25,000
(iii) Tax on Dividend	-	44,56,939
(iv) Wealth Tax	3,95,000	3,45,000
(v) Gratuity	16,92,781	16,15,016
(vi) Leave Encashment	12,77,286	6,70,101
<b>Total</b>	<b>3,68,65,067</b>	<b>17,08,12,056</b>

**TECHNOFAB ENGINEERING LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014**

**2.6 Fixed Assets**

Description	GROSS BLOCK				DEPRECIATION				Net Block	
	As on 01/04/2013	Addition During the year	Deductions/ Adjustment during the year	Total as on 31/03/2014	Upto 01/04/2013	For the year	Deductions/ Adjustment during the year	Total upto 31/03/2014	As on 31/03/2014	As on 31/03/2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>(a) Tangible Assets</b>										
Factory Land	1,83,10,656	65,42,456	-	2,48,53,112	-	-	-	-	2,48,53,112	1,83,10,656
Plot (HSIDC - IMT FBD)	-	2,49,69,411	-	2,49,69,411	-	-	-	-	2,49,69,411	-
Building	5,58,35,588	-	-	5,58,35,588	70,25,403	15,88,607	-	86,14,010	4,72,21,578	4,88,10,185
Purely Temp. Construction	5,82,71,373	99,65,212	47,82,974	6,34,53,611	1,72,67,291	4,62,45,415	47,26,186	5,87,86,520	46,67,091	4,10,04,082
Plant & Machinery	12,05,19,900	5,12,28,190	2,72,72,876	14,44,75,214	1,62,44,387	61,80,409	25,12,668	1,99,12,128	12,45,63,086	10,42,75,513
Furniture & Fixture	43,71,879	4,20,529	15,78,560	32,13,848	20,86,200	1,83,513	15,46,598	7,23,115	24,90,733	22,85,679
Office Equipment	31,87,940	8,24,277	1,17,690	38,94,527	3,81,600	1,69,701	13,965	5,37,336	33,57,191	28,06,340
Vehicles	5,21,72,294	2,58,96,538	1,46,32,851	6,34,35,981	1,07,69,629	57,42,416	31,43,310	1,33,68,735	5,00,67,246	4,14,02,665
Computers	1,82,83,942	26,45,011	20,86,568	1,88,42,385	79,09,391	29,50,957	17,60,226	91,00,122	97,42,263	1,03,74,551
<b>Total</b>	<b>33,09,53,572</b>	<b>12,24,91,624</b>	<b>5,04,71,519</b>	<b>40,29,73,677</b>	<b>6,16,83,901</b>	<b>6,30,61,018</b>	<b>1,37,02,953</b>	<b>11,10,41,966</b>	<b>29,19,31,711</b>	<b>26,92,69,671</b>
<b>(b) Capital WIP</b>	-	<b>5,91,28,834</b>	-	<b>5,91,28,834</b>	-	-	-	-	<b>5,91,28,834</b>	-
<b>(c) Intangible Assets</b>										
Computers Software	-	<b>8,02,742</b>	-	<b>8,02,742</b>	-	<b>13,196</b>	-	<b>13,196</b>	<b>7,89,546</b>	-
<b>Total (a+b+c)</b>	<b>33,09,53,572</b>	<b>18,24,23,200</b>	<b>5,04,71,519</b>	<b>46,29,05,253</b>	<b>6,16,83,901</b>	<b>6,30,74,214</b>	<b>1,37,02,953</b>	<b>11,10,55,162</b>	<b>35,18,50,091</b>	<b>26,92,69,671</b>
<b>Previous Year</b>	<b>20,50,23,614</b>	<b>13,72,62,012</b>	<b>1,13,32,054</b>	<b>33,09,53,572</b>	<b>3,53,99,765</b>	<b>3,54,74,381</b>	<b>91,90,245</b>	<b>6,16,83,901</b>	<b>26,92,69,671</b>	<b>17,34,13,780</b>



## TECHNOFAB ENGINEERING LIMITED

### NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

#### 2.7 Investments

Particulars	Face Value	Qty. in nos.	As at	Qty. in nos.	As at
			31/03/2014		31/03/2013
			₹		₹
<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	60,69,017	74037	60,69,017
Hindustan Construction Ltd.	1	100	3,434	100	3,434
IVRCL Infrastructure Ltd.	2	100	6,718	100	6,718
Larsen & Toubro Ltd.	2	100	1,52,745	100	1,52,745
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>63,84,760</b>		<b>63,84,760</b>
<b>(II) Unquoted Equity shares, Fully Paid up</b>					
Hydro Air Tectonics (PCD) Ltd.	10	390000	1,56,39,000	390000	1,56,39,000
<b>Total (II)</b>			<b>1,56,39,000</b>		<b>1,56,39,000</b>
<b>(III) In wholly owned subsidiary company</b>					
<b>Unquoted, fully paid up equity shares (Trade)</b>					
Rivu Infrastructural Developers Pvt. Ltd.	10	100000	5,01,250	100000	5,01,250
Woodlands Instruments Pvt. Ltd.	10	473000	75,16,670	473000	75,16,670
Arihant Flour Mills Pvt. Ltd.	100	58228	6,00,35,840	58228	6,00,35,840
<b>Total (III)</b>			<b>6,80,53,760</b>		<b>6,80,53,760</b>
<b>(IV) Debentures (Equity Linked Debt) (unquoted other than trade)</b>					
Benchmark Asset Management Co. Pvt. Ltd.		1000000	-	1	10,00,000
<b>Total (IV)</b>			<b>-</b>		<b>10,00,000</b>
<b>TOTAL (Non-current Investments)</b>			<b>9,00,77,520</b>		<b>9,10,77,520</b>
<b>(b) Current Investments (other than trade)</b>					
<b>Unquoted, Fully Paid up units of mutual fund</b>					
Birla Sunlife Fixed Term Plan Series EY Growth	10		-	6389999	6,39,00,000
Birla Sunlife Dynamic Bond Fund	10		-	5651508	10,10,00,000
BOI Axa Equity Debt Rebaner Fund	10	499990	50,00,000	0	-
Reliance Fixed Horizon Fund XXI Series 18	10		-	5543465	5,54,34,654
Kotak Bond Fund	10		-	1500272	5,00,00,000
Sundaram Flexible Fund - Short Term Plan	10	2635236	4,85,50,000	2635236	4,85,50,000
BOI Axa Liquid Fund	10		-	1003678	1,02,68,188
DWS Gilt Fund	10		-	3972195	5,00,00,000
IDFC Dynamic Bond Fund	10	4722280	6,60,00,000	8416652	11,60,00,000
<b>TOTAL (Current Investments)</b>			<b>11,95,50,000</b>		<b>49,51,52,842</b>
<b>GRAND TOTAL (a+b)</b>			<b>20,96,27,520</b>		<b>58,62,30,362</b>

- 1 Cost of Quoted Investment ₹ 63,84,760 (Previous Year ₹ 63,84,760). Market Value ₹ 8,28,562 (Previous Year ₹ 12,45,176) as on 31/03/2014.
- 2 Cost of Unquoted Investment other than Mutual fund units ₹ 8,36,92,760 (Previous Year ₹ 8,46,92,760) as on 31/03/2014.
- 3 Cost of Unquoted Investment in Mutual Fund ₹ 11,95,50,000 (Previous Year ₹ 49,51,52,843). Net Asset Value ₹ 12,70,79,213 (Previous Year ₹ 52,44,24,772) as on 31/03/2014.



## TECHNOFAB ENGINEERING LIMITED

### NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

	As At 31/03/2014	As At 31/03/2013
	₹	₹
<b>2.8 (a) Long term Loans and Advances (Unsecured, Considered good)</b>		
Capital Advance	1,61,14,728	1,41,22,492
Deposits	1,24,88,524	1,15,09,271
Prepaid Expenses	65,99,034	66,15,832
Advance to Subsidiaries	2,50,00,000	2,00,00,000
<b>Total</b>	<b>6,02,02,286</b>	<b>5,22,47,595</b>
<b>(b) Short term Loans and Advances (Unsecured, Considered good)</b>		
Recoverable from Revenue Authorities	20,51,98,918	23,76,00,468
Deposits	1,37,08,772	81,14,127
Prepaid Expenses	4,93,09,856	4,39,68,848
Advance for supply of raw materials & Others	27,86,37,406	28,08,06,315
Advance to Subsidiaries	79,000	50,61,000
Advance to employee	2,42,92,983	3,01,34,490
<b>Total</b>	<b>57,12,26,935</b>	<b>60,56,85,248</b>
<b>2.9 Inventories :</b> <b>(As taken, valued and certified by the Management)</b>		
Raw Material	8,94,50,272	6,50,96,772
Work in Progress	22,06,32,771	9,10,15,593
Stores & Spares	20,10,55,415	29,74,24,599
<b>Total</b>	<b>51,11,38,458</b>	<b>45,35,36,964</b>
<b>2.10 Trade Receivables # Unsecured , Considered Good</b>		
Outstanding exceeding six months	65,68,19,528	59,29,32,578
Others	2,06,84,14,576	1,52,71,48,944
<b>Total</b>	<b>2,72,52,34,104</b>	<b>2,12,00,81,522</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)	5,66,32,498	8,31,95,072
<b>Total</b>	<b>5,66,32,498</b>	<b>8,31,95,072</b>
<b>2.11 (b) Cash and Cash Equivalents</b>		
<b>Balance with Banks</b>		
– in Current Account with Scheduled Banks	1,84,79,016	14,65,23,020
– Fixed deposits having remaining maturity of 3 months or less (including interest accrued)	7,55,38,732	3,17,93,922
– in Current Account with Foreign Banks	1,36,34,458	65,09,036
Cash on Hand	88,99,419	1,17,34,716
<b>Other Bank Balances</b>		
– Fixed deposits having remaining maturity of more than 3 months but not more than 12 months (including interest accrued)	34,78,97,212	26,97,22,891
<b>Total</b>	<b>46,44,48,837</b>	<b>46,62,83,585</b>

**Note:** (a) The Current Accounts balance with Scheduled Banks includes amount of ₹ 60,141 (Previous Year ₹ 36,796 earmarked for payment of unpaid dividend.

(b) Fixed Deposited/cash margin with banks amount to ₹ 28,80,12,917 (Previous year ₹ 23,47,20,937) are under lien with banks as per banking arrangements.



## TECHNOFAB ENGINEERING LIMITED

### NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

	As At 31/03/2014	As At 31/03/2013
<b>2.12 Deferred tax Liability comprised of the following: -</b>	₹	₹
<b>Liability</b>		
Fixed Assets	1,85,30,382	1,84,93,206
<b>Assets</b>		
Expenses allowable under Income Tax Act on payment basis	42,67,487	42,09,222
<b>Net Deferred Tax Liability</b>	<b>1,42,62,895</b>	<b>1,42,83,984</b>

**Note :** Deferred Tax Liability for the year ended March 31, 2014 has been provided on the estimated tax computation for the year.

	2013-2014	2012-2013
	₹	₹
<b>2.13 Revenue from Operations</b>		
(i) Sales	4,06,31,05,493	4,25,23,72,464
(ii) Other Operating Income	92,67,756	1,06,32,799
<b>Total</b>	<b>4,07,23,73,249</b>	<b>4,26,30,05,263</b>
<b>2.14 Other Income</b>		
(i) Interest from Others	86,51,770	25,33,163
(ii) Dividend Income		
(a) From long term Investments	1,850	1,950
(b) From short term Investments	-	2,77,488
(iii) Profit on sale of Investments (net)		
(a) From long term Investments	2,84,56,494	1,53,83,303
(b) From short term Investments	36,98,182	10,37,104
(iv) Profit on sale of fixed assets	-	1,00,491
<b>Total</b>	<b>4,08,08,296</b>	<b>1,93,33,499</b>
<b>2.15 Cost of Materials Consumed</b>	<b>2,99,77,30,337</b>	<b>2,89,42,00,742</b>
<b>2.16 (Increase) / Decrease in Raw Material &amp; Work in progress</b>		
<b>(a) Opening Stock</b>		
Raw Material	6,50,96,772	10,30,03,594
Work-in-Progress	9,10,15,593	27,33,525
<b>Total a</b>	<b>15,61,12,365</b>	<b>10,57,37,119</b>
<b>(b) Closing Stock</b>		
Raw Material	8,94,50,272	6,50,96,772
Work-in-Progress	22,06,32,771	9,10,15,593
<b>Total b</b>	<b>31,00,83,043</b>	<b>15,61,12,365</b>
<b>Total (a-b)</b>	<b>(15,39,70,678)</b>	<b>(5,03,75,246)</b>



## TECHNOFAB ENGINEERING LIMITED

### NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

	2013-2014	2012-2013
	₹	₹
<b>2.17 Expenditure on Contracts</b>		
(i) Power & Fuel	7,67,32,504	3,31,47,931
(ii) Inspection & Testing	3,48,00,622	1,86,88,172
(iii) Repairs & Maintenance	4,01,59,519	2,62,15,116
(iv) Freight, Forwarding & Clearing	13,04,85,026	14,12,12,659
(v) Rent, Rates & Taxes	13,44,74,490	11,67,71,714
(vi) Insurance	2,27,09,891	1,76,11,248
(vii) Other Site Expenses	10,05,11,465	6,54,36,378
<b>Total</b>	<b>53,98,73,517</b>	<b>41,90,83,218</b>
<b>2.18 Employee Benefit Expense</b>		
(i) Salaries, Wages, Bonus, Allowances etc.	25,97,17,111	28,57,49,846
(ii) Contributions to Provident Fund, ESI & Others	1,68,99,727	1,52,44,172
(iii) Staff Welfare	1,20,99,658	99,60,714
<b>Total</b>	<b>28,87,16,496</b>	<b>31,09,54,732</b>
<b>2.19 Finance Cost</b>		
(i) Bank Charges	6,14,65,494	6,03,86,398
(ii) Interest Cost	9,31,33,961	5,52,99,117
	15,45,99,455	11,56,85,515
Less:-		
(iii) Interest Income on FDR's (Tax Deducted at Source Current Year ₹ 34,96,049 Previous Year ₹ 42,40,783)	3,49,68,433	4,24,09,597
<b>Total</b>	<b>11,96,31,022</b>	<b>7,32,75,918</b>
<b>2.20 Other Expenses</b>		
(i) Power & Fuel	37,63,813	38,75,999
(ii) Repairs to Building	1,82,072	23,80,382
(iii) Repairs to Machinery	1,77,826	7,16,985
(iv) Repairs to Others	35,91,773	45,57,587
(v) Insurance	14,29,480	14,99,710
(vi) Rates & Taxes	13,80,836	27,66,193
(vii) Exchange Rate Variation (Net)	2,84,84,155	3,59,28,317
(viii) Auditors Remuneration	94,382	91,382
(ix) Miscellaneous Expenditure	41,92,049	44,33,881
(x) Director's Sitting Fees	7,41,576	6,84,496
(xi) Legal & Professional	2,51,83,877	1,84,06,285
(xii) Rent & Hire Charges	31,10,224	11,53,134
(xiii) Communication Charges	45,80,802	41,30,510
(xiv) Printing & Stationary	31,37,345	38,07,415
(xv) Travelling & Conveyance	5,57,04,183	4,29,82,618
(xvi) Vehicle Running & Maintenance Charges	2,09,185	5,00,279
(xvii) Loss on Sale of Assets	85,83,256	-
(xviii) Diminution in Value of Investments	55,56,198	-
<b>Total</b>	<b>15,01,03,032</b>	<b>12,79,15,173</b>





## TECHNOFAB ENGINEERING LIMITED

### NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

#### 2.21 Contingent Liability

- a. Claims against the Company not acknowledged as debt (net) amount to ₹ 1,55,38,070 (Previous year ₹ 14,91,755).
- 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 ₹ 5,76,02,58,344 (Previous year ₹ 4,69,44,18,747).
- c. In respect of demand against Sales Tax amounting to ₹ 92,82,836 (Previous year ₹ 13,73,82,040) raised by the authorities, appeals are pending before the authorities.
- d. Capital commitment (Net of advances) ₹ 2,91,13,788 (Previous year ₹ 2,31,13,788).

2.22 Fixed Deposits/cash margin with banks amount to ₹ 28,80,12,917 (Previous year ₹ 23,47,20,937) are under lien with banks as per banking arrangements.

2.23 Auditor's Remuneration consist of Audit Fees of ₹ 50,562 (Previous Year ₹ 50,562) and ₹ 43,820 (Previous Year ₹ 40,820) for other services.

#### 2.24 Earning per share :-

Particulars	As on 31/03/2014	As on 31/03/2013
	₹	₹
Profit for the year after Tax	6,90,56,631	32,53,39,086
Weighted average no. of equity Shares of ₹ 10/- each for Basic EPS	1,04,90,000	1,04,90,000
Basic Earning per Share	6.58	31.01
Weighted average no. of equity Shares of ₹ 10/- each for Diluted EPS	1,04,90,000	1,04,90,000
Diluted Earning per Share	6.58	31.01

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

- (a) Avinash C. Gupta
- (b) Arjun Gupta
- (c) Nakul Gupta



- (B) 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) Torno Infrastructure Pvt. Ltd.
  - (g) Wrap Art & Design Private Limited
- (C) Relatives of Key managerial Person
- (a) Meera Gupta
  - (b) Gunjan Gupta
  - (c) Sucheta Sarvadaman Nakul
- (D) 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 :-

<b>Amount in ₹</b>					
<b>Sr. No.</b>	<b>Particulars</b>	<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>(D)</b>
1	Loan / Security / Advance given	37,35,000 (NIL)	NIL (NIL)	NIL (NIL)	25,51,374 (2,50,00,000)
2	Remuneration Paid	1,36,92,000 (3,51,55,882)	NIL (NIL)	NIL (NIL)	NIL (NIL)
3	Reimbursement of Expenses	NIL (NIL)	3,82,755 (5,84,628)	NIL (NIL)	NIL (NIL)
4	Dividend Paid	79,83,033 (59,84,718)	7,02,018 (5,31,882)	37,53,598 (27,39,330)	NIL (NIL)
5	Legal & Professional Charges	NIL (NIL)	NIL (NIL)	NIL (NIL)	1,88,088 (NIL)
6	Outstanding Balance as on 31.03.2014				
	– Receivable in respect of advance to subsidiaries & other related parties	37,35,000 (NIL)	NIL (NIL)	NIL (NIL)	3,29,64,773 (3,04,13,039)

Figures within brackets are in respect of previous year.



2.27 Expenditure and earning in foreign currency :-

Particulars	As on 31/03/2014	As on 31/03/2013
	₹	₹
Travelling Expenses	1,02,32,727	1,28,52,458
Tender Expenses	3,23,796	3,15,636
Expenditure on Contract	1,00,24,12,735	74,33,27,663
Material	43,98,20,489	9,23,40,167
Service Charges	6,80,98,471	6,53,66,521
Purchase of Fixed Assets	2,18,26,374	3,40,68,840
FOB Value of Net Exports	1,82,28,85,353	1,29,34,99,988

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 31/03/2014		As on 31/03/2013	
	Outstanding Balance	Maximum balance during the year	Outstanding Balance	Maximum balance during the year
	₹	₹	₹	₹
Prudential Bank Ltd. - Ghana	(3,117.78)	88,27,104	30,71,608.05	1,77,97,706.28
Bank of Abyssinia - Ethiopia	6,65,433.12	1,79,67,080	1,74,921.30	49,14,129.72
First Merchant Bank - Malawi	-	7,97,940	63,354.16	13,67,513.01
Standard Bank S.A. (MZN) - Mozambique	14,758.72	89,24,307	17,46,261.31	4,39,06,902.40
Standard Bank S.A. (USD) - Mozambique	4,02,677.93	1,47,47,933	29,387.85	29,387.85
International Bank (USD)-Liberia	1,16,01,736.75	1,19,41,489	10,90,639.94	13,81,655.00
Equity Bank Isiolo -Kenya	2,56,994.81	58,43,594	3,32,863.53	37,17,040.31
CRDB BANK (TZS) (Bukoba) - Tanzania	5,162.67	46,74,296	-	-
CRDB BANK (TZS) (Sumbawanga) - Tanzania	24,31,307,91	75,68,538	-	-
CRDB BANK (USD) (Bukoba) - Tanzania	6,554.94	75,73,366	-	-
CRDB BANK (USD) (Sumbawanga) - Tanzania	8,108.10	90,07,860	-	-

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	53,22,896 (50,98,190)	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)	1,31,47,117	1,01,90,299	45,17,105	38,18,299
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	11,83,241	8,15,224	4,06,539	3,05,464
Past service cost	NIL	NIL	NIL	NIL
Current service cost (D)	19,72,277	24,13,394	12,76,217	13,01,095
Benefits paid (E)	(26,02,661)	(6,51,081)	(8,18,133)	(8,65,218)
Actuarial (gain) / loss on obligation (F)	(15,03,126)	3,79,281	(4,28,561)	(42,535)
<b>Present value of obligations as at the end of year (A+B+C+D-E+F)</b>	<b>1,21,96,848</b>	<b>1,31,47,117</b>	<b>49,53,167</b>	<b>45,17,105</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)	1,21,96,848	1,31,47,117	49,53,167	45,17,105
Estimated fair value of plan assets (B)	45,94,889	46,90,816	NIL	NIL
<b>Net Liability (A)-(B)</b>	<b>76,01,959</b>	<b>84,56,301</b>	<b>49,53,167</b>	<b>45,17,105</b>
<b>Amounts in the Balance Sheet</b>				
<b>Liabilities</b>	<b>76,01,959</b>	<b>84,56,301</b>	<b>49,53,167</b>	<b>45,17,105</b>
<b>Amount charged to Profit &amp; Loss Account</b>				
Current Service Cost	19,72,277	24,13,394	12,76,217	13,01,095
Past service cost	NIL	NIL	NIL	NIL
Interest Cost	11,83,241	8,15,224	4,06,539	3,05,464
Expected return on plan assets	(4,22,173)	(3,84,705)	NIL	NIL
Actuarial (Gain)/Loss	(15,58,635)	3,62,314	(4,28,561)	(42,535)
	<b>11,74,710</b>	<b>32,06,227</b>	<b>12,54,195</b>	<b>15,64,024</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	31/03/2014	31/03/2013
A	Fair value of plan assets at the beginning of the period	46,90,816	42,74,505
B	Acquisition adjustment	NIL	NIL
C	Expected return on plan assets	4,22,173	4,01,672
D	Contributions	18,60,337	6,65,720
E	Benefits paid	(24,33,946)	(6,51,081)
F	Actuarial gain/(loss) on plan assets	55,509	16,967
G	Fair value of plan assets at the end of the period	45,94,889	46,90,816

2.32 Trade Payables :-

- (a) To the extent information is available with the Company, Sundry Creditors include Nil, (Previous year Nil) due to Small Scale Industrial Undertakings.
- (b) 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 31/03/2014		As At 31/03/2013	
	Amount (in Foreign Currency)	Amount (₹)	Amount (in Foreign Currency)	Amount (₹)
<b>- In Respect of receivables</b>				
USD	2,13,09,941	1,27,98,75,045	1,57,39,651	85,44,26,972
EURO	7,75,148	6,41,27,978	26,91,859	18,73,80,316
ETB - (Ethiopian Birr)	12,10,711	37,54,414	20,27,399	59,45,452
GHS - (Ghanian Cedi)	3,00,493	66,77,615	5,76,066	1,60,01,824
KSH - (Kenya Shilling)	7,20,49,817	5,01,46,673	12,43,436	7,62,844
FJD - (Fiji Dollar)	12,67,975	4,12,72,575	29,65,485	8,98,63,191
MZN -(Mozambican Metical)	-	-	5,17,79,100	9,41,43,817
TZS -(Tanzanian Shilling)	3,48,12,19,065	12,78,44,990	16,73,05,398	56,23,711
<b>TOTAL</b>		<b>1,57,36,99,289</b>		<b>1,25,41,48,128</b>
<b>- In Respect of Payables</b>				
USD	82,23,554	49,39,06,662	1,42,09,823	77,13,80,247
EURO	36,07,705	29,84,65,416	3,01,163	2,09,63,978
GHS -(Ghanian Cedi)	2,72,455	60,54,545	5,78,245	1,60,62,352
ETB -(Ethiopian Birr)	11,25,261	34,89,435	11,63,197	34,11,135
KSH -(Kenya Shilling)	5,57,66,677	3,88,13,607	3,41,44,206	2,09,47,366
FJD -(Fiji Dollar)	2,68,927	87,53,570	5,86,154	1,77,62,232
MWK -(Malawi Kwacha)	-	-	2,21,77,917	33,25,025
MZN -(Mozambican Metical)	30,98,662	59,49,431	1,01,98,718	1,85,43,123
TZS -(Tanzanian Shilling)	29,71,59,452	1,09,12,944	5,94,17,066	19,97,212
<b>TOTAL</b>		<b>86,63,45,610</b>		<b>87,43,92,670</b>



2.34 Disclosure as per AS-7 :-

S.No.	Particulars	As on 31/03/2014	As on 31/03/2013
		₹	₹
1	Contract Revenue	4,07,23,73,249	4,26,30,05,263
2	Cost incurred on Contract	3,38,36,33,176	3,26,29,08,714
3	Advance received	42,03,68,325	4,33,63,374
4	Amount due from Customers includes Retention Money	2,72,52,34,104	2,12,00,81,522
5	Contract Profit / (Losses) recognized	68,87,40,073	1,00,00,96,549

2.35 Dividend Remitted to Non-Residents

Particulars	Current Year	Previous Year
- No. of Shareholders	103	110
- No. of shares	13,96,248	13,84,867
- Dividend paid	₹ 34,90,620	₹ 27,69,734
- Year to which Dividend pertains	2012-2013	2011-2012

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

Certified in terms of our report attached.

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

**For and on behalf of the Board**

**Ravi Kant**  
**Partner**  
**Mem. No. 525917**

**Managing Director**

**Director**

**Place: New Delhi**

**Dated: 23.05.2014**

**Company Secretary**



## TECHNOFAB ENGINEERING LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH, 2014

PARTICULARS	2013-2014	2012-2013
	₹	₹
<b>(A) CASH FLOW OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax and Extraordinary Item</b>	<b>10,80,23,605</b>	<b>47,18,09,845</b>
Adjustment for :		
Depreciation	6,30,74,213	3,54,74,380
Finance charges	11,96,31,022	7,32,75,918
Net Loss on Sale of Fixed Assets	85,83,256	(34,995)
Interest Receivable	55,03,561	-
Provision for Leave Encashment	12,77,286	15,80,683
Provision for Gratuity	16,92,781	36,07,899
Dividend Received	(1,850)	(2,79,438)
Profit on sale of Mutual funds	(3,21,54,676)	(1,64,20,407)
<b>Operating Profit before Working Capital Changes</b>	<b>27,56,29,198</b>	<b>56,90,13,885</b>
Adjustment for :		
Trade and other Receivables	(60,51,52,582)	(45,22,01,325)
Loans & Advances	2,65,03,622	(16,43,95,573)
Inventories	(5,76,01,494)	(33,84,31,027)
Trade and Other payables	27,42,29,992	46,80,32,290
<b>Cash Generated from Operation</b>	<b>(8,63,91,264)</b>	<b>8,20,18,249</b>
Direct Taxes Paid	(14,29,38,062)	(15,08,51,189)
Leave Encashment Paid	(8,18,133)	(8,71,011)
Gratuity Paid	(26,02,661)	(6,51,081)
<b>Cash Flow Before Extraordinary Items</b>	<b>(23,27,50,120)</b>	<b>(7,03,55,031)</b>
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(23,27,50,120)</b>	<b>(7,03,55,031)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(18,24,23,200)	(13,34,72,081)
Sale of Fixed Assets	2,35,79,579	21,76,803
Profit on sale of Mutual funds	3,21,54,676	1,64,20,407
Sale / (Purchase) of Investments	37,66,02,842	(10,74,69,545)
Dividend Received	1,850	2,79,438
<b>Net Cash from (-used) in Investing Activities (B)</b>	<b>24,99,15,747</b>	<b>(22,20,64,978)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance charges	(11,96,31,022)	(7,32,75,918)
Proceeds / Repayment from / of Long term Borrowings (Net)	48,28,269	(36,89,648)
Proceeds / Repayment from / of Short term Borrowings (Net)	9,99,21,744	26,41,11,354
Dividend Paid	(2,62,25,000)	(2,09,80,000)
Tax on Dividend	(44,56,939)	(34,03,480)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>(4,55,62,948)</b>	<b>16,27,62,308</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(2,83,97,321)</b>	<b>(12,96,57,701)</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>54,94,78,657</b>	<b>67,91,36,358</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>52,10,81,336</b>	<b>54,94,78,657</b>

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

For & on behalf of the Board

**Ravi Kant**  
Partner  
Mem. No.525917

Managing Director

Director

Date : 23.05.2014  
Place: New Delhi

Company Secretary



## INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF  
TECHNOFAB ENGINEERING LIMITED

Report on the Consolidated Financial Statements of TECHNOFAB ENGINEERING LIMITED and its Subsidiaries.

We have audited the attached Consolidated Balance Sheet of TECHNOFAB ENGINEERING LIMITED and its three subsidiaries as at 31<sup>st</sup> March, 2014 and the Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended on that date.

These Consolidated financial statements are the responsibility of the TECHNOFAB ENGINEERING LIMITEDS' Management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of one of the subsidiary namely M/s Rivu Infrastructural Developers Pvt. Ltd. whose total assets and total revenue are ₹ 1,56,11,493 and ₹ 2,27,13,442 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.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard(AS)21, Consolidated Financial Statements notified pursuant to Companies (Accounting Standard) Rules, 2006.

On the basis of the information and explanations given to us and based on our audit on the consideration of the separate audit reports on individual audited financial statements of TECHNOFAB ENGINEERING LIMITED and its aforesaid one subsidiary and on the other financial information of the components, we are of the opinion that the said Consolidated Financial Statement gives a true and fair view in conformity with the accounting principles generally accepted in India :-

- a) in the case of Consolidated Balance Sheet of the consolidated state of affairs as at 31<sup>st</sup> March, 2014 ;
- b) in the case of Consolidated Profit & Loss Account of the consolidated results of operations for the year ended on that date ; and
- c) in the case of Consolidated Cash Flow Statement of the Consolidated Cash Flow for the year ended on that date.

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

**Ravi Kant**  
**Partner**  
**Mem.No.525917**

**Dated: 23.05.2014**

**Place: New Delhi**





## TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

### BALANCE SHEET AS AT 31ST MARCH, 2014

	Note no.	As at 31/03/2014		As at 31/03/2013	
		₹		₹	
<b>EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds:</b>					
(a) Share Capital	2.1	10,49,00,000		10,49,00,000	
(b) Reserves and Surplus	2.2	2,01,54,19,695	2,12,03,19,695	1,94,92,43,526	2,05,41,43,526
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Borrowings	2.3(a)	48,28,269		-	
(b) Deferred Tax Liabilities (Net)	2.12	1,42,80,239		1,43,06,485	
(c) Other Long Term Liabilities	2.4(a)	21,19,26,808		2,13,12,502	
(d) Long Term Provisions	2.5(a)	1,51,41,257	24,61,76,573	1,53,79,105	5,09,98,092
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	2.3(b)	79,96,77,303		69,97,55,560	
(b) Trade Payables	2.4(b)	1,43,69,63,240		1,53,15,57,619	
(c) Other Current Liabilities	2.4(c)	33,66,98,534		16,79,52,371	
(d) Short Term Provisions	2.5(b)	3,68,65,067	2,61,02,04,144	17,08,56,056	2,57,01,21,606
<b>Total</b>		<b>4,97,67,00,412</b>		<b>4,67,52,63,224</b>	
<b>ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed assets	2.6				
(i) Tangible assets		34,80,31,811		32,69,20,019	
(ii) Capital Work in Progress		5,91,28,834		-	
(iii) Intangible assets		7,89,546		-	
(vi) Goodwill		5,65,81,210		5,65,81,210	
(b) Non-Current Investments	2.7(a)	2,20,23,760		2,30,23,760	
(c) Long Term Loans and Advances	2.8(a)	3,52,02,286		3,22,47,595	
(c) Other Non Current Assets	2.11(a)	5,66,32,498	57,83,89,945	8,31,95,072	52,19,67,656
<b>(2) Current Assets</b>					
(a) Current Investments	2.7(b)	11,95,50,000		49,51,52,842	
(b) Inventories	2.9	51,11,38,458		46,12,15,622	
(c) Trade Receivables	2.10	2,72,87,22,655		2,12,04,02,277	
(d) Cash and Cash Equivalents	2.11(b)	46,75,94,757		47,21,18,801	
(e) Short-Term Loans and Advances	2.8(b)	57,13,04,597	4,39,83,10,467	60,44,06,026	4,15,32,95,568
<b>Total</b>		<b>4,97,67,00,412</b>		<b>4,67,52,63,224</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 the Board

**Ravi Kant**  
Partner  
Mem. No.525917

Managing Director

Director

Date : 23.05.2014  
Place: New Delhi

Company Secretary



## TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note no.	2013-2014 ₹	2012-2013 ₹
<b>REVENUE :</b>			
Revenue from Operations	2.13	4,09,46,95,718	4,26,78,51,590
Other Income	2.14	4,08,08,296	1,94,84,516
<b>Total Revenue</b>		<b>4,13,55,04,014</b>	<b>4,28,73,36,106</b>
<b>EXPENSES :</b>			
Cost of Materials Consumed	2.15	3,01,08,87,668	2,90,29,84,510
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.16	(14,62,92,020)	(5,71,69,688)
Expenditure on Contracts	2.17	53,97,26,064	42,05,84,601
Employee Benefit Expense	2.18	28,90,13,354	31,16,51,818
Finance Cost	2.19	11,95,83,427	7,30,89,160
Depreciation and Amortization Expense	2.6	6,46,24,461	3,72,24,316
Other Expenses	2.20	15,27,41,205	12,88,91,595
<b>Total Expenses</b>		<b>4,03,02,84,159</b>	<b>3,81,72,56,312</b>
<b>Profit Before Tax</b>		<b>10,52,19,855</b>	<b>47,00,79,794</b>
Tax Expense:			
- Current Tax		3,35,00,000	13,75,00,000
- Deferred Tax		(26,140)	70,51,430
- Wealth Tax		3,95,000	3,45,000
- Tax Adjustment for Earlier Years		51,74,826	15,81,189
<b>Profit after tax carried to Balance Sheet</b>		<b>6,61,76,169</b>	<b>32,36,02,175</b>
<b>Earning per share (₹)</b>			
<b>Basic</b>	2.25	<b>6.31</b>	<b>30.85</b>
<b>Diluted</b>	2.25	<b>6.31</b>	<b>30.85</b>

<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 the Board

Ravi Kant  
Partner  
Mem. No.525917

Managing Director

Director

Date : 23.05.2014  
Place : New Delhi

Company Secretary



## TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

### Note : 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2014

#### 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 Accountant**  
**Firm Reg. No.017163N**

**For and on behalf of the Board**

**Ravi Kant**  
**Partner**  
**Mem. No.525917**

**Managing Director**

**Director**

**Place: New Delhi**  
**Dated: 23.05.2014**

**Company Secretary**



## TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

### NOTE : 2 NOTES ON ACCOUNTS

2.1 Share Capital	As At 31/03/2014	As At 31/03/2013
<b>Authorised Capital</b>	₹	₹
1,50,00,000 (Previous Year 1,50,00,000) Equity shares of ₹ 10/- each	15,00,00,000	15,00,00,000
<b>Issued, Subscribed &amp; Paid up Capital</b>		
1,04,90,000 (Previous Year 1,04,90,000) Equity shares of ₹ 10/- each fully paid up	10,49,00,000	10,49,00,000
<b>Total</b>	<b>10,49,00,000</b>	<b>10,49,00,000</b>

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

Particulars	As At 31/03/2014		As At 31/03/2013	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Shares at the beginning of the year	10490000	10,49,00,000	10490000	10,49,00,000
<b>Shares at the end of the year</b>	<b>10490000</b>	<b>10,49,00,000</b>	<b>10490000</b>	<b>10,49,00,000</b>

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

Name of the shares holders	As At 31/03/2014		As At 31/03/2013	
	No. of shares	% of holding	No. of shares	% of holding
Avinash Chander Gupta	2299096	21.92	2261694	21.56
Meera Gupta	1502602	14.32	1478439	14.09
Emerging India Focus Fund	752153	7.17	752153	7.17

**Note #** as on 31/03/2014 share holding of the share holder's is less then 5%.

2.2 Reserves and Surplus	As At 31/03/2014		As At 31/03/2013	
<b>(i) Securities Premium Reserve</b>	73,63,01,573		70,19,42,133	
Add : Addition during the year	-	73,63,01,573	3,43,59,440	73,63,01,573
<b>(ii) General Reserve</b>	68,12,25,461		53,12,25,461	
Add : Transfer from Profit & Loss A/c	2,00,00,000	70,12,25,461	15,00,00,000	68,12,25,461
<b>(iii) Capital Reserve</b>	-		-	
<b>(iv) Surplus</b>	53,17,16,492		38,87,96,256	
Add : Profit after tax for the year	6,61,76,169		32,36,02,175	
Less : Transfer to General Reserve	2,00,00,000		15,00,00,000	
Less : Proposed Dividend on equity shares, ₹ NIL per share (previous year ₹ 2.50 per share)	-		2,62,25,000	
Less : Dividend distribution tax	-	57,78,92,661	44,56,939	53,17,16,492
<b>Total</b>	<b>2,01,54,19,695</b>		<b>1,94,92,43,526</b>	



## TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

2.3 (a) Long-term borrowings (Secured)	As At 31/03/2014	As At 31/03/2013
<b>Term Loans</b>	₹	₹
(i) <b>From Banks</b>		
Vehicle Loans*	38,92,340	-
(ii) <b>From Other Parties</b>		
Equipment Loans*	9,35,929	-
<b>Total</b>	<b>48,28,269</b>	<b>-</b>

**Note:** \* Secured by hypothecation of the asset purchased under various financing scheme and repayment terms of term loans ₹ 14,04,989 payable within one years, ₹ 29,79,082 payable one to three and ₹ 18,49,187 payable after three years.

(b) Short-term borrowings (Secured)	As At 31/03/2014	As At 31/03/2013
(i) <b>From Banks</b>		
Working Capital**	79,96,77,303	69,97,55,560
<b>Total</b>	<b>79,96,77,303</b>	<b>69,97,55,560</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	As At 31/03/2014	As At 31/03/2013
<b>Others Payables</b>		
(i) Vehicle Security	19,26,808	13,12,502
(ii) Advance from Customers	21,00,00,000	2,00,00,000
<b>Total</b>	<b>21,19,26,808</b>	<b>2,13,12,502</b>
<b>(b) Current Liabilities</b>		
Trade Payables	1,43,69,63,240	1,53,15,57,619
<b>Total</b>	<b>1,43,69,63,240</b>	<b>1,53,15,57,619</b>
<b>(c) Other Current Liabilities</b>		
(i) Other Creditors Payable	12,48,65,079	13,86,50,856
(ii) Advance from Customers	21,03,68,325	2,56,04,973
(iii) Unpaid Dividends	60,141	36,796
(vi) Current Maturity of Long Term Borrowings		
(a) Vehicle Loans*	8,65,019	-
(b) Equipment Loans*	5,39,970	36,59,746
<b>Total</b>	<b>33,66,98,534</b>	<b>16,79,52,371</b>
<b>2.5 Provisions</b>		
<b>(a) Long Term Provisions</b>		
(i) Gratuity	59,09,178	1,15,32,101
(ii) Leave Encashment	36,75,881	38,47,004
(iii) Dinimution in Value of Investments	55,56,198	-
<b>Total</b>	<b>1,51,41,257</b>	<b>1,53,79,105</b>
<b>(b) Short Term Provisions</b>		
(i) Income Tax	3,35,00,000	13,75,44,000
(ii) Dividend	-	2,62,25,000
(iii) Tax on Dividend	-	44,56,939
(iv) Wealth Tax	3,95,000	3,45,000
(v) Gratuity	16,92,781	16,15,016
(vi) Leave Encashment	12,77,286	6,70,101
<b>Total</b>	<b>3,68,65,067</b>	<b>17,08,56,056</b>

**TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**

**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014**

**2.6 Fixed Assets**

Description	GROSS BLOCK				DEPRECIATION				Net Block	
	As on 01/04/2013	Addition During the year	Sales/ Adjustment during the year	Total as on 31/03/2014	Upto 01/04/2013	For the year Ended	Sale/ Adjustment during the Period	Total upto 31/03/2014	As on 31/03/2014	As on 31/03/2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>(a) Tangible Assets</b>										
Factory Land	6,11,80,633	65,42,456	-	6,77,23,089	-	-	-	-	6,77,23,089	6,11,80,633
Building	7,28,39,765	2,49,69,411	-	9,78,09,176	1,02,56,197	29,65,945	-	1,32,22,142	8,45,87,034	6,25,83,568
Purely Temp. Construction	5,82,71,373	99,65,212	47,82,974	6,34,53,611	1,72,67,291	4,62,45,415	47,26,186	5,87,86,520	46,67,091	4,10,04,082
Plant & Machinery	12,12,02,381	5,12,28,190	2,72,72,876	14,51,57,695	1,64,86,916	62,52,907	25,12,668	2,02,27,155	12,49,30,540	10,47,15,465
Furniture & Fixture	44,07,661	4,20,529	15,78,560	32,49,630	21,03,746	1,86,814	15,46,598	7,43,962	25,05,668	23,03,915
Office Equipment	37,00,248	8,24,277	1,17,690	44,06,835	5,21,526	2,11,446	13,965	7,19,007	36,87,828	31,78,722
Vehicles	5,25,03,388	2,58,96,538	1,46,32,851	6,37,67,075	1,09,92,992	57,70,308	31,43,310	1,36,19,990	5,01,47,085	4,15,10,396
Computers	1,84,60,980	26,45,011	20,86,568	1,90,19,423	80,17,742	29,78,431	17,60,226	92,35,947	97,83,476	1,04,43,238
<b>Total a</b>	<b>39,25,66,429</b>	<b>12,24,91,624</b>	<b>5,04,71,519</b>	<b>46,45,86,534</b>	<b>6,56,46,410</b>	<b>6,46,11,266</b>	<b>1,37,02,953</b>	<b>11,65,54,723</b>	<b>34,80,31,811</b>	<b>32,69,20,019</b>
<b>(b) Capital WIP</b>	-	5,91,28,834	-	5,91,28,834	-	-	-	-	<b>5,91,28,834</b>	-
<b>(c) Intangible Assets</b>										
<b>Computers Software</b>	-	8,02,742	-	8,02,742	-	13,196	-	13,196	<b>7,89,546</b>	<b>7,89,546</b>
<b>Total (a+b+c)</b>	<b>39,25,66,429</b>	<b>18,24,23,200</b>	<b>5,04,71,519</b>	<b>52,45,18,110</b>	<b>6,56,46,410</b>	<b>6,46,24,462</b>	<b>1,37,02,953</b>	<b>11,65,67,919</b>	<b>40,79,50,191</b>	<b>32,77,09,565</b>
<b>Previous Year</b>	<b>24,48,66,652</b>	<b>15,90,31,831</b>	<b>1,13,32,054</b>	<b>39,25,66,428</b>	<b>3,76,12,339</b>	<b>3,72,24,316</b>	<b>91,90,245</b>	<b>6,56,46,410</b>	<b>32,69,20,019</b>	<b>21,10,44,244</b>



## TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

### 2.7 Investments

	Face Value ₹	Qty. Nos.	As at 31/03/2014 ₹	Qty. Nos.	As at 31/03/2013 ₹
<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	60,69,017	74037	60,69,017
Hindustan Construction Ltd.	1	100	3,434	100	3,434
IVRCL Infrastructure Ltd.	2	100	6,718	100	6,718
Larsen & Toubro Ltd.	2	100	1,52,745	100	1,52,745
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>63,84,760</b>		<b>63,84,760</b>
<b>(II) Unquoted Equity shares, Fully Paid up</b>					
Hydro Air Tectonics (PCD) Ltd.	10	390000	1,56,39,000	390000	1,56,39,000
<b>Total (II)</b>			<b>1,56,39,000</b>		<b>1,56,39,000</b>
<b>(III) Debentures (Equity Linked Debt) (unquoted other than trade)</b>					
Benchmark Asset Management Co. Pvt. Ltd.	1000000		-	1	10,00,000
<b>Total (III)</b>			-		<b>10,00,000</b>
<b>TOTAL (Non-current Investments)</b>			<b>2,20,23,760</b>		<b>2,30,23,760</b>
<b>(b) Current Investments (other than trade)</b>					
<b>Unquoted, Fully Paid up units of mutual fund</b>					
Birla Sunlife Fixed Term Plan Series EY Growth	10		-	6389999	6,39,00,000
Birla Sunlife Dynamic Bond Fund	10		-	5651508	10,10,00,000
BOI Axa Equity Debt Rebaner Fund	10	499990	50,00,000	-	-
Reliance Fixed Horizon Fund XXI Series 18	10		-	5543465	5,54,34,654
Kotak Bond Fund	10		-	1500272	5,00,00,000
Sundaram Flexible Fund - Short Term Plan	10	2635236	4,85,50,000	2635236	4,85,50,000
BOI Axa Liquid Fund	10		-	1003678	1,02,68,188
DWS Gilt Fund	10		-	3972195	5,00,00,000
IDFC Dynamic Bond Fund	10	4722280	6,60,00,000	8416652	11,60,00,000
<b>TOTAL (Current Investments)</b>			<b>11,95,50,000</b>		<b>49,51,52,842</b>
<b>GRAND TOTAL (a+b)</b>			<b>14,15,73,760</b>		<b>51,81,76,602</b>

1 Cost of Quoted Investment ₹ 63,84,760 (Previous Year ₹ 63,84,760). Market Value ₹ 8,28,562 (Previous Year ₹ 12,45,176) as on 31/03/2014.

2 Cost of Unquoted Investment other than Mutual fund units ₹ 1,56,39,000 (Previous Year ₹ 1,66,39,000) as on 31/03/2014.

3 Cost of Unquoted Investment in Mutual Fund ₹ 11,95,50,000 (Previous Year ₹ 49,51,52,843). Net Asset Value ₹ 12,70,79,213 (Previous Year ₹ 52,44,24,772) as on 31/03/2014.



## TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

	As At 31/03/2014	As At 31/03/2013
<b>2.8 (a) Long term Loans and Advances (Unsecured, Considered good)</b>	₹	₹
Capital Advance	1,61,14,728	1,41,22,492
Deposits	1,24,88,524	1,15,09,271
Prepaid Expenses	65,99,034	66,15,832
<b>Total</b>	<b>3,52,02,286</b>	<b>3,22,47,595</b>
<b>(b) Short term Loans and Advances (Unsecured, Considered good)</b>		
Recoverable from Revenue Authorities	20,56,43,617	23,81,77,586
Deposits	1,37,73,765	81,14,127
Prepaid Expenses	4,93,23,086	4,40,27,107
Advances for supply of raw materials & Others	27,82,71,146	28,39,52,716
Advance to employee	2,42,92,983	3,01,34,490
<b>Total</b>	<b>57,13,04,597</b>	<b>60,44,06,026</b>
<b>2.9 Inventories :</b> <b>(As taken, valued and certified by the Management)</b>		
Raw Material	8,94,50,272	7,26,52,402
Work in Progress	22,06,32,771	9,11,38,621
Stores & Spares	20,10,55,415	29,74,24,599
<b>Total</b>	<b>51,11,38,458</b>	<b>46,12,15,622</b>
<b>2.10 Trade Receivables # Unsecured , Considered Good</b>		
Outstanding exceeding six months	66,03,08,079	59,29,32,578
Others	2,06,84,14,576	1,52,74,69,699
<b>Total</b>	<b>2,72,87,22,655</b>	<b>2,12,04,02,277</b>
<b>Note :</b> # Trade receivables includes Retention Money		
<b>2.11 (a) Other Non Current Assets Balance with Banks</b>		
– Fixed deposits having remaining maturity of more than 12 months (including interest accrued)	5,66,32,498	8,31,95,072
<b>Total</b>	<b>5,66,32,498</b>	<b>8,31,95,072</b>
<b>2.11(b) Cash and Cash Equivalents Balance with Banks</b>		
– in Current Account with Scheduled Banks	1,86,48,703	14,87,73,228
– Fixed deposits having remaining maturity of 3 months or less (including interest accrued)	7,77,01,776	3,17,93,922
– in Current Account with Foreign Banks	1,36,34,458	65,09,036
<b>Cash on Hand</b>	97,12,608	<b>1,25,73,905</b>
<b>Other Bank Balances</b>		
– Fixed deposits having remaining maturity of more than 3 months but not more than 12 months (including interest accrued)	34,78,97,212	27,24,68,710
<b>Total</b>	<b>46,75,94,757</b>	<b>47,21,18,801</b>

- Note :** (a) The Current Accounts balance with Scheduled Banks includes amount of ₹ 60,141 (Previous Year ₹ 36,796 earmarked for payment of unpaid dividend).
- (b) Fixed Deposited/cash margin with banks amount to ₹ 28,80,12,917 (Previous year ₹ 23,47,20,937) 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 31/03/2014

	As At 31/03/2014	As At 31/03/2013
<b>2.12 Deferred tax Liability comprised of the following: -</b>	₹	₹
<b>Liability</b>		
– Fixed Assets	1,85,47,726	1,85,15,707
<b>Assets</b>		
– Expenses allowable under Income Tax Act on payment basis	42,67,487	42,09,222
<b>Net Deferred Tax Liability</b>	<b>1,42,80,239</b>	<b>1,43,06,485</b>

Note : Deferred Tax Liability for the period ended March 31, 2014 has been provided on the estimated tax computation for the year.

	2013-2014	2012-2013
	₹	₹
<b>2.13 Revenue from Operations</b>		
(i) Sales	4,08,54,27,962	4,25,72,18,211
(ii) Other Operating Income	92,67,756	1,06,33,379
<b>Total</b>	<b>4,09,46,95,718</b>	<b>4,26,78,51,590</b>
<b>2.14 Other Income</b>		
(i) Interest from Others	86,51,770	26,84,180
(ii) Dividend Income		
(a) From long term Investments	1,850	1,950
(b) From short term Investments	-	2,77,488
(iii) Profit on sale of Investments (net)		
(a) From long term Investments	2,84,56,494	1,53,83,303
(b) From short term Investments	36,98,182	10,37,104
(iv) Profit on sale of fixed assets	-	1,00,491
<b>Total</b>	<b>4,08,08,296</b>	<b>1,94,84,516</b>
<b>2.15 Cost of Materials Consumed</b>	<b>3,01,08,87,668</b>	<b>2,90,29,84,510</b>
<b>2.16 (Increase) / Decrease in Raw Material &amp; Work in progress</b>		
<b>(a) Opening Stock</b>		
Raw Material	7,26,52,402	10,30,03,594
Work-in-Progress	9,11,38,621	36,17,741
<b>Total a</b>	<b>16,37,91,023</b>	<b>10,66,21,335</b>
<b>(b) Closing Stock</b>		
Raw Material	8,94,50,272	7,26,52,402
Work-in-Progress	22,06,32,771	9,11,38,621
<b>Total b</b>	<b>31,00,83,043</b>	<b>16,37,91,023</b>
<b>Total (a-b)</b>	<b>(14,62,92,020)</b>	<b>(5,71,69,688)</b>



## TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

	2013-2014	2012-2013
	₹	₹
<b>2.17 Expenditure on Contracts</b>		
(i) Power & Fuel	7,67,32,504	3,31,47,931
(ii) Inspection & Testing	3,46,51,652	1,87,05,960
(iii) Repairs & Maintenance	4,01,59,519	2,62,15,116
(iv) Freight, Forwarding & Clearing	13,04,86,543	14,12,40,109
(v) Rent, Rates & Taxes	13,44,74,490	11,68,89,114
(vi) Insurance	2,27,09,891	1,76,11,248
(vii) Other Site Expenses	10,05,11,465	6,67,75,123
<b>Total</b>	<b>53,97,26,064</b>	<b>42,05,84,601</b>
<b>2.18 Employee Benefit Expense</b>		
(i) Salaries, Wages, Bonus, Allowances etc.	25,99,57,611	28,64,31,714
(ii) Contributions to Provident Fund, ESI & Others	1,69,01,150	1,52,47,945
(iii) Staff Welfare	1,21,54,593	99,72,159
<b>Total</b>	<b>28,90,13,354</b>	<b>31,16,51,818</b>
<b>2.19 Finance Cost</b>		
(i) Bank Charges	6,15,20,020	6,04,42,283
(ii) Interest Cost	9,32,14,781	5,52,99,210
	15,47,34,801	11,57,41,493
LESS:		
(iii) Interest Income on FDR's (Tax Deducted at Source Current Year ₹ 35,19,216 Previous Year ₹ 42,64,953)	3,51,51,374	4,26,52,333
<b>Total</b>	<b>11,95,83,427</b>	<b>7,30,89,160</b>
<b>2.20 Other Expenses</b>		
(i) Power & Fuel	45,03,842	42,67,821
(ii) Repairs to Building	1,82,072	23,80,382
(iii) Repairs to Machinery	1,77,826	7,16,985
(iv) Repairs to Others	37,04,347	45,94,670
(v) Insurance	14,78,373	15,03,038
(vi) Rates & Taxes	15,87,387	28,18,401
(vii) Exchange Rate Variation	2,84,84,155	3,59,28,317
(viii) Auditors Remuneration	1,22,236	1,19,236
(ix) Miscellaneous Expenditure	42,68,620	45,71,910
(x) Director's Sitting Fees	7,41,576	6,84,496
(xi) Legal & Professional	2,60,07,197	1,84,67,185
(xii) Rent & Hire Charges	32,64,974	11,54,102
(xiii) Communication	46,60,383	42,20,227
(xiv) Printing & Stationary	32,16,174	38,23,375
(xv) Travelling & Conveyance	5,59,93,404	4,31,41,171
(xvi) Vehicle Running	2,09,185	5,00,279
(xvii) Loss on Sale of Assets	85,83,256	-
(xviii) Diminution in Value of Investments	55,56,198	-
<b>Total</b>	<b>15,27,41,205</b>	<b>12,88,91,595</b>



## TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

### NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2014

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	31.03.2014
Woodlands Instruments Pvt. Ltd.	India	100% subsidiary of TECHNOFAB ENGINEERING LIMITED	31.03.2014
Arihant Flour Mills Pvt. Ltd.	India	100% subsidiary of TECHNOFAB ENGINEERING LIMITED	31.03.2014

#### 2.21 Contingent Liability

- a. Claims against the Company not acknowledged as debt (net) amount to ₹ 1,55,38,070 (Previous year ₹ 14,91,755).
- 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 ₹ 5,76,02,58,344 (Previous year ₹ 4,69,44,18,747).
- c. In respect of demand against Sales Tax amounting to ₹ 92,82,836 (Previous year ₹ 13,73,82,040) raised by the authorities, appeals are pending before the authorities.
- d. Capital commitment (Net of advances) ₹ 2,91,13,788 (Previous year ₹ 2,31,13,788)

2.22 Fixed Deposits/cash margin with banks amount to ₹ 28,80,12,917 (Previous year ₹ 23,47,20,937) 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 31.03.2014	As on 31.03.2013
	₹	₹
Profit for the year after Tax	6,61,76,169	32,36,02,175
Weighted average No. of equity Shares of ₹ 10/- each for Basic EPS	1,04,90,000	1,04,90,000
Basic Earning per Share	6.31	30.85
Weighted average No. Of equity Shares of ₹ 10/- each for Diluted EPS	1,04,90,000	1,04,90,000
Diluted Earning per Share	6.31	30.85

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

2.27 Related Party Transactions

(1) Name of Related Parties

(A) Key Management Person / Control

- (a) Avinash C.Gupta
- (b) Arjun Gupta
- (c) Nakul Gupta
- (d) Arun Kochhar
- (e) Vijay Nagrajan
- (f) Ashutosh Jagga
- (g) Rajender Kumar Bader
- (h) Rajesh Kumar Gupta

(B) 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) Torno Infrastructure Pvt. Ltd.
- (g) Wrap Art & Design Private Limited

(C) 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)
1.	Loan / Security / Advance given	37,35,000 (NIL)	NIL (NIL)	NIL (NIL)
2.	Remuneration Paid	1,88,96,496 (4,53,58,170)	NIL (NIL)	NIL (NIL)
3.	Reimbursement of Expenses	NIL (NIL)	3,82,755 (5,84,628)	NIL (NIL)
4.	Dividend Paid	79,88,658 (59,84,718)	7,07,643 (5,31,882)	37,53,598 (27,39,330)
5.	Legal & Professional Charges	15,90,000 (NIL)	NIL (NIL)	NIL (NIL)
6.	Outstanding Balance as on 31.03.2014			
	- Receivable in respect of advance to subsidiaries & other related parties	37,35,000 (NIL)	NIL (NIL)	NIL (NIL)

Figures in brackets are in respect of previous year.

2.28 Turnover is net of Procurement and other related charges.

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 (₹)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	53,22,896 (51,07,634)	Contribution to Provident Fund

(b) Defined Benefit

Plan Movement in net liability :-

Amount in ₹

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)	1,31,47,117	1,01,90,299	45,17,105	38,18,299
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	11,83,241	8,15,224	4,06,539	3,05,464
Past service cost	NIL	NIL	NIL	NIL
Current service cost (D)	19,72,277	24,13,394	12,76,217	13,01,095
Benefits paid (E)	(26,02,661)	(6,51,081)	(8,18,133)	(8,65,218)
Actuarial (gain) / loss on obligation (F)	(15,03,126)	3,79,281	(4,28,561)	(42,535)
<b>Present value of obligations as at the end of year (A+B+C+D-E+F)</b>	<b>1,21,96,848</b>	<b>1,31,47,117</b>	<b>49,53,167</b>	<b>45,17,105</b>



(c) The amounts recognized in the balance sheet and Profit & loss account are as follows:

**Amount in ₹**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	1,21,96,848	1,31,47,117	49,53,167	45,17,105
Estimated fair value of plan assets (B)	45,94,889	46,90,816	NIL	NIL
<b>Net Liability (A)-(B)</b>	<b>76,01,959</b>	<b>84,56,301</b>	<b>49,53,167</b>	<b>45,17,105</b>
<b>Amounts in the Balance Sheet</b>				
<b>Liabilities</b>	<b>76,01,959</b>	<b>84,56,301</b>	<b>49,53,167</b>	<b>45,17,105</b>
<b>Amount charged to Profit &amp; Loss Account</b>				
Current Service Cost	19,72,277	24,13,394	12,76,217	13,01,095
Past service cost	NIL	NIL	NIL	NIL
Interest Cost	11,83,241	8,15,224	4,06,539	3,05,464
Expected return on plan assets	(4,22,173)	(3,84,705)	NIL	NIL
Actuarial (Gain)/Loss	15,58,635	3,62,314	(4,28,561)	(42,535)
	<b>11,74,710</b>	<b>32,06,227</b>	<b>12,54,195</b>	<b>15,64,024</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 ₹**

Sr. No.	Particulars	31/03/2014	31/03/2013
A	Fair value of plan assets at the beginning of the period	46,90,816	42,74,505
B	Acquisition adjustment	NIL	NIL
C	Expected return on plan assets	4,22,173	4,01,672
D	Contributions	18,60,337	6,65,720
E	Benefits paid	(24,33,946)	(6,51,081)
F	Actuarial gain/(loss) on plan assets	55,509	16,967
G	Fair value of plan assets at the end of the period	45,94,889	46,90,816



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

Particulars	As At 31.03.2014		As At 31.03.2013	
	Amount (in Foreign Currency)	Amount (₹)	Amount (in Foreign Currency)	Amount (₹)
<b>- In Respect of Receivables</b>				
USD	2,13,09,941	1,27,98,75,045	1,57,39,651	85,44,26,972
EURO	7,75,148	6,41,27,978	26,91,859	18,73,80,316
ETB - (Ethiopian Birr)	12,10,711	37,54,414	20,27,399	59,45,452
GHS - (Ghanian Cedi)	3,00,493	66,77,615	5,76,066	1,60,01,824
KSH - (Kenya Shilling)	7,20,49,817	5,01,46,673	12,43,436	7,62,844
FJD - (Fiji Dollar)	12,67,975	4,12,72,575	29,65,485	8,98,63,191
MZN - (Mozambican Metical)	-	-	5,17,79,099	9,41,43,817
TZS - (Tanzanian Shilling)	3,48,12,19,065	12,78,44,990	16,73,05,398	56,23,711
<b>TOTAL</b>		<b>1,57,36,99,289</b>		<b>1,25,41,48,128</b>
<b>- In Respect of Payables</b>				
USD	82,23,554	49,39,06,662	1,42,09,823	77,13,80,247
EURO	36,07,705	29,84,65,416	3,01,163	2,09,63,978
GHS - (Ghanian Cedi)	2,72,455	60,54,545	5,78,245	1,60,62,352
ETB - (Ethiopian Birr)	11,25,261	34,89,435	11,63,197	34,11,135
KSH - (Kenya Shilling)	5,57,66,677	3,88,13,607	3,41,44,206	2,09,47,366
FJD - (Fiji Dollar)	2,68,927	87,53,570	5,86,154	1,77,62,232
MWK - (Malawi Kwacha)	-	-	2,21,77,917	33,25,025
MZN - (Mozambican Metical)	30,98,662	59,49,431	1,01,98,718	1,85,43,123
TZS - (Tanzanian Shilling)	29,71,59,452	1,09,12,944	5,94,17,066	19,97,212
<b>TOTAL</b>		<b>86,63,45,610</b>		<b>87,43,92,670</b>



2.31 Disclosure as per AS-7

Amount in ₹

S.No.	Particulars	As At 31.03.2014	As At 31.03.2013
1	Contract Revenue	4,13,55,04,014	4,26,78,51,590
2	Cost incurred on Contract	3,40,43,21,712	3,26,63,99,424
3	Advance received	42,03,65,325	4,56,04,973
4	Amount due from Customers includes Retention Money	2,72,87,22,655	2,12,04,02,277
5	Contract Profit / losses recognized	73,11,82,302	1,00,14,52,166

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

Certified in terms of our report attached.

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

**For and on behalf of the Board**

**Ravi Kant**  
**Partner**  
**Mem. No.525917**

**Managing Director**

**Director**

**Place: New Delhi**  
**Dated: 23.05.2014**

**Company Secretary**





## TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

### CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

	2013-2014	2012-2013
	₹	₹
<b>(A) CASH FLOW OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Item	10,52,19,855	47,00,79,794
<b>Adjustment for :</b>		
Depreciation	6,46,24,462	3,72,24,316
Finance charges	11,95,83,427	7,30,89,160
Net Loss on Sale of Fixed Assets	85,83,256	(34,995)
Interest Receivable	55,03,561	-
Provision for Leave Encashment	12,77,286	15,80,683
Provision for Gratuity	16,92,781	36,07,899
Dividend Received	(1,850)	(2,79,438)
Profit on sale of Mutual funds	(3,21,54,676)	(1,64,20,407)
Operating Profit before Working Capital Changes	27,43,28,102	56,88,47,012
<b>Adjustment for :</b>		
Trade and other Receivables	(60,83,20,378)	(45,23,37,146)
Loans & Advances	3,01,25,975	(14,21,89,069)
Inventories	(4,99,22,836)	(34,52,25,469)
Trade and Other payables	26,47,42,745	47,41,86,617
Cash Generated from Operation	(8,90,46,392)	10,32,81,945
Direct Taxes Paid	(14,30,19,826)	(15,08,95,189)
Leave Encashment Paid	(8,18,133)	(8,71,011)
Gratuity Paid	(26,02,661)	(6,51,081)
Cash Flow Before Extraordinary Items	(23,54,87,012)	(4,91,35,336)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(23,54,87,012)</b>	<b>(4,91,35,336)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(18,24,23,200)	(15,52,41,900)
Sale of Fixed Assets	2,35,79,579	21,76,803
Profit on sale of Mutual funds	3,21,54,676	1,64,20,407
Sale / (Purchase) of Investments	37,66,02,842	(10,59,69,545)
Dividend Received	1,850	2,79,438
<b>Net Cash from (-used) in Investing Activities (B)</b>	<b>24,99,15,747</b>	<b>(24,23,34,797)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance charges	(11,95,83,427)	(7,30,89,160)
Proceeds / Repayment from / of Long term Borrowings (Net)	48,28,269	(36,89,648)
Proceeds / Repayment from / of Short term Borrowings (Net)	9,99,21,743	26,41,11,354
Dividend Paid	(2,62,25,000)	(2,09,80,000)
Tax on Dividend	(44,56,939)	(34,03,480)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>(4,55,15,354)</b>	<b>16,29,49,066</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(3,10,86,619)</b>	<b>(12,85,21,067)</b>
Cash & Cash Equivalents (Opening Balance)	55,53,13,874	68,38,34,941
Cash & Cash Equivalents (Closing Balance)	52,42,27,255	55,53,13,874

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

**Ravi Kant**  
**Partner**  
**Mem. No.525917**

**Date : 23.05.2014**  
**Place: New Delhi**

**For & on behalf of the Board**

**Managing Director**

**Director**

**Company Secretary**



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

<b>Name of Subsidiary</b>	<b>Rivu Infrastructural Developers Private Limited</b>	<b>Woodlands Instruments Private Limited</b>	<b>Arihant Flour Mills Private Limited</b>
Financial Year of the Subsidiary Company ended on	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014
<b>Holding Company's Interest</b>			
Number of Shares	100000	473000	58228
Extent of Holding	100%	100%	100%
<b>For the Financial year of the Subsidiary</b>			
The net aggregate amount of the subsidiaries profits so far as it concerns members of the Company and is not dealt with the holding Company's account	NIL	NIL	NIL
Net aggregate amount of the profits/ (loss) of the Subsidiary dealt with in the Company's accounts	(7,04,441)	(6,39,214)	(15,36,806)
<b>For the previous years of the Subsidiary since it became the holding Company's subsidiary</b>			
The net aggregate amount of the subsidiaries profits so far as it concerns members of the Company and is not dealt with the holding Company's account	NIL	NIL	NIL
Net aggregate amount of the profits/ (loss) of the subsidiary dealt with in the Company's accounts	(46,239)	(9,612)	(16,81,061)
Material Changes, if any, between the end of the financial year of the subsidiary and that of the holding Company	NIL	NIL	NIL

For & on behalf of the Board

Place: New Delhi  
Date: 08.08.2014

Avinash C Gupta  
Chairman & Managing Director

Arjun Gupta  
Whole Time Director

# Proxy form

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]



## Technofab Engineering Limited

Registered Office: 507 Eros Apartments, 56, Nehru Place, New Delhi – 110019  
info@technofabengineering.com | www.technofabengineering.com  
Tel : + 91-11-26411931/5961, Fax: + 91-11-26221521

### 43rd Annual General Meeting – September 25, 2014

Name of the member(s)	<input type="text"/>																				
Registered address	<input type="text"/>																				
	<input type="text"/>																				
Email	<input type="text"/>																				
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I / We, being the member(s) of ..... shares of the above named company, hereby appoint

Name : ..... Email : .....

Address : .....

..... Signature : .....

*or failing him / her*

Name : ..... Email : .....

Address : .....

..... Signature : .....

*or failing him / her*

Name : ..... Email : .....

Address : .....

..... Signature : .....

(contd...)

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 43rd Annual General Meeting of the Company, to be held on Thursday, September 25, 2014, at 10:30 a.m. IST, at India Islamic Cultural Centre, 87-88 Lodhi Road, New Delhi – 110003 and at any adjournment thereof in respect of such resolutions are indicated below:.

Resolution number	Resolutions	Vote (Optional see Note 2)		
		For	Against	Abstain
<b>Ordinary business</b>				
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2014			
2	Appoint a director in place of Sh. Arjun Gupta, who retires by rotation and being eligible, seeks re appointment			
3	Re-appoint M/s Rajesh Suresh Jain & Associates, Chartered Accountants as Statutory Auditors of the Company			
<b>Special business</b>				
4	Appointment of Sh. Pawan Chopra as an Independent Director			
5	Appointment of Sh. Viresh Shankar Mathur as an Independent Director			
6	Appointment of Sh. Arun Mitter as an Independent Director			
7	Reconfirm authority to the Board of Directors for borrowing money up to Rs. 1500 crore.			
8	Approve Related Party Transaction(s) Under Section 188 of the Companies Act, 2013.			
9	Appointment of Sh. Avinash C Gupta as Managing Director of the Company			
10	Appointment of Sh. Arjun Gupta as Whole-Time Director of the Company			
11	Appointment of Sh. Nakul Gupta as Whole-Time Director of the Company			

Signed this ..... day of ..... 2014.

Affix revenue stamp of not less than ₹ 0.15
---------------------------------------------

.....  
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.





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





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

**Corporate Office :**

Plot 5, Sector-27C, Mathura Road, Faridabad - 121 003, Haryana, India  
Phones: +91-129-227-0202, 227-5310 • Fax: +91-129-227-0201  
E-mail: [info@technofabengineering.com](mailto:info@technofabengineering.com) • Web: [technofabengineering.com](http://technofabengineering.com)

**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](mailto:info@technofabengineering.com)



**FORM A**

**Covering letter of the annual audit report to be filed with the stock Exchanges**


1.	Name of the Company:	Technofab Engineering Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

**For Technofab Engineering Limited**

  
Avinash C Gupta  
Chairman & Managing Director



**For Technofab Engineering Limited**

  
Sandeep Kumar Vij  
CFO & Company Secretary

**For Technofab Engineering Limited**

  
Arun Mitter  
Chairman of Audit Committee

**For Rajesh Suresh Jain & Associates  
Chartered Accountants**

  
Ravi Kant  
Partner  
M. No. 0525917  
FRN. 017163N

AM