

TECHNOFAB ENGINEERING LIMITED

04 September 2017

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

The BSE Limited
15th Floor, Phiroze Jeejeeboy Towers
Dalal Street
Mumbai – 400001

Symbol: TECHNOFAB

Security Code: 533216

Subject: Notice of 46th Annual General Meeting

Dear Sir/Madam,

Pursuant to Regulation(s) 30 of SEBI (LODR) Regulations, 2015, please find enclosed herewith the copy of notice of Annual General Meeting along with other attachment forwarded to the members for your reference and records.

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

Thanking you,

Yours Faithfully

For Technofab Engineering Limited

Suman Kumar Verma
Company Secretary
M. N. F7409



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Sixth Annual General Meeting of the members of Technofab Engineering Limited will be held on Friday, the 29th day September 2017 at 10:30 A.M. at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi - 110 003 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

- (a) the Audited Financial Statements of the Company for the financial year ended 31 March 2017 and Auditors' Report thereon including the report of Board of Directors; and
- (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2017 including Auditors' Report thereon.

2. To appoint a Director in place of Mr. Arjun Gupta (DIN: 00012092) who retires by rotation and being eligible, offers himself for re-appointment.

3. Appointment of Statutory Auditors of the Company

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 Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. G.C. Agarwal & Associates, Chartered Accountants (Firm Registration No. 017851N) be and are hereby appointed as Auditors of the Company, to hold office for a period of five (5) consecutive years commencing from the financial year 2017-18 subject to ratification at every AGM on a remunerations including terms of payment to be fixed by the Board of Directors on the recommendation of the Audit Committee."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of 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, and subject to such other consent(s)/ approval(s) as may be required, approval of the members be and is hereby accorded for alteration in terms and conditions including remuneration of Mr. Avinash C Gupta, Managing Director of the Company already re-appointed for a period of (3) three years with effect from 1 April 2017 as set out below:

- 1. Basic Salary:** ₹ 8,77,500 per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time, ensuring that any such revision shall be in compliance with Companies Act, 2013, taking into account the performance of the Company.
- 2. Housing:** Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof.
- 3. Medical Expenses:** Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.
- 4. Leave Travel Allowance:** For self and family, in accordance with Rules of the Company.
- 5. Club Fees:** Membership of Two Clubs in India (including admission and membership fee).
- 6. Entertainment:** Travelling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company.
- 7. Car & Telephone:** The Company shall provide car with driver and telephone at the residence of the Managing Director for business purposes of the Company.
- 8. PF Contribution:** Contribution to Provident Fund shall be as per the rules of the Company and applicable laws.
- 9. Gratuity:** Gratuity payable shall be as per rules of the Company and applicable laws.
- 10. Performance Incentive:** upto 2% of the net profit of the Company p.a. subject to the condition that total managerial remuneration during a financial year does not cross the threshold limit of 5% or 10% of the net profits of the Company, as the case may be, as per Section 197 of the Companies Act, 2013.

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

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

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

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

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

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

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

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

"RESOLVED THAT pursuant to the provisions of 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(s) thereof for the time being in force), and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such other consent(s)/ approval(s) as may be required, consent be and is hereby accorded for re-appointment of Mr. Arjun Gupta (DIN: 00012092) as Whole-time Director of the Company for a period of three (3) years with effect from 1 April 2017 on the revised terms and conditions including payment of remuneration as set out below:

1. **Basic Salary:** ₹ 8,25,000 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 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 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 any financial year of the Company during the currency of tenure of his office, the Company may pay salary, commission and perquisites to Mr. Arjun Gupta, in excess of limits as set out in Schedule V to the Companies Act, 2013, Subject to approval of the Central Government at such conditions and modifications as may be prescribed by it while granting such approval and also subject to such other consents and approvals as may be required.

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

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

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

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

"RESOLVED THAT pursuant to the provisions of 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(s) thereof for the time being in force), and all guidelines for managerial remuneration issued by Central Government from time to time and subject to such other consent(s)/ approval(s) as may be required, consent be and is hereby accorded for re-appointment of Mr. Nakul Gupta (DIN: 00012106) as Whole-time Director of the Company for a period of three (3) years with effect from 1 April 2017 on the revised terms and conditions including payment of remuneration as set out below:

1. **Basic Salary:** ₹ 8,25,000 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 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 profit being inadequate in any financial year during the currency of tenure of his office, he shall be paid such Salary, commission and perquisites not exceeding limits as set out in Schedule V to the Companies Act, 2013.

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

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof for the time being in force), the Companies (Prospectus and Allotment of Securities) Rules, 2014, all other applicable rules under the Companies Act, 2013, Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time (the "SEBI Regulations"), the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations 2004, as amended from time to time, and the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with each of the stock exchanges where the equity shares of face value of ₹ 10 each of the Company (the "Equity Shares") are listed, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant and subject to requisite approvals, consents, permissions and/or sanctions of the Securities and Exchange Board of India ("SEBI"), the stock exchanges, the Foreign Investment Promotion Board, the Reserve Bank of India, the Ministry of Finance, the Ministry of Commerce and Industry and such other ministries / departments of the Government of India, and all such other authorities or institutions as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction, the proposal to create, offer, issue and allot from time to time, in one or more tranches, in the course of domestic/international offerings, with or without an over-allotment option, whether rupee denominated or denominated in foreign currency, such number of Equity Shares of the Company, (collectively referred to as "Securities"), for up to an aggregate amount of ₹ 100 Crore (or equivalent thereof in one or more foreign currency), inclusive of premium that may be fixed on such Securities to be issued to qualified institutional buyers (as defined under the SEBI Regulations), (hereinafter referred to as the "Investors") whether shareholders of the Company or not, pursuant to a qualified institutions placement' under Chapter VIII of the SEBI Regulations at such price, being not less than the price determined in accordance with the pricing formula specified under the SEBI Regulations (or such other formulae as may be prescribed by SEBI) or such lower price as may be permissible under the SEBI Regulations or notifications, considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s), be and is hereby approved.

RESOLVED FURTHER THAT such Securities shall be fully paid up and the allotment of such Securities shall be completed within 12 months from the date of the shareholders resolution approving the proposed qualified

institutional placement of Equity Shares or such other time as may be allowed by the SEBI Regulations from time to time.

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

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

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

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

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

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

Registered office:
507, Eros Apartments
56, Nehru Place
New Delhi – 110019, India
CIN: L74210DL1971PLC005712
Email: info@technofabengineering.com

By order of the Board of Directors
For Technofab Engineering Limited

Suman Kumar Verma
Company Secretary
M.N.F7409

Place: New Delhi
Date: 1 September 2017

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting" or "AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, in order to be effective however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share transfer books of the Company shall remain closed from 23 September 2017 to 29 September 2017 (both days inclusive).
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. As a part of Green Initiative, soft copy of the Annual Report 2016-17 is being sent to all the members whose email address(es) are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same and physical copy to those shareholders whose email ids are not available with Company.
7. As per Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, details in respect of the Directors seeking re-appointment at the AGM, is separately annexed hereto. The Directors seeking re-appointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as required under Section 164(2) of the Companies Act, 2013 and other requisite declarations for their re-appointment.
8. Members wishing to claim dividend, which remain unclaimed are requested to correspond with Registrar and Share Transfer Agent of the Company, Members are requested to note that the dividends not claimed within seven years from the date of transfer to the companies unpaid dividend account, will as per Section 124 of Companies Act, 2013 be transferred to the Investor Education and Protection Fund.
9. In case you have any query relating to the Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of AGM so as to enable the management to keep the information ready for replying at the meeting.
10. Members may note that the Notice of Forty Sixth Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for the year 2016-2017 will also be available on the Company's Website www.technofabengineering.com for their download.
11. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of the Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same, by post for free of cost. For any communication, the shareholders may also send request to the Company's investor email id investors@technofabengineering.com
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Pvt. Ltd.
13. Members are requested:
 - a. To notify the change of address, if any, to the Company immediately.
 - b. Members who have not registered their e-mail addresses so far as are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
 - c. To carry along their copy of the Annual Report at the 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.
14. **Voting through electronic means**
 - I. Pursuant to the provisions of Section 108 and other applicable Provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS2), issued by the Institute of Companies Secretaries of India, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the General meeting ('remote e-voting').

- II. The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of CDSL as the Authorized Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of the general meeting).
- III. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 22 September 2017 only shall be entitled to avail the facility of remote e-voting as well as physical voting at the Annual General Meeting through ballot paper.
- IV. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- V. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- VI. The Board of Directors have appointed Mr. Naresh Verma, Practising Company Secretary, (Membership No. FCS 5403), as the Scrutinizer to scrutinize the e-voting process.
- VII. Members are requested to carefully read the instructions for remote e-voting before casting their vote.

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

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

Commencement of remote e-voting	09:00 a.m. (IST) on Tuesday, 26 September 2017
End of remote e-voting	05:00 p.m. (IST) on Thursday, 28 September 2017

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22 September 2017 may cast their vote electronically.

- II. Log on to the e-voting website www.evotingindia.com
- III. Click on "Shareholders" tab.
- IV. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- V. Next enter the Image Verification as displayed and Click on Login.
- VI. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- VII. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

15. Poll at the Meeting

After the items of the Notice have been discussed, the Chairman will order poll in respect of the items. Poll will be conducted under the supervision of the scrutinizer appointed for remote e-voting and poll as stated above. A person, whose name is recorded in the register of members or in register of beneficial owners maintained by the

depositories as on the cut-off date of 22 September 2017 and who have not casted their vote by remote e-voting, and being present in the AGM, either personally or through proxy, only shall be entitled to vote at the AGM.

16. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date being Friday, 22 September 2017.
17. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting, and thereafter unblock the vote cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will make, not later than 2 days of the conclusion of AGM, i.e. on or before 1 October 2017, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company, who shall countersign the same and the Chairman, shall declare the result forthwith.
18. The Scrutinizer's decision on the validity of the vote shall be final and binding.
19. The result declared along with the Scrutinizer's report shall be placed on the website of the Company (www.technofabengineering.com) immediately after the result is declared and shall simultaneously be forwarded to the Stock Exchanges where the Company's shares are listed.
20. The resolutions will be deemed to be passed on the AGM date subject to receipt of requisite number of votes in favour of the resolutions.
21. Route Map with respect to the venue of Annual General Meeting is appearing elsewhere in this notice.

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

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

Item No. 4

The appointment of Mr. Avinash C Gupta as Managing Director of the Company for a period of 3 years w.e.f. 1st April 2017 at the existing terms & conditions was approved by the shareholders by way of postal ballot on 7th April 2017. However the Board of Directors of the Company at its another meeting held on 29th August 2017 decided to revise the terms & conditions including remuneration of Mr. Avinash C Gupta as set out in the resolution no. 4 of the Notice. The proposed revision in the remuneration is proposed keeping in view of the Schedule V (Revised) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force, herein after referred to as the "Act") as amended including the norms laid down in Sections 196, 197 & other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The statement of disclosure pursuant to section II of Schedule V of the Act including the provisions of SEBI (LODR) Regulations, 2015 is given under title Annexure I in this Notice.

The Board recommends the Resolutions as set out Item No. 4 of the Notice for approval of the Members as Special Resolution.

None of the Directors and key managerial personnel or their relatives other than Mr. Avinash C Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta are interested or concerned in the proposed resolution as set out in item no. 4.

Item No. 5 & 6

The Board of Directors of the Company at its Meeting held on 29th August 2017 appointed Mr. Arjun Gupta and Mr. Nakul Gupta as Whole-time Directors of the Company for a period of 3 years w.e.f. 1 April 2017 as recommended by the Nomination and Remuneration Committee, on revised remuneration structures after their initial re-appointment on 14 February 2017, at the terms & conditions (the remuneration and other terms & conditions are already provided in the respective resolutions) subject to the approval of shareholders in accordance with norms laid down in Sections 196, 197 and Schedule V (Revised) & other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The statements pursuant to Section II of Schedule V of the Act including the provisions of Regulation 36(3) of SEBI (LODR) Regulations, 2015 are given under title Annexure I in this Notice.

The Board recommends Resolutions as set out Item No. 5 & 6 of the Notice for approval of the Members.

None of the Directors and key managerial personnel or their relatives other than Mr. Avinash C Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta are interested or concerned in the proposed resolutions as set out in item no. 5 to 6.

ANNEXURE-I TO THE NOTICE

Statement Pursuant to Section II of Schedule V of the Act (including applicable provisions under SEBI (LODR) Regulations, 2015)

I General Information				
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 since then had already been doing commercial operations.		
3.	In case of new companies expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus.	Not Applicable		
4.	Financial Performance	Particulars	31.03.2017 ₹ in Million	31.03.2016 ₹ in Million
		Turnover	4021.72	4631.08
		PBT	142.45	161.46
		PAT	89.02	115.45
5.	Export Performance and Non Forex Collaborations.	For the year ended 31.03.2017 Foreign Exchange Earnings - ₹ 949.50 Million Foreign Exchange Outgo - ₹ 508.95 Million		
6.	Foreign Investments of collaborators, if any	Not Applicable		

II Information about the appointee (Including information pursuant to Regulation 36(3) of SEBI(LODR) regulations, 2015 with respect to Directors seeking re-appointment)

Name	Avinash C Gupta	Arjun Gupta	Nakul Gupta
Background details	Mr. Avinash C Gupta aged about 76 years has been associated with the Company since incorporation and was re-appointed as Chairman & Managing Director of the Company w.e.f. 1 April 2014 for the period of three years and he was again re-appointed subject to approval of the Shareholders at the ensuing AGM for a period of three (3) years w.e.f. 1 April 2017. He is Bachelor of Science and holds more than 56 years experience in the field of Engineering & Construction business. The Board places on record the valuable guidance, support and advice extended by Mr. Avinash C Gupta during his tenure as Director.	Mr. Arjun Gupta aged about 47 years has been associated with the Company since 1993 and was re-appointed as Whole-time Director of the Company w.e.f. 1 April 2014 for the period of three years and he was again re-appointed subject to approval of the Shareholders at the ensuing AGM for a period of three (3) years w.e.f. 1 April 2017. He is an Engineering Graduate (USA) and holds more than 23 years experience in the field of Engineering & Construction business. The Board places on record the valuable guidance, support and advice extended by Mr. Arjun Gupta during his tenure as Director.	Mr. Nakul Gupta aged about 46 years has been associated with the Company since 1994 and was re-appointed as Whole-time Director of the Company w.e.f. 1 April 2014 for the period of three years and he was again re-appointed subject to approval of the Shareholders at the ensuing AGM for a period of three (3) years w.e.f. 1 April 2017. He is a Science Graduate and holds more than 22 years of experience in the field of Engineering & 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.
Date of Birth	26/10/1940	07/08/1970	30/08/1971
Qualification	Bachelor of Science	Bachelor of Engineering (USA)	Bachelor of Science (Indiana)
Past Remuneration	₹ 1.20 crore in FY 2017	₹ 1.19 crore in FY 2017	₹ 1.19 crore in FY 2017

Name	Avinash C Gupta	Arjun Gupta	Nakul Gupta
Recognition or awards	NIL	NIL	NIL
Job Profile/ Experience in Specific Functional Area and his suitability	Mr. Avinash C Gupta is responsible for entire affairs of the Company	Mr. Arjun Gupta is responsible for execution of Turnkey Projects both in India and abroad.	Shri Nakul Gupta is responsible for handling Finance & Accounts, banking activities, export business of the Company including Turnkey Projects abroad.
Remuneration Proposed	As per proposed resolution.	As per proposed resolution.	As per proposed resolution.
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.	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.	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.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any.	Save and except Mr. Arjun Gupta and Mr. 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. 4 to 6.	Save and except Mr. Avinash C Gupta and Mr. 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. 4 to 6.	Save and except Mr. Arjun Gupta and Mr. Avinash C 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. 4 to 6.
Relationship with other Directors	Mr. Avinash C Gupta is father of Mr. Arjun Gupta, Whole-time Director and Mr. Nakul Gupta, Whole-time Director	Mr. Arjun Gupta is son of Mr. Avinash C Gupta, Chairman & Managing Director and brother of Mr. Nakul Gupta, Whole-time Director	Mr. Nakul Gupta is son of Mr. Avinash C Gupta, Chairman & Managing Director and brother of Mr. Arjun Gupta, Whole-time Director
Directorship in other listed companies	Nil	Nil	Nil
No. of Shares held in the Company	3313096 Equity Shares of ₹ 10 each	432872 Equity Shares of ₹ 10 each	471264 Equity Shares of ₹ 10 each

Item No. 7

The Company in its Forty Fifth Annual General Meeting held on 30 September 2016 had obtained approval from shareholders by way of passing special resolution for issue of equity shares of the Company by way of private placement to Qualified Institutional Buyers for an amount of ₹ 100 Crore. As per Regulation 88 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company is required to complete the process of allotment under qualified institutional placement ("QIP") within a period of twelve month from the date of passing resolution. In view of several factors including situation of the Company's business and market conditions, QIP may take place, if at all, only after several months. Keeping in mind such situation, the Board of Directors of the Company has decided to take fresh approval of shareholders for qualified institutional placement for same amount and with the same terms and conditions so that the Company may get extension upto one year from the date of passing this resolution. The proceeds from the QIP may be used for all or any of the following:

- Augment the working capital requirement of ongoing & future projects of the Company;
- To finance acquisitions for enhancement of qualification; and

- (iii) To diversify its activities in other areas within the scope of object clause of Memorandum of Association of the Company.

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

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

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

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

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

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

In connection with the proposed issue of Equity Shares, the Company is required, inter alia, to prepare various documentations and execute various agreements.

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

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

The Board recommend the Special Resolution set out to the accompanying Notice at Item No. 7 for approval of the members.

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

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

investors@technofabengineering.ocm | www.technofabengineering.com

Tel : + 91-11-26411931/5961, Fax: + 91 -11-26221521

46th Annual General Meeting – September 29, 2017

Name of the member(s)

Registered address

Email

Folio no. / Client ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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 46th Annual General Meeting of the Company, to be held on Friday, September 29, 2017, at 10:30 A.M. IST at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi - 110 003 and at any adjournment thereof in respect of such resolutions are indicated below:.

Resolution number	Resolutions	Vote (<i>Optional see Note 2</i>)		
		For	Against	Abstain
Ordinary business				
1	Adoption of Standalone and Consolidated Financial Statements, Report of the Board of Directors and Auditors for the financial year ended March 31, 2017			
2	Appoint a Director in place of Mr. Arjun Gupta, who retires by rotation and being eligible, seeks re appointment			
3	Appointment of M/s. G.C. Agarwal & Associates, Chartered Accountants (Firm Registration No. 017851N) as Auditors of the Company to hold office for a period of five (5) consecutive years commencing from the financial year 2017-18 subject to ratification at every AGM			
Special business				
4	Alteration in the terms & conditions including remuneration of Mr. Avinash C Gupta as Managing Director with effect from 1 April 2017			
5	Re-appointment of Mr. Arjun Gupta as Whole-time Director with changed terms & conditions including remuneration for three years with effect from 1 April 2017			
6	Re-appointment of Mr. Nakul Gupta as Whole-time Director with changed terms & conditions including remuneration for three years with effect from 1 April 2017			
7	To approve the Issue of Equity Shares of the Company by way of private placement to Qualified Institutional Buyers for extended period			

Signed this day of 2017.

Affix revenue
stamp of not
less than
₹ 1

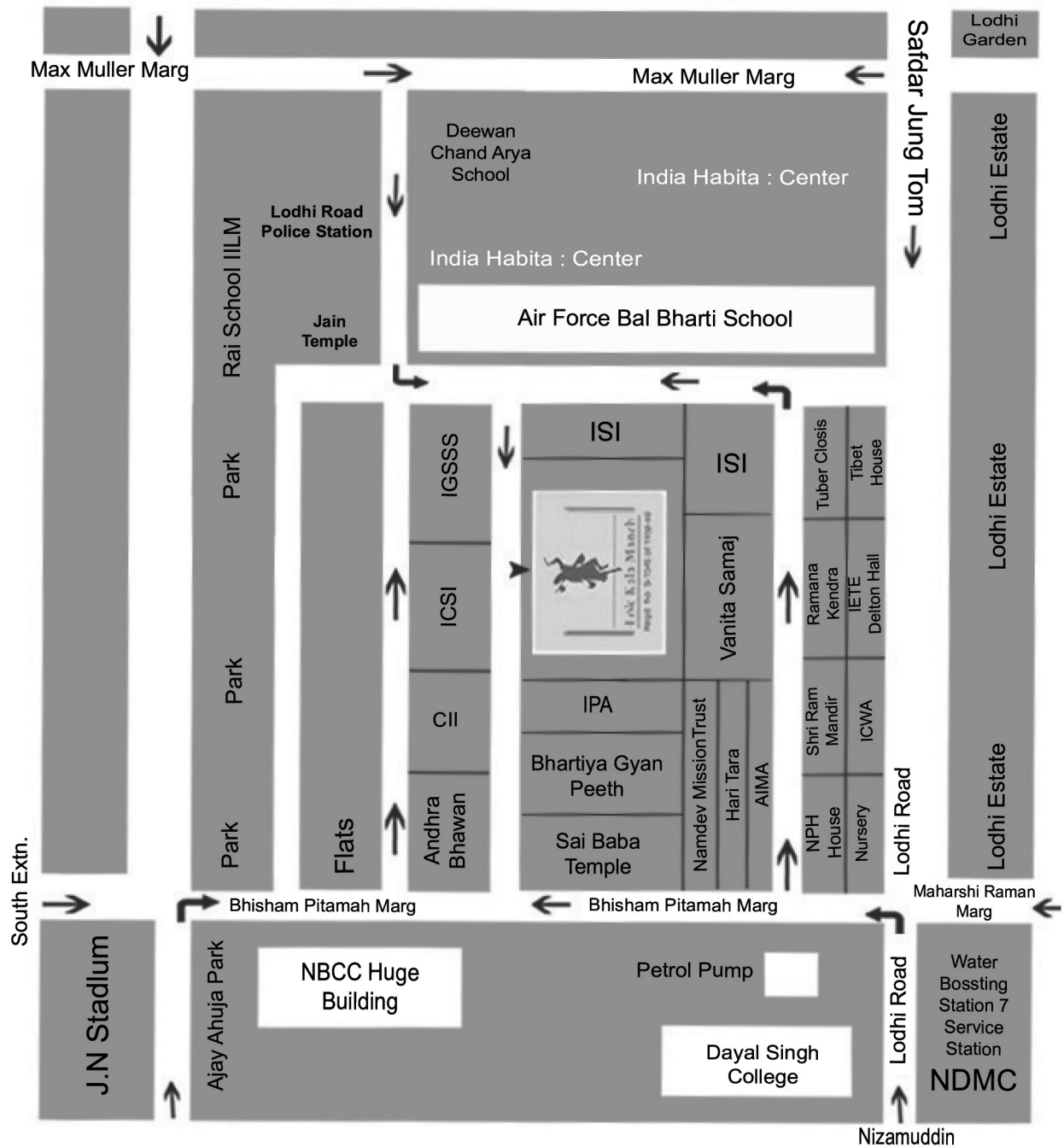
.....
Signature of the member(s)

.....
Signature of the proxy holder(s)

Notes :

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

Route Map-Venue of Annual General Meeting 2017





Annual Report 2016-17



**TECHNOFAB ENGINEERING
LIMITED**

An Engineering Procurement & Construction Company

— Pursuit of Excellence Through Customer Satisfaction —

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



Chemical Dosing System at Bukoba WTP, Tanzania



Clarifier at Jawai WTP, Rajasthan



RCC Reservoir at Bukoba WTP, Tanzania



33/11KV Sub-Station at Banka, Bihar



220 KV Substation, Bansi, Uttar Pradesh



Oil Unloading Jetty at Free Port, Monrovia, Liberia

Contents

02 Corporate Information

03 Chairmans Message

STATUTORY REPORTS

04 Directors' Report

33 Report on Corporate Governance

51 Management Discussion and Analysis

55 Standalone Financial Statements

81 Consolidated Financial Statements

CORPORATE INFORMATION

Board of Directors			
Mr. Avinash Chander Gupta	Chairman and Managing Director		
Mr. Arjun Gupta	Whole-time Director		
Mr. Nakul Gupta	Whole-time Director		
Mr. Arun Mitter	Independent Director		
Mr. Pawan Chopra	Independent Director		
Ms. Anju Banerjee	Independent Director		
Audit Committee		CSR Committee	
Mr. Arun Mitter	Chairperson	Mr. Avinash Chander Gupta	Chairman
Mr. Pawan Chopra	Member	Mr. Arjun Gupta	Member
Ms. Anju Banerjee	Member	Mr. Nakul Gupta	Member
Mr. Arjun Gupta	Member	Mr. Pawan Chopra	Member
		Ms. Anju Banerjee	Member
Stakeholder Relationship Committee		Nomination & Remuneration Committee	
Ms. Anju Banerjee	Chairperson	Mr. Pawan Chopra	Chairperson
Mr. Arun Mitter	Member	Mr. Arun Mitter	Member
Mr. Pawan Chopra	Member	Ms. Anju Banerjee	Member
CIN		Bankers	
L74210DL1971PLC005712		Bank of India Bank of Baroda State Bank of India AXIS Bank IDBI Bank Limited	
Registered Office		Corporate Office	
507 Eros Apartments, 56 Nehru Place New Delhi-110019 Tel: +91-11-26411931, 26415961 Fax: +91-11-26221521 Email: info@technofabengineering.com		Plot No 5, Sector-27C, Mathura Road Faridabad-121003, Haryana, Tel: +91-129-227-0202, 227-5310 Fax: +91-129-227-0201 Email: info@technofabengineering.com	
Subsidiary Companies		Registrar and Transfer Agent	
• Arihant Flour Mills Private Limited • Woodlands Instruments Private Limited • Rivu Infrastructural Developers Private Limited		Link Intime India Pvt. Ltd. 44, Community Centre, 2 nd Floor Naraina Industrial Area, Phase-I Near PVR Naraina New Delhi-110028	
Chief Financial Officer		Website	Statutory Auditors
Mr. Sandeep Kumar Vij		www.technofabengineering.com	Rajesh Suresh Jain & Associates Chartered Accountants, 6/6311, First Floor, Padam Singh Road, Dev Nagar, Karol Bagh, New Delhi-110005
Company Secretary & Compliance Officer		Investor Services E-Mail ID	
Mr. Suman Kumar Verma		investors@technofabengineering.com	

Chairmans Message

It gives me great pleasure to welcome you all to our Company's 46th Annual General Meeting.

Our Company has gone through five successive stressful years and it is with some satisfaction that I can say that we have successfully been able to cope with these difficult times. Our policy of not being swayed by short term considerations, and taking always, a long term view on business issues has helped. Keeping in step with the market, and diversifying our sectoral base, whilst sticking to our core competence has paid off.

Today we see two distinct and opposite threads in our business. Even though restricted to three sectors mainly, we have been able to secure record new business, which is the foundation of future performance. While this augurs well for the long term, in the short term we are held back by legacy issues, emanating mainly from the business we secured from private sector power plants some years ago.

Even the two major recent Central Government initiatives viz. demonetization and GST while beneficial overall, have had some short term adverse impact.

While our business performance in financial terms in last few years has been mediocre, and this may continue till first half of FY 2018, I see a steady improvement beginning second half of FY 2018.

I look ahead to the future with a quiet confidence

With my warmest wishes

Avinash C Gupta

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the Forty Sixth Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended 31 March 2017.

FINANCIAL HIGHLIGHTS

The financial results of the Company for the year ended 31 March 2017 are summarized below:

(₹ in Million)

	2016-17	2015-16
Revenue from Operations (Including Other Income)	4034.07	4651.77
Profit before Interest, Depreciation and Tax (EBIDTA)	395.94	391.67
Less: Interest & finance charge	204.22	180.02
Less: Depreciation	49.27	50.19
Profit before Tax	142.45	161.46
Less: Tax Expense	53.43	46.00
Profit after Tax	89.02	115.46
Balance brought forward	741.43	650.97
Amount available for appropriation	830.45	766.43
Transfer to General Reserve	25.00	25.00
Closing Balance in Statement of Profit & Loss	805.45	741.43

BUSINESS OVERVIEW AND FINANCIAL PERFORMANCE

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

I. SECTORAL OVERVIEW

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

This is merely a reflection of the continuing lack of investments in these sectors.

Major customers during the year included, North Bihar Power Distribution Company, Ministry of Water, Tanzania, Athi Water Board Kenya and J & K ERA.

II. GEOGRAPHICAL SPREAD

The Company has continued to maintain a strong focus on geographical diversity. Apart from sub Saharan Africa, the other geographies of interest are in Fiji and closer home in South Asia.

During the year, the Company has continued to execute business secured in Ghana, Kenya, Liberia, Tanzania and Zimbabwe. Around a fifth of the Company's revenue came from overseas assignments.

Work on the project in Liberia which had to be suspended in August 2015 due to outbreak of Ebola is progressing well and is close to completion. Likewise the project being done for Athi Water Board Kenya is close to completion.

The second of the two important multilaterally funded projects in the Water Sector being executed for the Ministry of Water, Tanzania is almost complete and expected to be handed over soon (the first

was completed and handed over in the previous year). The project of the Ghana Water Company is completed.

Work on the multilaterally funded project in the Water sector in Uganda has now picked up and is moving to the top gear.

Domestically, the Company's projects are currently spread over 12 states, ranging from Tripura and Arunachal Pradesh in the North East, through J&K in the North to Tamil Nadu in the South.

III. FRESH BUSINESS SECURED

The Company continued to put great emphasis on securing new business from existing as well as new customers and new geographies. The momentum generated in the second half of the previous year was well sustained during FY 2017, resulting in the Company securing record new orders amounting to ₹ 942 Crores. The largest share of orders were received from the Electrical Sector followed by the Water and Industrial sectors. There was no fresh business from the traditional Power Sector or from the Oil and Gas Sector.

At present the Company has outstanding proposals worth over ₹ 45 billion, 60% of which pertain to domestic business and the remaining overseas.

IV. ECONOMIC AND BUSINESS OUTLOOK

For the fourth year in a row, the economic and business outlook in the Country, for the sectors the Company serves, has been gloomy. Many of the older and traditional 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.

The Company has successfully coped with this situation by securing large fresh business in the domestic Electrical and Water sectors, and this is expected to continue to be the focus areas as no improvement is expected in the Power and Industrial sectors in the near future.

Demonetization that took place in November 2016 was a major event and has impacted the Company slightly which has resulted into a short term slowdown at some of the domestic sites. Overall while there have been no big bang initiatives from the government, there continue to be small incremental changes for the good, which, in due course should facilitate ease of doing business. The

introduction of GST is seen as a major step and the Company is gearing up to cope with it and expects benefits to accrue in due course.

As far as the overseas market is concerned, the Company continues to maintain a strong focus particularly in sub Saharan Africa. Lately the Company has also been trying to secure business in neighboring countries in South Asia, and the first success was achieved with an assignment to set up a Waste water Treatment Plant in Thimphu, Bhutan. The Company largely pursues funded projects in these countries.

V. STRATEGIC INITIATIVES

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

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

While continuing to adhere to its traditional practices, viz. :

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

The Company had previously set up a dedicated team focused purely on closing out a large number of older projects which had been substantially completed and in operation by the respective Customers, but which lacked formal closure for a variety of reasons. Positive results have begun to flow from this initiative.

QUALITY UPGRADATION

The Company secured ISO 9001 accreditation in 2007. This was a first milestone towards continuous quality enhancement. The Company believes that "Quality is a state of mind" and is committed to a continuous ongoing initiative in this direction. Internal audits are carried out regularly. During the last year, the Company had been awarded the coveted ISO 14001 and OHSAS 18001 accreditation.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

The Company is committed "To provide and maintain safe and healthy work environment for all personnel within the

organization and to continually improve in safe working conditions to make incident free work zone.” Accordingly the Company has always laid emphasis on HSE and made efforts to evolve this as a critical brand differentiator for the Company in the market place. This has been possible due to the dedicated work put in by the team members and support provided by all the employees of the organization. The Company is committed towards ensuring safe working and eliminating hazards and in protecting the environment including reduction in paper & power consumption and proper disposal of construction & electronic waste.

FINANCIALS

On the financial front, the Company achieved a total revenue of ₹ 4,034 Million for the year ended 31 March 2017 as against ₹ 4,652 Million for the previous financial year. This represents a drop of 13.28% in comparison to the previous year. The EBITDA at ₹ 396 Million is virtually same in comparison with ₹ 392 Million for the previous financial year. The profit after tax in the period under review was ₹ 89.02 Million as compared to ₹ 115.46 Million in the previous year, which is lower than the previous year.

The net worth of the Company, which has been steadily increasing, stands at over ₹ 2383.07 million as on 31st March 2017.

The drop in turnover is attributable to several factors already mentioned in Management Discussion and Analysis forming part of this Annual Report. The Board is of the view that such drop in turnover is one-time aberration and foresees a decent growth relative to the turnover in FY16.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the financial year 2016-17 have been prepared on the basis of audited financial statements of the Company and its subsidiaries, as approved by their respective Board of Directors keeping in view the provisions of Section 129 of the Companies Act, 2013, applicable Accounting Standards and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

SUBSIDIARIES

The Company has three subsidiaries viz. Arihant Flour Mills Private Limited, Woodlands Instruments Private Limited and Rivu Infrastructural Developers Private Limited which are wholly owned by the Company. These companies are much smaller and there have not been any material business activities in these companies.

The financial statements of the subsidiaries and related information are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of the Company (www.technofabengineering.com).

As required under the provisions of Section 129 of the Companies Act, 2013, a statement containing the salient features of financial statements of all subsidiaries in Form AOC-1 is annexed with the financial statements as “**Annexure [A]**” and forms part of this Report which covers the performance and financial position of the subsidiary companies.

MANAGEMENT DISCUSSION AND ANALYSIS

As stipulated under Regulation 34 of the Listing Regulations, the Management Discussion and Analysis for the period under review has been given separately and forms an integral part of this Report.

DIVIDEND

The Board of Directors of the Company have recommended that there be no dividend this year.

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

No material changes and commitments affecting the financial position of the Company between the end of financial year viz. 31 March 2017 and the date of this Report have occurred.

TRANSFER TO RESERVES

It is proposed to transfer ₹ 25 Million which amounts to 28.08 % of the profits after tax, to the General Reserves of the Company.

PUBLIC DEPOSITS

During the financial year 2016-17, the Company has not accepted any deposit within the meaning of Chapter V of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE GOVERNANCE REPORT

In compliance with the provisions specified in the Listing Regulations, a separate report on Corporate Governance along with the requisite certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid regulations forms an integral part of this Report. The Auditors' Certificate does not contain any qualification, reservation and adverse remark.

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

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

The Managing Director/Whole-time Directors of the Company do not receive remuneration from any of the subsidiaries of the Company.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

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

Directors Liable To Retire By Rotation

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

Key Managerial Persons (KMP)

The Board, on recommendations of the Nomination and Remuneration Committee and subject to the

approval of shareholders, had re-appointed Mr. Avinash C. Gupta as Chairman and Managing Director, Mr. Arjun Gupta as Whole-time Director and Mr. Nakul Gupta as Whole-time Director of the Company with effect from 1 April 2017. Further, the re-appointment of Mr. Avinash C. Gupta as Chairman and Managing Director was approved by the shareholders by passing Special Resolution by way of Postal Ballot. However the Board of Directors in its meeting held on 29 August 2017, upon the recommendation of Nomination and Remuneration Committee, has decided to revise the remuneration of Mr. Avinash C Gupta, Chairman & Managing Director, Mr. Arjun Gupta, Whole-time Director and Mr. Nakul Gupta, Whole-time Director of the Company. The appointment of Mr. Avinash C. Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta at the remuneration so revised are recommended for approval by the shareholders by way of passing special resolution in the ensuing Annual General Meeting. Brief resume of the Directors seeking appointment/ re-appointment at the AGM as required under Listing Regulations forms part of the notice convening AGM.

None of the company's Directors are disqualified from being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013.

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

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee based on need and new compliance requirements.

In line with the above mentioned framework, the Independent Directors at their separate meeting held on 29 March 2017 without participation of the Non-Independent Directors and Management, have considered and evaluated the Boards' performance and performance of the Chairman, Non-Independent Directors and the Board as a whole. The Independent Directors in the said meeting have also assessed the quality, quantity and timeliness of the flow of information between the Company Management and the Board.

During the period under review, the Board in its meeting held on 27 May 2016, have evaluated the performance of

each of the Independent Directors without participation of the Director who was subject to evaluation.

The details of evaluation process of the Board, its Committees, Chairman and individual Directors, including Independent Directors have been provided under the Corporate Governance Report which forms part of this Report.

MEETINGS OF THE BOARD AND AUDIT COMMITTEE

During the year, five Board Meetings and five Audit Committee meetings were held, the details of which are provided in the Corporate Governance Report which forms part of this Annual Report. The maximum interval between the two meetings did not exceed 120 days as prescribed under the Companies Act, 2013 and the Listing Regulations.

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

DECLARATION BY INDEPENDENT DIRECTORS

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

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Internal Complaint Committee ("ICC") has been set up to redress complaints received regarding sexual harassment. During the period under review, no complaint was received by the ICC.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended 31 March 2017, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments

and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2017 and of the profit and loss of the Company for the financial year ended 31 March 2017;

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

AUDITORS AND AUDITORS' REPORT:

I. Statutory Auditors

At the Forty Fifth Annual General Meeting ("AGM") of the Company held on 30 September 2016, M/s. Rajesh Suresh Jain & Associates, Chartered Accountants (Firm Registration No. 017163N) were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the Forty Sixth AGM of the Company. However as per section 139(2) of the Companies Act, 2013 read with the rules made there under, they are not eligible for reappointment for the next financial year. In view of the foregoing, the Audit Committee and the Board of Directors, upon considering various relevant factors have approved and recommended the appointment of M/s. G.C. Agarwal & Associates (Firm Registration No. 017851N), Chartered Accountants, as the Statutory Auditors of the Company in the ensuing AGM for a period of five years to hold office from the conclusion of the Forty Sixth (46th) Annual General Meeting until Fifty First (51st) Annual General Meeting subject to ratification of their re-appointment in every financial year at the respective AGM. The Company has received written consent and a certificate stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed there under.

The Auditors' Report for the financial year 2016-17, does not contain any qualification, reservation or adverse remark.

II. Secretarial Audit

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

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

EXTRACT OF ANNUAL RETURN

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

RELATED PARTY TRANSACTIONS

The Company has formulated a Related Party Transactions Policy, which has been uploaded on its website at (www.technofabengineering.com). It has been the endeavor of the Company to enter into related party transaction on commercial and arms' length basis with a view to optimize the overall resources of the group. All transaction entered into with Related Parties during the year were in the ordinary course of business of the Company and at arms' length basis. The Company has not entered into any contract/arrangement/transactions with related parties which could be considered material in accordance with the Policy of the Company on the materiality of related party transactions.

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

In accordance with Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract or arrangements with related parties, referred to in Section 188 of the Act, if any, in the prescribed Form AOC-2 are attached with this report as **"Annexure [E]"**.

LOANS AND INVESTMENTS

In accordance with Section 134(3)(g) of the Companies Act, 2013, the particulars of Loans, Guarantees and

investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RISK MANAGEMENT

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

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

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

INTERNAL FINANCIAL CONTROLS

In order to align with the requirement of Section 134(5) (e) of the Companies Act, 2013, the Company has in place adequate internal financial controls which provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. In particular, it ensures adequate operating controls, clear policies and detailed procedures of operations, delegation of authorities, safeguarding of assets, prevention and detection of frauds and errors, financial controls on financial reporting and timely preparation of reliable financial information. Upon review, no material reportable weaknesses were observed during the financial year 2016-17.

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

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

CORPORATE SOCIAL RESPONSIBILITY

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

Based on the recommendations of the CSR Committee of the Board, the Company has incurred expenditure on this head. The expenditure incurred by the Company towards CSR activities are detailed in “Annexure [F]”

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

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

I. Conservation of energy

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

II. Technology absorption

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

trouble free service in its line of activities.

III. Foreign exchange earnings and outgo

Foreign Exchange Earnings	- ₹ 949.50 Mn
Foreign Exchange Outgo	- ₹ 508.95 Mn

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

GENERAL

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

INDUSTRIAL RELATIONS

The Company enjoyed cordial relations with the employees during the year under review and the Management appreciates the efforts and dedication shown by all employees of the Company in offering their support and expects their continued support for achieving higher level of productivity to enable meeting the targets set for the future.

APPRECIATION

The Directors wish to 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. The 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.

For and on behalf of Board of Directors

Place: New Delhi
Dated: 29 August 2017

Avinash C Gupta
Chairman & Managing Director

Annexure [A] to Directors' Report

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013
read with Rule 5 of Companies (Accounts) Rules, 2014)

Part-A: Subsidiary

(₹ in Million)

1.	Name of the subsidiary	Arihant Flour Mills Private Limited	Woodlands Instruments Private Limited	Rivu Infrastructural Developers Private Limited
2.	The date since when subsidiary was Acquired	19 Sep' 2011	18 Sep' 2010	10 Feb' 2010
3.	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	1 April to 31 March	1 April to 31 March	1 April to 31 March
4.	Reporting currency and Exchange rate as on the last date of relevant Financial year in the case of foreign Subsidiaries	₹	₹	₹
5.	Share capital:			
	Authorised share capital	6000000	5000000	1000000
	Paid up share capital	5822800	4730000	1000000
6.	Reserves and surplus	24827494	(2632913)	(3052683)
7.	Total assets	30869811	21921509	7784885
8.	Total Liabilities	30869811	21921509	7784885
9.	Investments	-	-	-
10.	Turnover	-	-	-
11.	Profit/(Loss) before taxation	(1369184)	(900873)	(21400)
12.	Provisions for taxation	6030	Nil	(358)
13.	Profit/(Loss) after taxation	(1375214)	(900873)	(21758)
14.	Proposed Dividend	-	-	-
15.	Extent of shareholding (inpercentage)	100%	100%	100%

Notes:

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

Part-B: Associates and Joint Ventures

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

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

Notes

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

Annexure [B] to Directors' Report

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rule	Particulars			
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a	Mr. Avinash C. Gupta, Chairman & Managing Director	26.07
		b	Mr. Arjun Gupta, Whole Time Director	25.85
		c	Mr. Nakul Gupta, Whole Time Director	25.85
		d	Mr. Pawan Chopra, Independent Director	0.97
		e	Mr. Arun Mitter, Independent Director	0.90
		f	Ms. Anju Banerjee, Independent Director	0.97
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a	Mr. Avinash C. Gupta, Chairman & Managing Director	0.00
		b	Mr. Arjun Gupta, Whole Time Director	9.17
		c	Mr. Nakul Gupta, Whole Time Director	9.17
		d	Mr. Pawan Chopra, Independent Director	(6.25)
		e	Mr. Arun Mitter, Independent Director	16.36
		f	Ms. Anju Banerjee, Independent Director	(6.25)
		g	Mr. Sandeep Kumar Vij, Chief Financial Officer	10.02
		h	Mr. Suman Kumar Verma, Company Secretary	130.09
(iii)	The percentage increase in the median remuneration of employees in the financial year.			11.29
(iv)	The number of permanent employees on the rolls of the company.			405

(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average % age managerial remuneration increase has been 5.92 % while for others it is about 8.67 %. The Increase in Managerial Remuneration is mainly subject to the limitations provided under the Companies Act, 2013. Increase in remuneration is based on Remuneration Policy of the Company that rewards people differentially based on their contribution to the success of the company and also ensures that external market competitiveness and internal relativities are taken care of.
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.	

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

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

Sl. No.	Name of the Employee	Designation	Remuneration (₹ in Crore)	Qualification	Experience	Date of Joining	Date of Birth	Shareholding	Last Employment	Relationship with Director (if any)
1	Avinash Chander Gupta	Chairman & Managing Director	1.20	Bachelor of Science	56	Since Incorporation	26.10.1940	3313096	Gannon Dunkerley	Please see note below
2	Arjun Gupta	Whole-time Director	1.19	Bachelor of Engineering (USA)	24	01.01.1993	07.08.1970	432872	Not Applicable	
3	Nakul Gupta	Whole-time Director	1.19	Bachelor of Science (Indiana)	23	01.12.1994	30.08.1971	471264	Not Applicable	
4	Dharmesh Varshney	Vice President	0.54	Bachelor of Engineering (Mechanical), Master of Science (Mechanical)	23	01.01.2011	30.05.1964	Nil	Nagarjuna Constructions Company Limited	No
5	Sandeep Kumar Vij	Chief Financial Officer	0.51	B.Com, M.com, CA, CS, LLB	22	18.03.2013	31.08.1971	Nil	egis Infra Management India Private Limited	No
6	Vijay Nagarajan	Executive Vice President	0.43	Mechanical Engineering	32	01.06.2006	26.07.1963	Nil	Srinidhi Engineering Limited	No
7	C. Lawrence	Chief General Manager	0.42	B.Tech (Chemical)	32	16.10.2006	30.08.1963	300	H. Young & Co. (EA) Limited, Kenya	No
8	Trilok Chandra	Chief General Manager	0.39	Diploma (Chemical), AMIE (Chemical)	32	19.02.2008	05.11.1962	400	Goyal MG Gases Private Limited	No
9	Sayyed Salim	Associate Vice President	0.39	Diploma, B.E. (Electrical)	30	06.08.2014	01.07.1961	Nil	Skipper Electricals (India) Limited	No
10	Ahmad Sajid Khan	Senior General Manager	0.33	B.Tech (Chemical), M.Tech	22	15.04.2013	25.08.1967	Nil	Tetra Tech India Limited	No

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

- (b) List of employees of the Company employed throughout the financial year 2016-17 and were paid remuneration not less than ₹ 1.02 Crore per annum or ₹ 8.50 Lakh per month, if employed for the part of the years:

(in Crore)

Name	Designation	Remuneration (₹ in Crore)	Qualification	Experience (Years)	Joining Date	Age	Last Employment
Sh. Avinash C Gupta	Chairman & Managing Director	1.20	Bachelor of Science	56	Since Incorporation	76	Gannon Dunkerley
Sh. Arjun Gupta	Whole-time Director	1.19	Bachelor's Degree in Mechanical Engineering from University of Texas	24	01.01.1993	46	N.A.
Sh. Nakul Gupta	Whole-time Director	1.19	Bachelor of Science (Marketing & Psychology degree from Indiana University (Bloomington), Owner President Management Program (OPM) at Harward Business School	23	01.12.1994	45	N.A.

Notes:

1. Mr. Avinash C Gupta is related to Mr. Arjun Gupta and Mr. Nakul Gupta, Whole-Time Directors of the Company.
2. The contractual terms of Mr. Avinash C. Gupta, Chairman & Managing Director, Mr. Arjun Gupta, Whole-time Director and Mr. Nakul Gupta, Whole time Director are governed by the respective resolutions passed by the shareholders/ Board.
3. No employee was employed for the part of the year and was paid remuneration during the financial year 2016-17 at a rate which in aggregate was not less than ₹ 8.50 lakhs per month.
4. No employee was in receipt of remuneration which in the aggregate is in excess of that drawn by the Managing Director or Whole-time Director and holds by himself or along with his/her spouse and dependent children, not less than two percent of the equity shares of the company.

Annexure [C] to Directors' Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,

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

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

Based on our verification of Technofab Engineering Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Technofab Engineering Limited ("the Company") for the financial year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - #(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - #(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - #(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations 2012;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

#(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

#(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

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

- (i) Secretarial Standards issued by "The Institute of Company Secretaries of India";
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments thereto.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above etc. mentioned above. However, without qualifying the report we observed that the Company has not spent the entire amount allocated by the Board towards Corporate Social Responsibility. As per the Management of the Company expenditure under CSR has been temporarily deferred because of tightness of cash flows and resultant stretched liquidity.

We further report that:

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

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

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

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

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

For **NARESH VERMA & ASSOCIATES**
COMPANY SECRETARIES

NARESH VERMA
FCS: 5403
CP: 4424

Date: August 29, 2017
Place: Delhi

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

Annexure-I

To,

The Members,
Technofab Engineering Limited
507, Eros Apartments, 56 Nehru Place
New Delhi-110019

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

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

For **NARESH VERMA & ASSOCIATES**
COMPANY SECRETARIES

NARESH VERMA
FCS- 5403; CP-4424

Date: August 29, 2017
Place: Delhi

Annexure [D] to Directors' Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31 MARCH 2017

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are stated herein below:-

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	4754553	0	4754553	45.32	4754553	0	4754553	45.32	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Bodies Corporate	303473	0	303473	2.89	303473	0	303473	2.89	0.00
	Sub Total (A)(1)	5058026	0	5058026	48.22	5058026	0	5058026	48.22	0.00
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	5058026	0	5058026	48.22	5058026	0	5058026	48.22	0.00
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	15297	0	15297	0.15	15097	0	15097	0.14	-0.00
(f)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i)	Any Other (Specify)									
	Sub Total (B)(1)	15297	0	15297	0.15	15097	0	15097	0.15	-0.00
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	993565	11	993576	9.47	1110269	11	1110280	10.58	1.11
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	419580	0	419580	4.00	392086	0	392086	3.74	(0.26)
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Hindu Undivided Family	52445	0	52445	0.50	73743	0	73743	0.70	0.20
	Foreign Companies	737056	0	737056	7.03	737056	0	737056	7.03	0.00
	Non Resident Indians (Non Repat)	34711	0	34711	0.33	29724	0	29724	0.28	(0.05)
	Non Resident Indians (Repat)	294206	0	294206	2.80	156770	0	156770	1.5	(1.31)
	Clearing Member	77150	0	77150	0.74	52922	0	52922	0.50	(0.23)
	Bodies Corporate	2807953	0	2807953	26.77	2864296	0	2864296	27.31	0.54
	Sub Total (B)(3)	5416666	11	5416677	51.64	5416866	11	5416877	51.64	0.00
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	5431963	11	5431974	51.78	5431963	11	5431974	51.78	0.00
	Total (A)+(B)	10489989	11	10490000	100.00	10489989	11	10490000	100.00	0.00
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	10489989	11	10490000	100.00	10489989	11	10490000	100.00	

(ii) Shareholding of Promoters

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

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

There was no change in Promoters' Shareholding during the financial year ended 31 March 2017

! Based on the paid up share capital of the Company as on 31 March 2017

*Mr. Avinash Chander Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta belong to "Promoters" category.

However others in this table belong to "Promoters Group" category.

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

Sl. No.	Shareholder's Name	Shareholding		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning (01 April' 2016)/ end of the year 31 Mar' 2017	% of the total shares at the beginning (01 April' 2016)/ end of the year 31 Mar' 2017				No. of shares	% of total shares of the company
1	Emerging India Focus Funds	752153 (752153)	7.17 (7.17)	31.03.2017 01.04.2016	-	Nil Movement during the year	-	-
2	Brij Real Estate And Property Private Limited	500000 (500000)	4.77 (4.77)	31.03.2017 01.04.2016	-	Nil Movement during the year	-	-
3	Bhavi Investments Limited	418000 (418000)	3.98 (3.98)	31.03.2017 01.04.2016	-	Nil Movement during the year	-	-
4	Pragmatic Traders Pvt Ltd	350000 (350000)	3.34 (3.34)	31.03.2017 01.04.2016	-	Nil Movement during the year	-	-
5	Mogra Investments Pvt Ltd	320000 (320000)	3.05 (3.05)	31.03.2017 01.04.2016	-	Nil Movement during the year	-	-
6	Sunidhi Capital Pvt. Ltd	210000 (285000)	2.00 (2.72)	31.03.2017 24.02.2017 17.02.2017 10.02.2017 11.11.2016 04.11.2016 7.10.2016 09.09.2016 01.04.2016	4825 5175 12001 5000 22000 10000 15999	Sale Sale Sale Sale Sale Sale Sale		
7	Ras Projects Ltd	231000 (231000)	2.20 (2.20)	31.03.2017 01.04.2016	-	Nil Movement during the year	-	-
8	Karuna Rajan	189944 (194944)	1.81 (1.86)	31.03.2017 28.10.2016 21.10.2016 01.04.2016	1690 3310	Sale Sale		
9	Gammon India Limited	175000 (175000)	1.67 (1.67)	31.03.2017 01.04.2016	-	Nil Movement during the year	-	-
10	Equipment Management Company (India) Limited	140000 (140000)	1.33 (1.33)	31.03.2017 01.04.2016	-	Nil Movement during the year	-	-

! Based on the paid up share capital of the Company as on 31 March 2017

Note: Please note that the shareholdings mentioned above including elsewhere appearing in this report are based on the PAN of the shareholders having one or more folios.

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	Shareholder's Name	Shareholding		Date	Increase/ (Decrease) in Share holding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning (01 April' 2016)/ end of the year (31 Mar' 2017)	% of the total shares at the beginning (01 April' 2016)/ end of the year (31 Mar' 2017)				No. of shares	% of total shares of the company
1.	Avinash Chander Gupta Chairman & Managing Director	3313096	31.58	31.03.2017	-	Nil Movement during the year	-	-
		(3313096)	(31.58)	31.03.2016				
2.	Nakul Gupta Whole Time Director	471264	4.49	31.03.2017	-	Nil Movement during the year	-	-
		(471264)	(4.49)	01.04.2016				
3.	Arjun Gupta Whole Time Director	432872	4.13	31.03.2017	-	Nil Movement during the year	-	-
		(432872)	(4.13)	01.04.2016				
4.	Pawan Chopra Independent Director	400	0.004	31.03.2017	-	Nil Movement during the year	-	-
		(400)	(0.004)	01.04.2016				
5.	Arun Mitter Independent Director	Nil	Nil	31.03.2017	-	Nil Movement during the year	-	-
		(Nil)	(Nil)	01.04.2016				
6.	Anju Banerjee Independent Director	Nil	Nil	31.03.2017	-	Nil Movement during the year	-	-
		(Nil)	(Nil)	01.04.2016				
7.	Sandeep Kumar Vij Chief Financial Officer (KMP)	Nil	Nil	31.03.2017	-	Nil Movement during the year	-	-
		(Nil)	(Nil)	01.04.2016				
8.	Suman Kumar Verma Company Secretary (KMP)	Nil	Nil	31.03.2017	-	Nil Movement during the year	-	-
		(Nil)	(Nil)	01.04.2016				

(vi) INDEBTEDNESS

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

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	96.54	0	0	96.54
ii. Interest due but not paid	0.01	0	0	0.01
iii. Interest accrued but not due	0.13	0	0	0.13
Total (i+ii+iii)	96.68	0	0	96.68
Change in Indebtedness during the financial year				
- Addition	3.03	0	0	3.03
- Reduction	0.45	0	0	0.45
Net Change	2.58	0	0	2.58
Indebtedness at the end of the financial year				
i. Principal Amount	99.12	0	0	99.12
ii. Interest due but not paid	0.01	0	0	0.01
iii. Interest accrued but not due	0.13	0	0	0.13
Total (i+ii+iii)	99.26	0	0	99.26

(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager			Total Amount (₹ in Crore)
		Avinash Chander Gupta	Arjun Gupta	Nakul Gupta	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.05	0.99	0.99	3.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	– as % of profit	-	-	-	-
	– others, specify	0.15	0.20	0.20	0.55
5.	Others, please specify	As per the terms of Appointment	As per the terms of Appointment	As per the terms of Appointment	As per the terms of Appointment
	Total (A)	1.20	1.19	1.19	3.58
	Ceiling as per the Act*	*As per schedule V of Companies Act, 2013			

B. Remuneration to Other Directors

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount (₹ in Crore)
	Independent Directors	Arun Mitter	Pawan Chopra	Anju Banerjee	
	– Fee for attending board committee meetings	0.041	0.045	0.045	0.131
	– Commission	Nil	Nil	Nil	Nil
	– others, please specify	Nil	Nil	Nil	Nil
	Total (1)	0.041	0.045	0.045	0.131
	Other Non- Executive Directors				
	– Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	– Commission	Nil	Nil	Nil	
	– others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	0.041	0.045	0.045	0.131
	Total Managerial Remuneration				0.131
	Overall ceiling as per the Act excluding sitting fee				N.A.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹ in Crore)
		Mr. Sandeep Kumar Vij, Chief Financial Officer	Mr. Suman Kumar Verma, Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	0.508	0.091	0.599
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- other specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	0.508	0.091	0.599

V. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

Annexure [E] to Directors' Report
FORM AOC – 2

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

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

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

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

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

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

For and on behalf of the Board

Place: New Delhi
Date: 29 August 2017

Avinash C Gupta
Chairman & Managing Director

Annexure [F] to Directors' Report

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

1. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
5. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

8. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. rural development projects.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website viz. www.technofabengineering.com

II. The Composition of the CSR Committee:

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

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

III. Average Net Profit of the company for the last 3 financial years as per Section 135 of the Act read with Companies (CSR Policy) Rules, 2014: ₹ 17.99 Crore*

IV. Prescribed CSR expenditure (2% of this amount as in Sr. No. III above): 0.36 Crore

V. Details of CSR Spent during the Financial Year: The Company had spent ₹ 5.00 Lakh by way of making financial contribution to Shri Bhagwan Mahaveer Viklang Sahayata Samiti, Jaipur (the "Samiti") which is engaged in various social activities falling under the scope of CSR Policy of the Company. The Samiti is registered as a society under the Rajasthan Societies Registration Act on March 29, 1975 (vide registration

number 261/1974-75). It rehabilitates over 1.55 million disabled and provides all its assistance, including artificial limbs, calipers and other aids and appliances totally free of charge.

VI. Reasons for not spending the CSR amount:

Although the Company has now begun in participating CSR activities but in view of the tightness of cash flows and resultant stretched liquidity, the expenditure under this head upto the prescribed level was temporarily deferred.

VII. Our Responsibilities

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and CSR

committee monitors the implementation of the CSR activities in compliance with the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder.

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

Avinash C Gupta
Chairman & Managing Director
Chairman CSR Committee

Place : New Delhi
Date : 29 August 2017

REPORT ON CORPORATE GOVERNANCE

In Compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the Company hereby submits the report on matters as mentioned in the Listing Regulations and Corporate Governance practices followed by the Company. The information provided in the report on Corporate Governance for the purpose of uniformity is as on 31 March 2017. However the report is updated as on the date of the report wherever applicable.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

II. BOARD OF DIRECTORS

Composition of the Board

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

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

Directors' Attendance Record and their other Directorships/ Committee Memberships

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

Relevant details of the Board during the year ended 31 March 2017 are given below:

Name of Director	Category#	Attendance Particulars			No. of other Directorships and Committee Memberships/ Chairmanships held*		
		No. of Board Meetings		Last AGM held on 30.09.2016	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Avinash C. Gupta	Chairman/ ED	5	5	Yes	Nil	Nil	Nil
Mr. Arjun Gupta	ED	5	4	Yes	Nil	Nil	Nil
Mr. Nakul Gupta	ED	5	4	Yes	Nil	Nil	Nil
Mr. Pawan Chopra	NEID	5	5	No	1	3	Nil
Mr. Arun Mitter	NEID	5	5	Yes	3	2	2
Ms. Anju Banerjee	NEID	5	5	No	Nil	Nil	Nil

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

*1. Excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

2. Only two Committees viz. the Audit Committee and the Stakeholders Relationship Committee are considered.

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

Number of Board Meetings:

During the financial year ended 31 March 2017, five (5) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed one hundred and twenty days. The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held	
27 May 2016	14 February 2017
8 August 2016	29 March 2017
9 November 2016	

Independent Directors:

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

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

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

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

Board Procedures:

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

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

Familiarization Programme for the Independent Directors:

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

The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company viz. www.technofabengineering.com

Independent Directors' Meeting:

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act,

2013 and Regulation 25(3) of the Listing Regulations, a meeting of the Independent Directors of the Company was held on 29 March 2017, without the attendance of Non-Independent Directors and members of the management. All the Independent Directors were present in the meeting.

Evaluation of Board Effectiveness:

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

III. COMMITTEES OF THE BOARD

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

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

The various Committees are:

1. Audit Committee
2. Remuneration Committee
3. Stakeholder Relationship Committee
4. CSR Committee
5. Management Sub Committee

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

A. AUDIT COMMITTEE

Composition:

The composition of the Audit Committee is in line with the provision of Section 177 of the Companies Act, 2013 and those of the Listing Regulations. The Members of the Audit Committee are financially literate. The Chairman of the Audit Committee is having accounting and financial management expertise. The committee invites among others, Statutory Auditors, Internal Auditors and the Chief Financial Officer of the Company to attend its meetings. The Audit Committee comprises of the following Directors.

The Composition of Audit Committee is as under:

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

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

Meetings and Attendance:-

During the financial year covered under this report, five Audit Committee meetings were held viz. 27 May 2016, 8 August 2016, 9 November 2016, 14 February 2017 and 29 March 2017.

The attendance details are as under: -

Name of the Member	Meeting details	
	Held	Attended
Mr. Arun Mitter	5	5
Mr. Pawan Chopra	5	5
Ms. Anju Banerjee	5	5
Mr. Arjun Gupta	5	4

The Audit Committee monitors and effectively supervises the Company's financial reporting process with a view to provide accurate, timely and proper disclosure and maintain the integrity and quality of financial reporting. The Audit Committee also reviews from time to time, the

audit and internal control procedures, the accounting policies of the Company, oversight of the Company's financial reporting process so as to ensure that the financial statements are correct, sufficient and credible. The scope of activities and terms of reference of the Audit Committee is governed by a Charter which is in line with the provisions of Section 177 of the Companies Act, 2013 and those of the Listing Regulations.

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

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the Director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions; and
 - (g) modified opinion(s) in the draft audit report.
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an

- issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (8) approval or any subsequent modification of transactions of the Company with related parties;
 - (9) scrutiny of inter-corporate loans and investments;
 - (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - (11) evaluation of internal financial controls and risk management systems;
 - (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (14) discussion with internal auditors of any significant findings and follow up there on;
 - (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (18) to review the functioning of the whistle blower mechanism;
 - (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; and
 - (20) carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (b) The audit committee shall mandatorily review the following information:**
- (1) management discussion and analysis of financial condition and results of operations;
 - (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (4) internal audit reports relating to internal control weaknesses;
 - (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
 - (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.
- B. NOMINATION & REMUNERATION COMMITTEE**
- Composition:**
- In Compliance with the provisions Section 178 of the Companies Act, 2013 and those of Regulation 19 of the Listing Regulations, the Board of Directors has constituted a Nomination and Remuneration Committee consisting of following Members
1. Mr. Pawan Chopra : Chairman, Independent, Non-Executive
 2. Mr. Arun Mitter : Member, Independent, Non-Executive
 3. Ms. Anju Banerjee : Member, Independent, Non-Executive
- The Company Secretary of the Company acts as the Secretary to the Committee.

Terms of reference:

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

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

Meetings and Attendance:-

The Committee met only once during the FY17 ended 31 March 2017 i.e. on 14 February 2017 and all the members attended the said meeting.

Policy of the Nomination and Remuneration Committee:

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

Objective of the Policy:

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

Board Diversity

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

Board Independence

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

Criteria for Determination of Remuneration

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

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

Criteria of making payments to Non-executive Directors

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at Board/ Committee meetings. They are compensated through sitting fees which are within the limits prescribed under the Companies Act, 2013, as per table below, for attending the meetings and are not entitled to any other payments.

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

Criteria for Performance Evaluation

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

For evaluation of the entire Board and its Committees a structured questionnaire, covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc., is in place. Similarly, for evaluation of individual Director's performance, the questionnaire covers various parameters like his/her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.

The performance of Chairman, Executive Directors and Independent Directors are evaluated on certain additional parameters depending upon their roles and responsibilities. For the Chairman the criteria includes leadership, relationship with stakeholders etc., for the Executive Directors the criteria includes execution of business plans, risk management, achievement of business targets, development of plans and policies aligned to the vision and mission of the Company, etc. Additional criteria for evaluation of Independent Directors include effective deployment of knowledge and expertise, commitment to his/her role towards the Company and various stakeholders, willingness to devote time and efforts towards his/her role, high ethical

standards, adherence to applicable codes and policies, effective participation and application of objective independent judgement during meetings, etc.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2016-17.

The Independent Directors had met separately on 29 March 2017 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it determines whether to extend or continue their term of appointment, whenever the respective term expires.

The Directors expressed their satisfaction with the evaluation process.

Succession Plan:

The Board of Directors has satisfied itself that plans are in place for orderly succession for appointment to the Board of Directors and Senior Management.

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

Remuneration to Directors:

The Remuneration/Sitting fees paid to the Directors during the financial year ended 31 March 2017 are mentioned below:

(Amount in ₹)

Sl. No.	Name of Director	Salary & Allowance	Commission	Sitting Fees	Total
1.	Mr. Avinash C Gupta	1,20,00,000	14,70,000	-	1,20,00,000
2.	Mr. Arjun Gupta	99,00,000	20,00,000	-	1,19,00,000
3.	Mr. Nakul Gupta	99,00,000	20,00,000	-	1,19,00,000
4.	Mr. Arun Mitter	-	-	4,13,700	4,13,700
5.	Mr. Pawan Chopra	-	-	4,48,200	4,48,200
6.	Ms. Anju Banerjee	-	-	4,48,200	4,48,200

C. STAKEHOLDER RELATIONSHIP COMMITTEE

Composition:

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

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

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

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

The Committee performs various functions covered under Section 178 of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations which inter alia covers resolution of grievances of the security holders of the company including complaints related to transfer of shares, no-receipt of annual report and non-receipt of declared dividends.

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

Meetings and Attendance:

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

OTHER COMMITTEES

Corporate Social Responsibility Committee (CSR Committee):

In accordance with the provisions of the Companies Act, 2013, the Board of Directors have constituted CSR

Committee to formulate and recommend the Board a CSR Policy in indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The complete details regarding CSR Committee are mentioned in Annexure-F to the Board's Report.

Management Sub-Committee

The Board of Directors have constituted Management Sub-Committee comprising of three (3) Executive Directors viz. Mr. Avinash C. Gupta, Mr. Arjun Gupta and Mr. Nakul Gupta to oversee routine matters that are in the normal course of the business.

The Board of Directors have delegated certain powers to this Committee to facilitate the working of the Company. The Committee met twelve (12) times during the FY17 ended on 31 March 2017.

Compliance Officer:

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

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

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

Details of Investor's Complaint

There were no complaints received from investors/ shareholders during financial year 2016-17 except few relating to non-receipt of Annual Reports which had been resolved immediately. There were no pending complaints at the end of financial year.

III. GENERAL BODY MEETINGS

Details of last three Annual General Meetings are as under:

Year	Date	Time	Venue	No. of Special Resolutions passed at the AGM
2013-14	25 September 2014	10.30 AM	India Islamic Cultural Centre 87-88 Lodhi Road, New Delhi – 110003	5
2014-15	25 September 2015	10:30 AM	Delhi Flying Club Safdarjung Airport, New Delhi-110003	2
2015-16	30 September 2016	10:30 AM	Lok Kala Manch 20, Lodhi Institutional Area, Lodhi Road, New Delhi - 110003	5

Postal Ballot:

During the year, one Postal Ballot process was initiated for passing a special resolution with respect to reappointment of Mr. Avinash C. Gupta, who is of the age of 76 years, as Managing Director of the Company for a period of three years w.e.f. 1st April 2017

The Postal Ballot process was conducted in a fair and transparent manner in accordance with the provisions of Section 110 of the Companies Act, 2013 and the

rules framed there under. Mr. Naresh Verma, Practicing Company Secretary (FCS No.5403 CP No.4424) was appointed as scrutinizer for conducting the Postal Ballot. The procedure for postal ballot was as per Section 110 and other applicable provisions of the Companies Act, 2013 read together with Rule 22 of the Companies (Management and Administration) Rules, 2014. The result of the Postal Ballot was declared on 7th April 2017 and the Special Resolution was duly passed with requisite majority.

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

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100	(6)
Promoter and Promoter Group	E-Voting	5058026	5058026	100.0000	5058026	0	100.0000	0.0000	0
	Poll								
	Postal Ballot (if applicable)								
	Total	5058026	5058026	100.0000	5058026	0	100.0000	0.0000	0
Public-Institutions	E-Voting	15097	0	0.0000	0	0	0.0000	0.0000	0
	Poll								
	Postal Ballot (if applicable)								
	Total	15097	0	0.0000	0	0	0.0000	0.0000	0
Public-Non Institutions	E-Voting	5416877	690387	12.7451	689737	650	99.9058	0.0942	0
	Poll								
	Postal Ballot (if applicable)		1039944	19.1982					
	Total	5416877	1730331	31.9433	1729681	650	99.9624	0.0376	0
Total		10490000	6788357	64.7127	6787707	650	99.9904	0.0096	0
Whether resolution is Pass or Not.							Yes		

V. DISCLOSURES

a. Related Party Transactions:

The Company has not entered into any materially significant transactions with the related parties during the year covered under this report. Transactions with related parties are being disclosed in the Notes to Accounts forming part of the Annual Report and are transacted after obtaining applicable approval(s), wherever required. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with Related Party Transactions and a Policy on materiality of Related Party Transactions is available on the website of the Company viz. www.technofabengineering.com

b. Subsidiary Companies:

The Company has three unlisted Indian Subsidiary Companies viz. Arihant Flour Mills Private Limited, Woodlands Instruments Private Limited and Rivu Infrastructural Developers Private Limited. None of them is material subsidiary company in terms of Regulation 16(1)(c) of the Listing Regulations. The Board of Directors of the Company formulated a policy for determining “material” subsidiaries. The said Policy has been placed on the website of the Company viz. www.technofabengineering.com

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

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

d. Non-Compliances by the Company :

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

e. Vigil Mechanism and Whistle Blower Policy:

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

protect employees from unlawful victimization, retaliation or discrimination for their having disclosed or reported fraud, unethical behavior, violation of Code of Conduct, questionable accounting practices, grave misconduct etc.

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

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

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

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

VI. MEANS OF COMMUNICATION

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

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

For investors, the Company has created a separate e-mail ID, investors@technofabengineering.com. 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.

VII. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting:

The 46th Annual General Meeting of the Company shall be held as under :-

Date and Time : 29 September 2017
at 10:30 A.M.

Venue : Lok Kala Manch,
20, Lodhi Institutional Area,
Lodhi Road,
New Delhi - 110 003

b. Payment of Dividend

The Company has not declared dividend during last three years.

c. Financial Calendar (Tentative):

The company follows financial year from April 1 to March 31. The Current financial year of the Company is April 1, 2017 to March 31, 2018.

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
14/08/2017

Half Yearly / Second : On or before
quarter Results 14/11/2017

i. Market Price Data & Share price performance:

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

Month	Bombay Stock Exchange (BSE) (In ₹ Per Share)		National Stock Exchange (NSE) (In ₹ Per Share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2016	157.80	140.40	153.95	141
May 2016	178	140	165.35	140
June 2016	247.70	159.05	247	162
July 2016	222.50	196	222	193.40
August 2016	209.90	183.55	209.95	185.2
September 2016	231.20	185.50	231	187
October 2016	215	186.10	205	187
November 2016	212	180	214.80	176.45
December 2016	199.60	175	199	170.75
January 2017	198.95	178	198.5	166.95
February 2017	206.95	182.10	214.3	181.3
March 2017	201.30	180.20	202.50	181

Third Quarter Results : On or before
14/02/2018

Audited Annual results : On or before
for the year 30/05/2018

However the Company may avail the extension of one month, if required, in accordance with circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by SEBI, in order to facilitate the smooth transition during the first year of applicability of the Ind-AS and accordingly the above date may vary to the extent of one month.

d. Date of Book Closure: 23 September 2017 to 29 September 2017 (both days inclusive)

e. Listing on Stock Exchanges:

The equity shares of the Company are listed at the following Stock Exchanges:

Name of Stock Exchange	Stock Code
BSE Limited	533216
National Stock Exchange of India Limited	TECHNOFAB

f. Listing Fee

The company has paid annual listing fee to the above stock exchange for the year 2017-2018.

g. Depository Fee

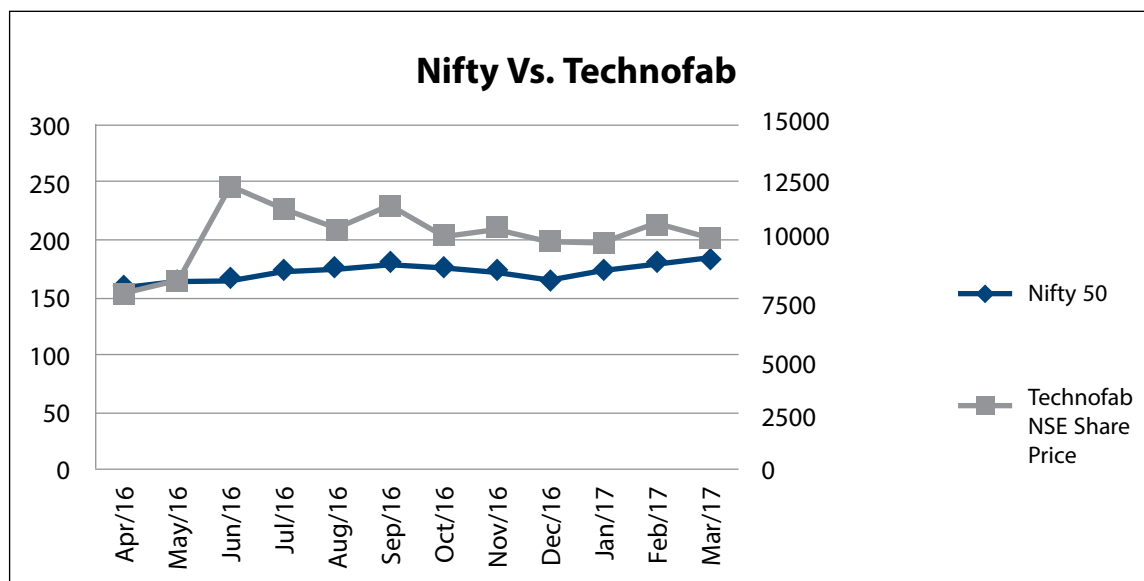
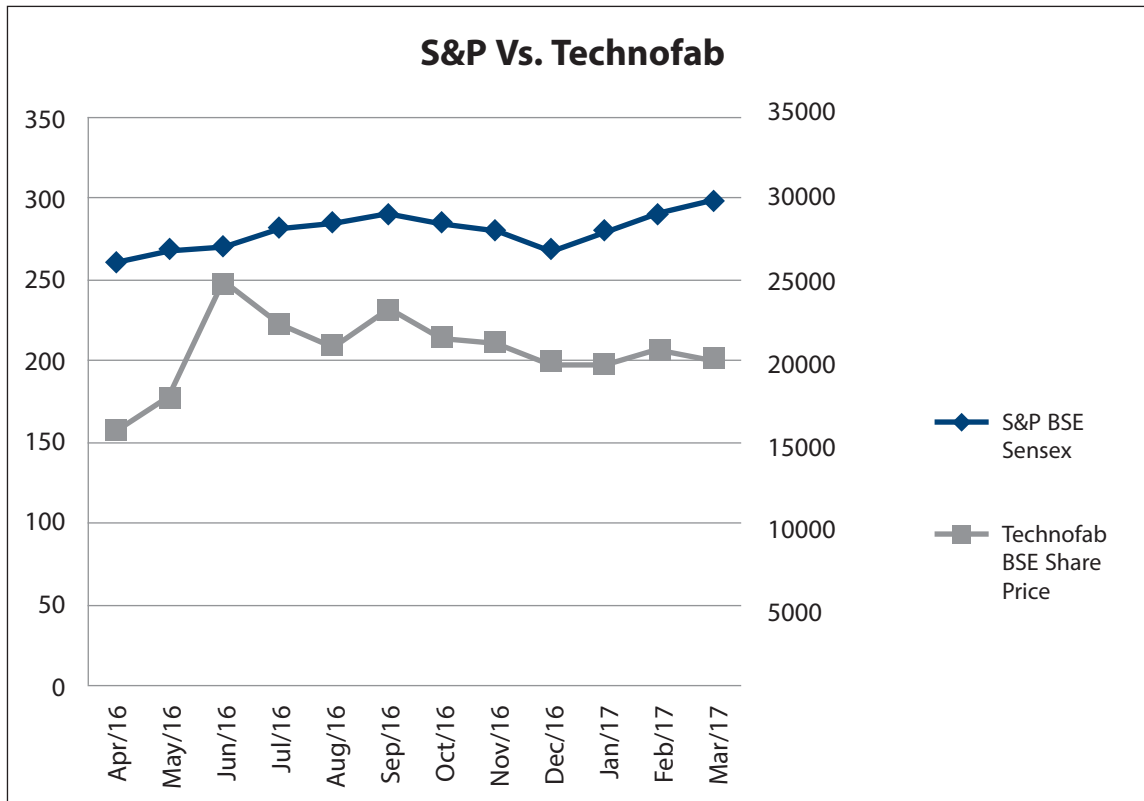
Annual Custody/ Issuer Fee for the year 2017-18 has been paid to CDSL and NSDL.

h. ISIN Number: INE509K01011

j. Foreign Exchange Risk and Hedging Activities

The Foreign Exchange Exposures and risks involved in it are periodically reviewed by the Board of Directors of the Company. Substantial part of the Foreign Exchange Risk is covered by natural hedging.

k. Stock Performance



I. Registrar and Share Transfer Agent:

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

Link Intime India Private Limited
 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

m. Share Transfer System:

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

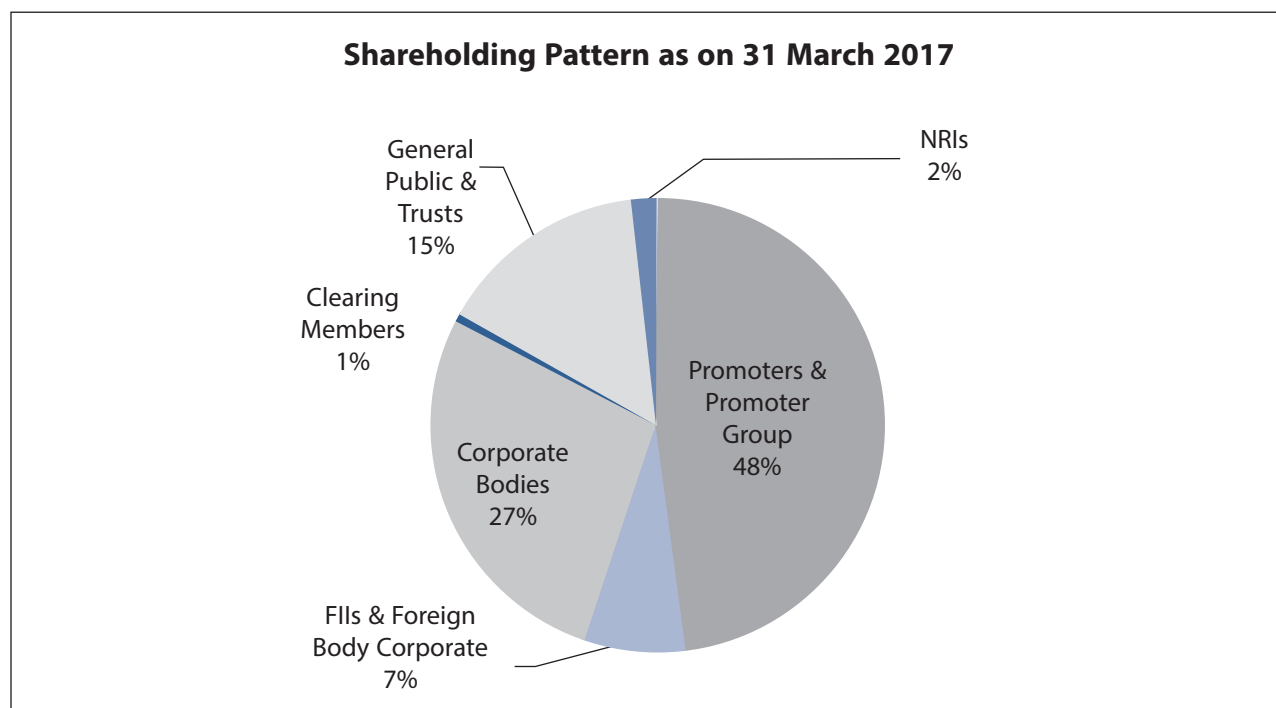
n. Distribution of shareholding as on 31 March 2017:
a) Distribution of Shareholding as on 31 March 2017

Group of Shares	Share Holders		No. of Shares	
	Number	% to total	Shares	% to total
1 - 500	5649	90.8638	491473	4.6852
501 - 1,000	261	4.1982	197347	1.8813
1,001 - 2,000	144	2.3162	208629	1.9888
2,001 - 3,000	51	0.8203	127868	1.2190
3,001 - 4,000	27	0.4343	95102	0.9066
4,001 - 5,000	13	0.2091	61209	0.5835
5,001 - 10,000	29	0.4665	192986	1.8397
10,001 – Above	43	0.6917	9115386	86.8960
Total	6217	100	10490000	100

b) Categories of Equity Shareholding as on 31 March, 2017

S. No.	CATEGORY	No of Shares held	% of Share holding
1	Promoters & Promoter Group	5058026	48.22
2	FII's & Foreign Body Corporate	752153	7.17
3	Corporate Bodies	2864296	27.31
4	Clearing Members	52922	0.50
5	General Public & Trusts	1576109	15.02
6	NRIs	186494	1.78
	Grand Total	1,04,90,000	100

Graphic presentation of the Shareholding pattern as on 31.03.2017



o. Dematerialisation of Shares and Liquidity:

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

p. Outstanding GDRs/ ADRs/ Warrants or Convertible Bonds:

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

q. Unclaimed Dividend

There is no case where any dividend has remained unclaimed for more than seven years.

The dividends for the succeeding years remaining unclaimed for 7 years will be transferred by the Company to the IEPF on the due dates as given hereunder:

Sr. No.	Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
1.	2010-2011	10.08.2011	09.08..2018
2.	2011-2012	10.09.2012	09.09.2019
3.	2012-2013	25.09.2013	24.09.2020

Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to seek issuance of duplicate warrant(s) by writing to the Company confirming non-encashment / non-receipt of dividend warrant(s).

r. Disclosures of Accounting Treatment

In the financial statements for the year ended 31 March 2017, the Company has followed the treatment as prescribed in the applicable Accounting Standards.

s. Modified opinion(s) in audit report

The opinion expressed by the Auditor in the audit report on the financial statements for the year ended 31 March 2017 is unmodified.

VIII. CODE OF CONDUCT

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

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

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

IX. PREVENTION OF INSIDER TRADING

As per SEBI (Prohibition of Insider Trading) Regulations, 2015 which became effective from 15 May 2015, the Company has inter alia devised and adopted Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company. Company Secretary is the Compliance Officer for the purpose of this code. During the year there has been due compliance of the code.

X. LISTING AGREEMENT

During the period covered under this report, the Company has duly complied with the provisions of the Securities and Exchange Board of India on 2nd September 2015 issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement(s) with the Stock Exchanges.

XI. RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every

quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form and in physical form.

XII. CEO/ CFO CERTIFICATION

In compliance with Regulation 17(8) of the Listing Regulations, a declaration by Chairman & Managing Director and 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.

XIII. AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

The certificate dated 29 August 2017 from Statutory Auditors of the Company (M/s Rajesh Suresh Jain & Associates) confirming compliance with the Corporate Governance requirements as stipulated under the Listing Regulations is annexed hereto.

The above report has been adopted by the Board of Directors of the Company at their meeting held on 29 August 2017.

For Technofab Engineering Limited

Place: Faridabad

Avinash C Gupta

Date: 29 August, 2017 Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Technofab Engineering Limited
New Delhi

To,
The Members of Technofab Engineering Limited

We have examined the compliance of conditions of Corporate Governance by Technofab Engineering Limited ("the Company"), for the year ended 31 March 2017, as stipulated in provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

For Rajesh Suresh Jain & Associates
Chartered Accountants

Place: New Delhi
Date: 29 August 2017

Rajesh Jain
Proprietor
Membership No. 98229

CMD AND CFO CERTIFICATION

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

Dear Members of the Board

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

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

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

**Sandeep Kumar Vij
Chief Financial Officer**

**Date: 29 August 2017
Place: New Delhi**

DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Avinash C Gupta, Chairman & Managing Director of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31 March 2017.

For Technofab Engineering Limited

Avinash C Gupta
Chairman & Managing Director

Place : New Delhi
Date : 29 August, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

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

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

by taking up multi disciplinary packages on a turnkey basis.

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

For the fifth successive year, the investment pipeline in the country remained severely impaired in virtually all these sectors with the exception of the Electrical and Water Sectors. Private Sector Customers for several of our old ongoing projects in the power sectors where the Company has completed virtually all the work continued to face severe problems across their business spectrum consequent to which the final completion is pending. This has adversely impacted the Company.

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

Likewise the water Sector continues to provide steady opportunities, both domestically and in the overseas markets. These opportunities encompass both Water Pumping/Distribution/Storage as well as Water and Waste Water Treatment.

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

REVENUE FROM DIFFERENT SECTORS

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

Segment	FY 2017	FY 2016	FY 2015	FY2014	FY2013
Conventional Power	5	4	8	9	30
Oil & Gas	7	3	3	6	13
Water & Waste Water Treatment	37	28	38	58	40
Industrial & Infrastructure Sectors	4	2	4	3	10
Electrical	47	63	47	24	7

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

Year	%age revenue from overseas
2016-2017	33
2015-2016	19
2014-2015	38
2013-2014	55
2012-2013	52

ORDER BOOK

During the year the Company received record fresh orders aggregating ₹ 942 Crores from the Electrical, Water and Industrial sectors and closed the year with an all time high order backlog of approximately ₹ 1750 Crores. The average order size continues to be large in accordance with the Company's strategy of focussing on fewer but larger sized orders. The order backlog of ₹ 1750 crores was from customers in the following sectors:

Sl. No.	Segment	% age contribution
1.	Conventional Power	3
2.	Water & Waste Water Treatment	29
3.	Electrical Distribution and Rural Electrification	58
4.	Industrial & Infrastructure Sectors	9
5.	Oil & Gas	1

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

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

BUSINESS ENVIRONMENT AND OUTLOOK

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

One year ago, we had seen a steady increase in bidding opportunities in the government sector. These usually take a fair amount of time to translate into orders. The fiscal year 2016-2017 saw this anticipation materialise and the Company secured record new orders, almost entirely from the Electrical and Water sectors .

Further near term opportunities continue to be visible and the Company expects the momentum created in FY 2017 to be maintained. Notwithstanding the intense competition, the Company is optimistic of steady inflow of fresh business and improvement in revenue and

EBIDTA margins going forward.

The Company continues to see the Water Sector as a major contributor to its business, both domestically and overseas. Domestically, neither demand nor funding is an issue. What is however of critical importance is for the government to put in position the necessary organizations and structures to execute these projects. The Companies interests would be for cash projects and not for BOOT Projects.

Internationally we remain focused on Sub Saharan Africa and South Asia, and while the Company gives highest importance to projects funded by multilateral funding agencies, it will continue to also pursue privately funded projects, albeit in a cautious manner.

In aggregate the Company feels that the worst is over and expects to have decent growth in revenue and margins in the coming years.

BUSINESS CONCERNS AND THREATS

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

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

COMPARISON OF PERFORMANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017 VIS-À-VIS FINANCIAL YEAR ENDED MARCH 31, 2016.

Turnover: The Company had estimated to achieve a turnover of more than ₹ 500 Cr. for the FY 2016-17. However the target could not be achieved and suffered decrease by 13.28% from ₹ 4650 million in fiscal 2016

to ₹ 4021 million in fiscal 2017. The dip in revenue was primarily because of the following reasons:

1. The Company had secured new projects for ₹ 600-₹ 700 Cr in the Q4 of this Financial Year. It was expected to receive these orders in Q1. Somehow the award of Contract was delayed and the physical activities could not take place for such projects during the Financial Year. In general it is client's responsibility to provide the working fronts during this financial year. The Client has significantly delayed in providing working fronts for the projects like 220 KV Sub Station at Bokaro, Project at RINL etc. As there was significant delay in providing fronts for these projects, the Company could not achieve Turnover which was supposed to be achieved during this period. Now since the fronts are made available and the Company are working with pace at these projects whatever shortfall in turnover is observed at these projects will be made good in next Financial Year.
2. As the members are aware that the Country has faced a very big exercise in the form of demonetization from mid of November, 2016 onwards. During this period there were a lot of restrictions for cash transactions. The Company get erection execution activities carried out through sub-contractors who in turn appointed workers/labours for carrying out work at project site. Despite of the fact that the Company has been releasing payments to the sub-contractors, they could not release wages/salaries to the workers through cash and ultimately it has resulted into slow down of execution /physical work at project site. This period of slow down continued for Q3 and mid of Q4 of this Financial Year.

The overall impact of this slow down has resulted into a down fall in turnover as compared to the estimated turnover.

Further, it is worth mentioning that during this period, PSU Manpower was also busy in attending to the process of exchange/re-monetization and day to day operations have also suffered which has also resulted in the slowdown of turnover due to overall slump in the economic activity.

During the Financial Year, projects in the Electrical Sector had the highest contribution to turnover, being ₹ 1780 million as against ₹ 2930 million in the previous year.

Other Income: Other income in fiscal 2017 was ₹ 12.3 million as against ₹ 20.6 million for the year ended March 31, 2016.

Expenses: Expenses on raw materials decreased by around 21.3% to ₹ 2.66 billion, whereas expenditure on Contracts decreased by around 7% from ₹ 385 million in fiscal 2016 to ₹ 358 million in fiscal 2017. Our Expenditure on employees increased by 11% from ₹ 393 million for the year ended March 31, 2016 to ₹ 428 million for the year ended March 31, 2017.

Finance Costs : Finance costs which amounted to 180 million in the year ended 31 March, 2016 increased by 11% to ₹ 204 million in the year ended 31 March, 2017. The increase was mainly due to the continuing need to take recourse to enhanced bank credit to take care of delays in payment from customers as well as high costs in providing bank guarantees to some of the overseas customers due to involvement of multiple banks.

EBIDTA : The EBIDTA at ₹ 394 million was 9.8% of turnover during the year as against ₹ 394 million (8.5% of revenue) during the previous fiscal year.

Profit before Taxation: The net profit of the Company before taxation decreased by 3.5 % to ₹ 140 million in fiscal 2017 from ₹ 159 million in fiscal 2016.

Net Profit after tax: The net profit of the Company after tax decreased by 21 % to ₹ 88 million in fiscal 2017 from ₹ 113 million in fiscal 2016.

Overall the operating parameters have continued to improve in all respects except for (1) steady increase in finance costs for reasons explained; and (2) lower turnover and lower profits due to the increase in finance costs.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company management recognises the necessity, and has had in place adequate systems of internal controls. These aim to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy and efficiency of operations, protecting assets from unauthorised use or losses, and ensuring reliability of financial and operational information. The Company has a reasonably robust Internal audit team which reports to the Audit Committee of the Board ,and a formal Risk Management Policy is in place.

MATERIAL DEVELOPMENTS IN HUMAN RELATIONS

There were no material developments on this front. The Company follows a philosophy whereby employee empowerment is a key area of focus. The Company strongly values the individuality of its employees, which

ultimately results in a management, operations and training philosophy distinct from that of our competitors.

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

As on March 31, 2017, there were around 405 employees on the roll of the Company.

CONTINGENT LIABILITY

The Contingent Liability may be primarily due to the performance and bank guarantees given by the Company to its Clients at the time of award of the project which continues to exist till the completion of the project as per the terms of the agreement with the Client. The track

record of the Company does not reflect any threat on the financial stability of the Company due to such contingent liabilities and the management does not foresee any substantial threat of such contingent liabilities becoming real liability. There has not been any major increase in the Contingent Liability during the year under review.

CAUTIONARY STATEMENT

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECHNOFAB ENGINEERING LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **TECHNOFAB ENGINEERING LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be

included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.21(a) to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts which were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 (Refer Note 2.35) and these are in accordance with the books of accounts maintained by the company.

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

Place : New Delhi
Dated : 20.05.2017

Rajesh Jain
Partner
Mem. No. 098229

Annexure – A to the Independent Auditors’ Report

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

- | | |
|--|---|
| <p>1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets.</p> <p>(b) As explained to us, the management during the financial year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.</p> <p>(c) The title deeds of immovable properties are held in the name of the company.</p> | <p>4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to loans and investment made. As per the information and explanation given to us, the Company has not given any guarantee or provides any security in connection with a loan to anybody corporate or person</p> <p>5. The Company has not accepted any deposits from the public.</p> <p>6. The nature of the company’s business activities is such maintenance of Cost Records under section 148(1) of the Act is not applicable to the Company.</p> |
| <p>2. (a) According to the information and explanations given to us the inventories have been physically verified by the management during the year at reasonable intervals.</p> <p>(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.</p> <p>(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.</p> | <p>7. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, VAT, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable have generally been regularly deposited by the company during the year with the appropriate authorities. According to the information given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date of becoming payable</p> <p>(b) The disputed statutory dues aggregating to 73,898,523/- that have not been deposited on account of matters pending before different Authorities as provided by the Company are stated below :-</p> |
| <p>3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms</p> | |

Name of the Statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Orissa	WCT Wrongly Assessed	1,355,000	2002-03	Before Sales Tax Tribunal–Orissa
Delhi	CST Wrongly Assessed by Audit	4,356,754	2010-11	Before Sales Tax Tribunal – New Delhi
Delhi	Penalty on CST Wrongly Assessed by Audit	3,571,082	2010-11	Before Sales Tax Tribunal – New Delhi
J & K GST Act. 1962	Ex-Parte Assessment without notice to the Company	16,494,216	2008-09	Dy. Commissioner (Appeals), Jammu (J & K)
J & K GST Act. 1962	Ex-Parte Assessment without notice to the Company	17,183,994	2009-10	Dy. Commissioner (Appeals), Jammu (J & K)
J & K GST Act. 1962	Ex-Parte Assessment without notice to the Company	20,419,124	2011-12	Dy. Commissioner (Appeals), Jammu (J & K)
Sales Tax Chhattisgarh	VAT Wrongly Assessed by Assistant Commissioner	7,376,500	2012-13	Dy. Commissioner (Appeals), Bilaspur (Chhattisgarh)
Sales Tax Chhattisgarh	Entry Tax Wrongly Assessed by Assistant Commissioner	2,569,893	2012-13	Dy. Commissioner (Appeals), Bilaspur (Chhattisgarh)
Income Tax Act, 1961	Expenditure Disallowed	571,960	2013-14	CIT Appeal New Delhi

8. According to the information and explanation given to us the company has not defaulted in repayment of loan or borrowing to a financial institution, bank, government or due to debenture holders.
9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable. In our opinion and according to the information and the explanations given to us,
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of

the record of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934 and the Company has not obtained the registration.

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

Rajesh Jain
Partner
Mem. No. 098229

Place : New Delhi
Dated : 20.05.2017

Annexure – B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Technofab Engineering Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Rajesh Jain
Partner
Mem. No. 098229

Place: New Delhi
Dated: 20.05.2017

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note no.	As at 31.03.2017		As at 31.03.2016	
EQUITY AND LIABILITIES		₹		₹	
(1) Shareholder's Funds:					
(a) Share Capital	2.1	104,900,000		104,900,000	
(b) Reserves and Surplus	2.2	2,278,170,201	2,383,070,201	2,189,152,549	2,294,052,549
(2) Non-Current Liabilities					
(a) Long Term Borrowings	2.3(a)	34,954,040		55,480,539	
(b) Deferred Tax Liabilities (Net)	2.12	26,308,538		28,124,918	
(c) Other Long Term Liabilities	2.4(a)	428,306,448		366,353,266	
(d) Long Term Provisions	2.5(a)	13,689,807	503,258,833	11,447,947	461,406,670
(3) Current Liabilities					
(a) Short Term Borrowings	2.3(b)	936,581,244		877,000,472	
(b) Trade Payables	2.4(b)	896,696,699		1,253,963,524	
(c) Other Current Liabilities	2.4(c)	365,082,866		196,053,174	
(d) Short Term Provisions	2.5(b)	57,304,334	2,255,665,143	51,531,369	2,378,548,539
Total		5,141,994,177		5,134,007,758	
ASSETS					
(1) Non-Current Assets					
(a) Fixed assets	2.6				
(i) Tangible assets		325,568,004		388,925,218	
(ii) Intangible assets		2,917,250		1,876,193	
(b) Non-Current Investments	2.7(a)	90,077,520		90,077,520	
(c) Long Term Loans and Advances	2.8(a)	35,189,025		38,594,081	
(d) Other Non Current Assets	2.11(a)	86,012,577	539,764,376	11,727,893	531,200,905
(2) Current Assets					
(a) Current Investments	2.7(b)	9,999,800		5,000,000	
(b) Inventories	2.9	372,777,838		442,549,504	
(c) Trade Receivables	2.10	3,165,162,119		3,040,196,474	
(d) Cash and Cash Equivalents	2.11(b)	480,060,429		511,368,389	
(e) Short-Term Loans and Advances	2.8(b)	574,229,615	4,602,229,801	603,692,486	4,602,806,853
Total		5,141,994,177		5,134,007,758	
SIGNIFICANT ACCOUNTING POLICIES		1			
NOTES ON ACCOUNTS		2			

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

For & on behalf of Board of Directors

Rajesh Jain
 Partner
 Mem. No. 098229

Avinash C Gupta
 Managing Director
 DIN - 00012077

Nakul Gupta
 Director
 DIN-00012106

Date : 20.05.2017
 Place : New Delhi

Sandeep Kumar Vij
 Chief Financial Officer
 Mem. No.076443

Suman Kumar Verma
 Company Secretary
 Mem. No.F7409

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note no.	2016-2017	2015-2016
		₹	₹
REVENUE :			
Revenue from Operations	2.13	4,021,715,961	4,631,084,419
Other Income	2.14	12,356,736	20,684,200
Total Revenue		4,034,072,697	4,651,768,619
EXPENSES :			
Cost of Materials Consumed	2.15	2,663,137,888	3,256,022,894
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.16	(65,361,951)	127,425,769
Expenditure on Contracts	2.17	358,556,213	385,246,394
Employee Benefit Expense	2.18	428,709,250	393,754,773
Finance Cost	2.19	204,219,660	180,021,364
Depreciation and Amortization Expense	2.6	49,270,179	50,198,033
Other Expenses	2.20	253,090,106	97,644,425
Total Expenses		3,891,621,345	4,490,313,652
Profit Before Tax		142,451,352	161,454,967
Tax Expense :			
– Current Tax		52,300,000	46,000,000
– Deferred Tax		(1,816,380)	4,028,291
– Tax Adjustment for Earlier Years		2,950,080	(4,026,410)
Profit after tax carried to Balance Sheet		89,017,652	115,453,086
Earning per share (₹)			
Basic	2.24	8.49	11.01
Diluted	2.24	8.49	11.01
Face Value of Share (₹)		10.00	10.00
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON ACCOUNTS	2		

As per our report attached.

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

For & on behalf of Board of Directors

Rajesh Jain
Partner
Mem. No.098229

Avinash C Gupta
Managing Director
DIN - 00012077

Nakul Gupta
Director
DIN-00012106

Date : 20.05.2017
Place : New Delhi

Sandeep Kumar Vij
Chief Financial Officer
Mem. No.076443

Suman Kumar Verma
Company Secretary
Mem. No.F7409

CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH, 2017

PARTICULARS		2016-2017	2015-2016
		₹	₹
(A) CASH FLOW OPERATING ACTIVITIES			
Net Profit Before Tax and Extraordinary Item		142,451,352	161,454,967
Adjustment for :			
Depreciation		49,270,179	50,198,033
Finance charges		204,219,660	180,021,364
Net Loss on Sale of Fixed Assets		3,632,946	(467,821)
Provision for Diminution in Value of Investments		72,887	513,879
Provision for Leave Encashment		1,752,862	1,226,827
Provision for Gratuity		3,102,274	(201,033)
Dividend Received		(2,798)	(2,478)
Profit on sale of Mutual funds		–	(20,208,744)
Operating Profit before Working Capital Changes		404,499,362	372,534,994
Adjustment for :			
Trade and other Receivables		(124,965,645)	(368,121,003)
Loans & Advances		32,867,927	6,710,515
Inventories		69,771,666	164,326,314
Trade and Other payables		(126,283,952)	(61,216,155)
Cash Generated from Operation		255,889,358	114,234,665
Direct Taxes Paid		(48,950,080)	(26,350,590)
Leave Encashment Paid		(952,906)	(1,255,192)
Gratuity Paid		(2,260,292)	(4,822,520)
Cash Flow Before Extraordinary Items		203,726,080	81,806,363
Net Cash Flow from Operating Activities	(A)	203,726,080	81,806,363
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(15,261,633)	(35,322,496)
Sale of Fixed Assets		24,674,667	3,583,757
Profit on sale of Mutual funds		–	20,208,744
Sale / (Purchase) of Investments		(4,999,800)	65,275,000
Dividend Received		2,798	2,478
Net Cash from (-used) in Investing Activities	(B)	4,416,032	53,747,483
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Finance charges		(204,219,660)	(180,021,364)
Proceeds / Repayment from / of Long term Borrowings (Net)		(20,526,499)	(13,380,594)
Proceeds / Repayment from / of Short term Borrowings (Net)		59,580,771	(99,228,286)
Net Cash Flow From Financing Activities	(C)	(165,165,388)	(292,630,244)
Net Increase in Cash & Cash Equivalents	(A+B+C)	42,976,724	(157,076,398)
Cash & Cash Equivalents (Opening Balance)		523,096,282	680,172,680
Cash & Cash Equivalents (Closing Balance)		566,073,006	523,096,282

For & on behalf of Board of Directors

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

Rajesh Jain
 Partner
 Mem. No.098229

 Date : 20.05.2017
 Place : New Delhi

Avinash C Gupta
 Managing Director
 DIN - 00012077

Sandeep Kumar Vij
 Chief Financial Officer
 Mem. No.076443

Nakul Gupta
 Director
 DIN-00012106

Suman Kumar Verma
 Company Secretary
 Mem. No.F7409

NOTE: 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2017

1.1 Basis of preparation of financial statements

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

1.2 Use of estimates

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

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3. Recognition of Income/Expenditure

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

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

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

1.4 Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.5 Tangible assets and capital work-in-progress

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

1.6 Intangible assets

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

1.7 Depreciation and amortization

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

1.8 Investments

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

1.9 Inventories

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

1.10 Employee Benefits

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

- i) Short Term Employee benefits are recognized as expense at the undiscounted amount in the Profit & Loss account of the year in which they are incurred.

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

1.11 Foreign exchange transactions

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

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

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

1.12 Taxes on Income

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

1.13 Impairment of Fixed Assets

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

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to

reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior years.

1.14 Contingencies

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

Certified in terms of our report attached.

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

Rajesh Jain
Partner
Mem. No. 098229

Place: New Delhi
Dated: 20.05.2017

For and on behalf of Board of Directors

Avinash C Gupta
Managing Director
DIN – 00012077

Nakul Gupta
Director
DIN-00012106

Sandeep Kumar Vij
Chief Financial Officer
Mem. No. 076443

Suman Kumar Verma
Company Secretary
Mem. No.F7409

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017
NOTE : 2 NOTES ON ACCOUNTS
2.1 Share Capital
Authorised Capital

 1,80,00,000 (Previous Year 1,80,00,000)
 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 31.03.2017	As At 31.03.2016
	₹	₹
	180,000,000	180,000,000
	104,900,000	104,900,000
	104,900,000	104,900,000

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

Particulars	As At 31.03.2017		As At 31.03.2016	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Shares at the beginning of the year	10490000	104,900,000	10490000	104,900,000
Shares at the end of the year	10490000	104,900,000	10490000	104,900,000

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

Name of the shares holders	As At 31.03.2017		As At 31.03.2016	
	No. of shares	% of holding	No. of shares	% of holding
Avinash Chander Gupta	3313096	31.58	3313096	31.58
Emerging India Focus Fund	752153	7.17	752153	7.17

2.2 Reserves and Surplus
(i) Securities Premium Reserve

701,942,133

701,942,133

(ii) General Reserve

Add : Transfer from Profit & Loss A/c

745,794,058

25,000,000

770,794,058

720,794,058

25,000,000

745,794,058

(iii) Surplus

 Add : Profit after tax for the year
 Less : Transfer to General Reserve

741,416,358

89,017,652

25,000,000

805,434,010

650,963,272

115,453,086

25,000,000

741,416,358

Total
2,278,170,201
2,189,152,549

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017
2.3 (a) Long-term borrowings (Secured)
Term Loans
(i) From Banks

Vehicle Loans*

Equipment Loans**

Total
**As At
31.03.2017**

₹

2,868,499

32,085,541

34,954,040
**As At
31.03.2016**

₹

6,341,889

49,138,650

55,480,539

Note:* Secured by hypothecation of the asset purchased under various financing scheme and repayment terms of term loans ₹ 19,781,761 payable within one years and ₹ 34,954,040 payable one to three @10 to 13% pa rate of interest.

****** ECB Loan of USD 866,215/- is secured against hypothecation of plant and machinery purchased for International Projects @ 3.823% pa rate of interest.

(b) Short-term borrowings (Secured)
(i) From Banks

Working Capital**

Total

936,581,244

936,581,244

877,000,472

877,000,472

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
Others Payables

(i) Vehicle Security

(ii) Advance from Customers

Total

406,864

427,899,584

428,306,448

357,364

365,995,902

366,353,266
(b) Current Liabilities

Trade Payables

Total

896,696,699

896,696,699

1,253,963,524

1,253,963,524
(c) Other Current Liabilities

(i) Other Payable

(ii) Advance from Customers

(iii) Unpaid Dividends

(vi) Current Maturity of Long Term Borrowings

(a) Vehicle Loans*

(b) Equipment Loans*

Total

269,730,898

75,511,691

58,516

3,736,336

16,045,425

365,082,866

365,082,866

111,203,347

64,587,512

58,516

3,645,819

16,557,980

196,053,174

196,053,174
2.5 Provisions
(a) Long Term Provisions

(i) Gratuity

(ii) Leave Encashment

(iii) Diminution in Value of Investments

Total

3,989,106

4,227,823

5,472,878

13,689,807

13,689,807

2,538,200

3,509,756

5,399,991

11,447,947

11,447,947
(b) Short Term Provisions

(i) Income Tax

(ii) Gratuity

(iii) Leave Encashment

Total

52,300,000

3,694,102

1,310,232

57,304,334

46,000,000

4,303,026

1,228,343

51,531,369



NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.6 Fixed Assets

Description	GROSS BLOCK				DEPRECIATION				Net Block	
	As on 01.04.2016	Addition During the Year Ended	Sales/ Adjustment during the Year Ended	Total as on 31.03.2017	Upto 01.04.2016	For the Year Ended	Sale/ Adjustment during the Year Ended	Total upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
(a) Tangible Assets										
Factory Land	24,853,112	-	24,687,580	165,532	-	-	-	-	165,532	24,853,112
Building	65,727,334	-	-	65,727,334	11,792,093	1,492,981	-	13,285,074	52,442,260	53,935,241
Barge	88,414,593	-	-	88,414,593	8,012,709	5,999,562	-	14,012,271	74,402,322	80,401,884
Purely Temp. Construction	96,986,810	289,377	615,504	96,660,683	77,057,715	11,514,338	584,729	87,987,324	8,673,359	19,929,095
Plant & Machinery	202,637,209	3,075,450	3,760,035	201,952,624	50,908,158	16,401,994	1,864,963	65,445,189	136,507,435	151,729,051
Furniture & Fixture	3,808,764	270,979	447,387	3,632,356	1,563,485	445,925	109,323	1,900,087	1,732,269	2,245,279
Office Equipment	4,280,493	687,945	-	4,968,438	2,296,829	953,879	-	3,250,708	1,717,730	1,983,664
Vehicles	75,834,203	7,653,250	2,297,503	81,189,950	25,898,354	9,301,710	949,726	34,250,338	46,939,612	49,935,849
Computers	13,957,732	1,298,191	35,236	15,220,687	10,045,689	2,214,406	26,893	12,233,202	2,987,485	3,912,043
Total	576,500,250	13,275,192	31,843,245	557,932,197	187,575,032	48,324,795	3,535,634	232,364,193	325,568,004	388,925,218
(ii) Intangible Assets										
Computers Software	2,746,913	1,986,441	-	4,733,354	870,720	945,384	-	1,816,104	2,917,250	1,876,193
Total (i) + (ii)	579,247,163	15,261,633	31,843,245	562,665,551	188,445,752	49,270,179	3,535,634	234,180,297	328,485,254	390,801,411
Previous Year	549,732,432	35,322,496	5,807,765	579,247,163	140,968,656	50,198,033	2,720,936	188,445,752	390,801,411	408,763,776

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.7 Investments

Particulars	Face Value	Qty. in nos.	As at	Qty. in nos.	As at
			31.03.2017		31.03.2016
			₹		₹
(a) Non-current Investment-Non Trade					
(Long Term Investments at cost)					
(I) Equity Shares, Fully Paid up (quoted)					
Ahluwalia Contracts Ltd.	2	100	11,820	100	11,820
C & C Construction Ltd.	10	100	15,002	100	15,002
Hind Dorr-Oliver Ltd.	2	74037	6,069,017	74037	6,069,017
Hindustan Construction Ltd.	1	100	3,434	100	3,434
IVRCL Infrastructure Ltd.	2	100	6,718	100	6,718
Larsen & Toubro Ltd.	2	150	152,745	150	152,745
Nagarjuna Construction Ltd.	2	100	9,900	100	9,900
Patel Engineering Ltd.	1	100	15,658	100	15,658
Shriram EPC Ltd.	10	200	29,751	200	29,751
Unitech Ltd.	2	2000	70,715	2000	70,715
Total (I)			6,384,760		6,384,760
(II) Unquoted Equity shares, Fully Paid up					
Hydro Air Tectonics (PCD) Ltd.	10	390000	15,639,000	390000	15,639,000
Total (II)			15,639,000		15,639,000
(III) In wholly owned subsidiary company					
Unquoted, fully paid up equity shares (Trade)					
Rivu Infrastructural Developers Pvt. Ltd.	10	100000	501,250	100000	501,250
Woodlands Instruments Pvt. Ltd.	10	473000	7,516,670	473000	7,516,670
Arihant Flour Mills Pvt. Ltd.	100	58228	60,035,840	58228	60,035,840
Total (III)			68,053,760		68,053,760
TOTAL (Non-current Investments)			90,077,520		90,077,520
(b) Current Investments (other than trade)					
Unquoted, Fully Paid up units of mutual fund					
BOI Axa Equity Debt Rebalancer Fund		499990	4,999,900	499990	5,000,000
BOI Axa Regular Return Fund		271555	4,999,900		-
TOTAL (Current Investments)			9,999,800		5,000,000
GRAND TOTAL (a+b)			100,077,320		95,077,520

- 1 Cost of Quoted Investment ₹ 6,384,760 (Previous Year ₹ 6,384,760). Market Value ₹ 1,015,448 (Previous Year ₹ 1,033,029) as on 31.03.2017
- 2 Cost of Unquoted Investment other than Mutual fund units ₹ 1,56,39,000 (Previous Year ₹ 1,56,39,000) as on 31.03.2017
- 3 Cost of Unquoted Investment in Mutual Fund ₹ 9,999,800 (Previous Year ₹ 5,000,000). Net Market Value ₹ 12,177,473 (Previous Year ₹ 6,275,124) as on 31.03.2017

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As At 31.03.2017	As At 31.03.2016
2.8 (a) Long term Loans and Advances	₹	₹
(Unsecured, Considered good)		
Deposits	16,217,202	5,845,523
Prepaid Expenses	1,198,106	213,034
Advance to Subsidiaries	17,773,717	32,535,524
Total	35,189,025	38,594,081
(b) Short term Loans and Advances		
(Unsecured, Considered good)		
Recoverable from Revenue Authorities	291,359,152	238,896,907
Deposits	14,312,879	12,704,485
Prepaid Expenses	57,872,266	38,016,510
Advance for supply of raw materials & Others	187,972,844	297,754,949
Advance to Subsidiaries	11,519,186	1,041,323
Advance to employee	11,193,288	15,278,312
Total	574,229,615	603,692,486
2.9 Inventories :		
(As taken, valued and certified by the Management)		
Raw Material	89,472,067	90,372,372
Work in Progress	217,149,087	150,886,831
Stores & Spares	66,156,684	201,290,301
Total	372,777,838	442,549,504
2.10 Trade Receivables #		
Unsecured, Considered Good		
Outstanding exceeding six months	1,667,669,237	1,219,693,086
Others	1,497,492,882	1,820,503,388
Total	3,165,162,119	3,040,196,474
Note : # Trade receivables including Retention Money		
2.11 (a) Other Non Current Assets		
Balance with Banks		
– Fixed deposits having remaining maturity of more than 12 months (including interest accrued)	86,012,577	11,727,893
Total	86,012,577	11,727,893
2.11(b) Cash and Cash Equivalents		
Balance with Banks		
– in Current Account with Scheduled Banks	45,312,409	13,602,445
– Fixed deposits having remaining maturity of 3 months or less (including interest accrued)	68,507,658	217,351,425
– in Current Account with Foreign Banks	23,472,699	7,503,812
Cash on Hand	3,548,360	18,817,384
Other Bank Balances		
– Fixed deposits having remaining maturity of more than 3 months but not more than 12 months (including interest accrued)	339,219,303	254,093,323
Total	480,060,429	511,368,389

- Note:** (a) The Current Accounts balance with Scheduled Banks includes amount of ₹ 58,516 (Previous Year ₹ 58,516) earmarked for payment of unpaid dividend.
- (b) Fixed Deposited/cash margin with banks amount to ₹ 311,679,902 (Previous year ₹ 300,148,705) are under lien with banks as per banking arrangements.

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017
2.12 Deferred tax Liability comprised of the following: -
Liability

Fixed Assets

Assets

Expenses allowable under Income Tax Act on payment basis

Net Deferred Tax Liability

As At 31.03.2017	As At 31.03.2016
₹	₹
30,884,153	32,153,848
4,575,615	4,028,930
26,308,538	28,124,918

Note : Deferred Tax Liability for the year ended March 31, 2017 has been provided on the estimated tax computation for the year.

2.13 Revenue from Operations

(i) Sales

(ii) Other Operating Income

Total
2.14 Other Income

(i) Miscellaneous Income (Interest from Others, Claim received etc.)

(Tax Deducted at Source Current Year ₹ 174,933 Previous Year ₹ NIL)

(ii) Dividend Income

(a) From long term Investments

(iii) Profit on sale of Investments (net)

(a) From long term Investments

(iv) Profit on sale of fixed assets (Net)

Total
2.15 Cost of Materials Consumed
2.16 (Increase) / Decrease in Raw Material & Work in progress
(a) Opening Stock

Raw Material

Work-in-Progress

Total a
(b) Closing Stock

Raw Material

Work-in-Progress

Total b
Total (a-b)

31.03.2017	31.03.2016
₹	₹
4,019,774,661	4,626,356,653
1,941,300	4,727,766
4,021,715,961	4,631,084,419
12,353,938	5,157
2,798	2,478
-	20,208,744
-	467,821
12,356,736	20,684,200
2,663,137,888	3,256,022,894
90,372,372	53,431,256
150,886,831	315,253,716
241,259,203	368,684,972
89,472,067	90,372,372
217,149,087	150,886,831
306,621,154	241,259,203
(65,361,951)	127,425,769

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017
2.17 Expenditure on Contracts

	31.03.2017	31.03.2016
	₹	₹
(i) Power & Fuel	28,139,753	32,961,858
(ii) Inspection & Testing	4,986,090	5,434,230
(iii) Repairs & Maintenance	34,085,761	35,606,538
(iv) Freight, Forwarding & Clearing	45,680,700	85,193,578
(v) Rent, Rates & Taxes	79,946,838	88,564,722
(vi) Insurance	18,867,052	22,709,272
(vii) Other Site Expenses	146,850,019	114,776,196
Total	358,556,213	385,246,394

2.18 Employee Benefit Expense

(i) Salaries, Wages, Bonus, Allowances etc.	378,554,867	351,365,968
(ii) Contributions to Provident Fund, ESI & Others	31,240,178	26,577,463
(iii) Staff Welfare	18,914,205	15,811,342
Total	428,709,250	393,754,773

2.19 Finance Cost

(i) Bank Charges	105,271,680	101,065,312
(ii) Interest Cost	133,906,561	119,557,862
	239,178,241	220,623,174
Less:-		
(iii) Interest Income on FDR's	34,958,581	40,601,810
(Tax Deducted at Source Current Year ₹ 3,589,794 Previous Year ₹ 4,064,234)		
Total	204,219,660	180,021,364

2.20 Other Expenses

(i) Power & Fuel	4,925,748	4,110,081
(ii) Repairs to Building	87,859	8,751
(iii) Repairs to Machinery	36,832	36,400
(iv) Repairs to Others	15,064,473	4,068,033
(v) Insurance	2,329,534	1,224,387
(vi) Rates & Taxes	2,616,231	5,947,883
(vii) Exchange Rate Variation (Net)	33,844,687	6,041,273
(viii) Auditors Remuneration	270,399	120,992
(ix) Miscellaneous Expenditure	4,992,150	5,594,715
(x) Director's Sitting Fees	1,310,100	1,311,672
(xi) Legal & Professional	37,189,063	27,434,340
(xii) Rent & Hire Charges	2,431,322	967,188
(xiii) Communication Charges	4,086,620	4,487,474
(xiv) Printing & Stationary	4,899,297	4,176,484
(xv) Travelling & Conveyance	18,728,395	31,331,472
(xvi) Vehicle Running & Maintenance Charges	376,551	269,401
(xvii) Bad Debts written/off	116,195,012	-
(xviii) Loss on Sale of Assets (Net)*	3,632,946	-
(xix) Diminution in Value of Investments	72,887	513,879
Total	253,090,106	97,644,425

* Loss on Sale of Assets Loss is ₹ 3,632,946/- (Previous Year Profit of ₹ 467,821/- is shown in Other Income)

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31.03.2017

2.21 Contingent Liability

- a. Claims against the Company not acknowledged as debt (net) amount to ₹ 13,906,783 (Previous year ₹ 8,194,303).
- b. In respect of demand against Sales Tax & Income Tax amounting to ₹ 73,898,523 (Previous year ₹ 9,282,836) raised by the authorities, appeals are pending before the authorities.
- c. Capital commitment (Net of advances) NIL (Previous year ₹ 22,992,185).

2.22 Fixed Deposits/cash margin with banks amount to ₹ 311,679,902 (Previous year ₹ 300,148,705) are under lien with banks as per banking arrangements.

2.23 Auditor's Remuneration consist of Audit Fees of ₹ 54,625 including Tax Audit fees of ₹15,000 + service tax (Previous Year ₹ 54,388 including Tax Audit fees of ₹15,000 + service tax) and ₹ 215,774 (Previous Year ₹ 66,604) for other services.

2.24 Earning per share :-

Particulars	As on 31.03.2017	As on 31.03.2016
	₹	₹
Profit for the year after Tax	89,017,652	115,453,086
Weighted average no. of equity Shares of ₹ 10/- each for Basic EPS	10,490,000	10,490,000
Basic Earning per Share	8.49	11.01
Weighted average no. of equity Shares of ₹ 10/- each for Diluted EPS	10,490,000	10,490,000
Diluted Earning per Share	8.49	11.01

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

Whole time director

- (a) Avinash C. Gupta (Managing Director)
- (b) Arjun Gupta (Whole Time Director)
- (c) Nakul Gupta (Whole Time Director)

Non whole-time-directors

- (a) Arun Mittar (Independent Director Non Executive)
- (b) Pawan Chopra (Independent Director Non Executive)
- (c) Anju Banerjee (Independent Director Non Executive)

- (B) Executive Officers
- Sandeep Kumar Vij (Chief Financial Officer)
 - Suman Kumar Verma (Company Secretary)
- (C) Enterprises under Common Control / enterprises where persons described in "A" above is able to exercise significant influence.
- Techfab International Pvt. Ltd.
 - Techfab Systems Pvt. Ltd.
 - Bakool Venture Pvt. Ltd.
 - JoyLuck Venture India Pvt. Ltd.
 - Chasha Lands Pvt. Ltd.
 - Wrap Art & Design Private Limited
- (D) Relatives of Key managerial Person
- Meera Gupta
 - Gunjan Gupta
 - Sucheta Sarvadaman Nakul
- (E) Wholly owned Subsidiary Company
- Rivu Infrastructural Developers Pvt. Ltd.
 - Woodlands Instruments Pvt. Ltd.
 - Arihant Flour Mills Pvt. Ltd.

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

Amount in ₹

Sr. No.	Particulars	(A)	(B)	(C)	(D)	(E)
1	Loan / Security / Advance given / Repayment	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	5,858,342* (9,21,323)
2	Remuneration Paid	3,58,00,000 (3,38,00,000)	59,91,482 (53,23,594)	NIL (NIL)	NIL (NIL)	NIL (NIL)
3	Sitting Fees Paid	13,10,100 (13,11,672)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4	Rent Paid	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	13,50,000** (NIL)
5	Maintenance Charges Paid	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	16,50,000** (NIL)
6	Interest Received	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	17,49,330
7	Outstanding Balance as on 31.03.2017					
	– Receivable in respect of advance to subsidiaries & other related parties	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	2,929,293 (33,576,847)
	– Payable in respect of remuneration & commission	18,102,966 (12,296,252)	322,931 (293,120)	NIL (NIL)	NIL (NIL)	NIL (NIL)

Figures within brackets are in respect of previous year.

* Figures given are net of Advance Given & Repayment of Advance

** Figures of Rent & Maintenance Charges are excluding Service Tax, Swachh Bharat Cess & Krishi Kalyan Cess but same is taken as expense.

2.27 Expenditure and earning in foreign currency:-

Particulars	As on 31.03.2017	As on 31.03.2016
	₹	₹
Travelling Expenses	10,706,744	9,989,845
Tender Expenses	475,847	3,571,977
Expenditure on Contract	345,359,618	452,062,868
Material	125,096,924	172,058,843
Service Charges	24,562,059	12,583,047
Purchase of Fixed Assets	2,741,203	3,659,725
FOB Value of Net Exports	949,497,361	1,142,818,844

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 31.03.2017		As on 31.03.2016	
	Outstanding Balance	Maximum balance during the year	Outstanding Balance	Maximum balance during the year
	₹	₹	₹	₹
Prudential Bank Ltd. (GHC) - Ghana	208,757	6,769,835	1,040,242	3,873,551
Bank of Abyssinia - Ethiopia	1,064,988	1,154,986	1,091,308	1,151,443
Standard Bank S.A. (MZN) – Mozambique	6,346,623	6,346,623	851	1,115
Standard Bank S.A. (USD) – Mozambique	296	302	217	285
International Bank (USD)-Liberia	574,990	4,060,207	1,728,445	6,494,839
Equity Bank Isiolo -Kenya	400	400	400	15,764
CRDB BANK (TZS) (Bukoba) – Tanzania	3,896	4,697,282	433,657	10,365,582
CRDB BANK (TZS) (Sumbawanga) – Tanzania	2,385,775	6,219,556	1,860,523	6,514,833
CRDB BANK (USD) (Bukoba) – Tanzania	-	3,348,137	18,239	1,946,343
CRDB BANK (USD) (Sumbawanga) – Tanzania	650,037	1,419,286	364,189	1,393,264
ECO BANK (USD) (HARARE) – ZIMBABWE	861,130	4,235,624	965,741	9,371,120
Stanbic Bank (UGX) - Uganda	3,087,949	4,930,038	-	-
Bank of Bhutan (BTN) - Bhutan	8,287,856	12,559,110	-	-

2.31 Disclosure pursuant to Accounting Standard – 15:-

(a) Defined Contribution Plan :

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

Particulars	Amount in ₹	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	6,369,405 (6,069,077)	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)	13,967,297	14,998,783	4,800,389	4,779,525
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	928,825	1,117,409	319,226	356,075
Past service cost	NIL	NIL	NIL	NIL
Current service cost (D)	2,170,780	1,861,142	1,529,103	1,328,633
Benefits paid (E)	(2,234,188)	(1,307,915)	(952,906)	(1,205,963)
Actuarial (gain) / loss on obligation (F)	675,044	(2,702,122)	(157,757)	(457,881)
Present value of obligations as at the end of year (A+B+C+D-E+F)	15,507,758	13,967,297	5,538,055	4,800,389

(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)	15,507,758	13,967,297	5,538,055	4,800,389
Estimated fair value of plan assets (B)	7,824,549	7,126,071	NIL	NIL
Net Liability (A) - (B)	7,683,209	6,841,226	5,538,055	4,800,389
Amounts in the Balance Sheet				
Liabilities	7,683,209	6,841,226	5,538,055	4,800,389
Amount charged to Profit & Loss Account				
Current Service Cost	2,170,780	1,861,142	1,529,103	1,328,633
Past service cost	NIL	NIL	NIL	NIL
Interest Cost	928,825	1,117,409	319,226	356,075
Expected return on plan assets	(623,531)	(477,462)	NIL	NIL
Actuarial (Gain)/Loss	626,200	(2,702,122)	(157,757)	(457,881)
	3,102,274	(201,033)	1,690,572	1,226,827
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	31.03.2017	31.03.2016
A	Fair value of plan assets at the beginning of the period	7,126,071	5,456,524
B	Acquisition adjustment	NIL	NIL
C	Expected return on plan assets	623,531	477,462
D	Contributions	2,260,291	2,500,000
E	Benefits paid	(2,234,188)	(1,307,915)
F	Actuarial gain/(loss) on plan assets	48,844	NIL
G	Fair value of plan assets at the end of the period	7,824,549	7,126,071

2.32 Trade Payables :-

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

2.33 Un-hedged position of Foreign Exchange:-

Particulars	As At 31.03.2017		As At 31.03.2016	
	Amount (in Foreign Currency)	Amount (₹)	Amount (in Foreign Currency)	Amount (₹)
- In Respect of receivables				
USD	6,926,884	449,068,868	6,424,120	425,145,348
EURO	2,618,403	181,219,656	2,266,556	170,830,302
ETB -(Ethiopian Birr)	1,989,746	5,650,880	1,926,592	5,933,904
GHS -(Ghanian Cedi)	477,395	7,113,191	240,926	4,163,208
KSH -(Kenya Shilling)	67,290,696	49,462,949	3,102,228	2,018,703
UGX -(Ugandan Shilling)	16,309,851	293,577	-	-
MZN -(Mozambican Metical)	6,996,800	9,025,872	14,176,800	18,288,072
TZS -(Tanzanian Shilling)	3,006,502,127	122,102,116	21,402,031	647,957
TOTAL		823,937,109		627,027,494
- In Respect of Payables				
USD	5,406,305	350,460,527	2,373,020	156,819,544
EURO	-	-	2,506,210	188,893,080
GHS -(Ghanian Cedi)	526,323	7,842,219	1,324,873	4,080,609
ETB -(Ethiopian Birr)	1,419,616	4,031,710	704,699	12,177,195
KSH -(Kenya Shilling)	16,563,854	10,418,664	21,854,516	14,249,144
FJD -(Fiji Dollar)	-	-	2,131	67,936
GBP - (British Pound)	-	-	76,927	7,320,373
MZN -(Mozambican Metical)	704,340	908,599	704,340	908,599
TZS -(Tanzanian Shilling)	386,549,848	11,227,123	1,214,142,415	36,758,777
UGX -(Ugandan Shilling)	481,050,733	8,658,913	-	-
BTN -Bhutanese Ngultrum	7,690,909	7,690,909	-	-
TOTAL		401,238,664		421,275,257

2.34 Disclosure as per AS-7:-

S.No.	Particulars	As on 31.03.2017	As on 31.03.2016
		₹	₹
1	Contract Revenue	4,021,715,961	4,631,084,419
2	Cost incurred on Contract	2,956,332,150	3,768,695,057
3	Advance received	503,411,275	430,583,414
4	Amount due from Customers includes Retention Money	3,165,162,119	3,040,196,474
5	Contract Profit / (Losses) recognized	1,065,383,811	862,389,362

2.35 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is given below:-

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	20,000	102,670	122,670
(+) Permitted receipts	-	1,359,480	1,359,480
(-) Permitted payments	-	1,187,159	1,187,159
(-) Amount deposited in Banks	20,000	-	20,000
Closing cash in hand as on 30.12.2016	-	274,991	274,991

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 Board of Directors

Rajesh Jain
Partner
Mem. No. 098229

Avinash C Gupta
Managing Director
DIN – 00012077

Nakul Gupta
Director
DIN-00012106

Place: New Delhi
Dated: 20.05.2017

Sandeep Kumar Vij
Chief Financial Officer
Mem. No. 076443

Suman Kumar Verma
Company Secretary
Mem.No.F7409

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Technofab Engineering Limited

We have audited the accompanying consolidated financial statements of Technofab Engineering Limited ('the Company') and three subsidiaries, which comprise the consolidated balance sheet as at 31st March 2017, the consolidated statement of profit and loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

The financial statements of one of the subsidiary namely M/s Rivu Infrastructural Developers Pvt. Ltd. whose total assets and total revenue are ' 7,784,885

and ' NIL respectively have not been Audited by us and these financial statements have been audited by other auditors and in our opinion, so far as it relates to amount included in respect of this subsidiary is based solely on their reports.

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

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

Opinion

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

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31st March 2017;



- (ii) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.
- (iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November,

2016 to 30th December, 2016 (Refer Note 2.32) and these are in accordance with the books of accounts maintained by the company.

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

Dated : 20.05.2017
Place: New Delhi

Rajesh Jain
Partner
Mem.No. 098229

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note no.	As at 31.03.2017		As at 31.03.2016	
EQUITY AND LIABILITIES		₹		₹	
(1) Shareholder's Funds:					
(a) Share Capital	2.1	104,900,000		104,900,000	
(b) Reserves and Surplus	2.2	2,297,312,102	2,402,212,102	2,210,592,295	2,315,492,295
(2) Non-Current Liabilities					
(a) Long Term Borrowings	2.3(a)	34,954,040		55,480,539	
(b) Deferred Tax Liabilities (Net)	2.12	26,340,196		28,150,187	
(c) Other Long Term Liabilities	2.4(a)	428,306,448		366,353,266	
(d) Long Term Provisions	2.5(a)	13,689,807	503,290,491	11,447,947	461,431,939
(3) Current Liabilities					
(a) Short Term Borrowings	2.3(b)	936,581,244		877,000,472	
(b) Trade Payables	2.4(b)	896,698,376		1,253,963,524	
(c) Other Current Liabilities	2.4(c)	365,638,134		196,366,086	
(d) Short Term Provisions	2.5(b)	57,304,334	2,256,222,088	51,531,369	2,378,861,451
Total			5,161,724,681		5,155,785,685
ASSETS					
(1) Non-Current Assets					
(a) Fixed assets	2.6				
(i) Tangible assets		377,915,031		442,312,179	
(ii) Intangible assets		2,917,250		1,876,193	
(iii) Goodwill		56,500,960		56,500,960	
(b) Non-Current Investments	2.7(a)	22,023,760		22,023,760	
(c) Long Term Loans and Advances	2.8(a)	17,415,308		6,058,557	
(d) Other Non Current Assets	2.11(a)	86,012,577	562,784,886	11,727,893	540,499,542
(2) Current Assets					
(a) Current Investments	2.7(b)	9,999,800		5,000,000	
(b) Inventories	2.9	372,777,838		442,549,504	
(c) Trade Receivables	2.10	3,165,162,119		3,045,116,932	
(d) Cash and Cash Equivalents	2.11(b)	480,403,347		512,249,530	
(e) Short-Term Loans and Advances	2.8(b)	570,596,691	4,598,939,795	610,370,177	4,615,286,143
Total			5,161,724,681		5,155,785,685

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES ON ACCOUNTS

2

For & on behalf of Board of Directors

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

Avinash C Gupta
Managing Director
DIN - 00012077

Nakul Gupta
Director
DIN - 00012106

Rajesh Jain
Partner
Mem. No.098229

Sandeep Kumar Vij
Chief Financial Officer
Mem. No. 076443

Suman Kumar Verma
Company Secretary
Mem. No. F7409

Date : 20.05.2017
Place: New Delhi

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note no.	2016-2017	2015-2016
		₹	₹
REVENUE :			
Revenue from Operations	2.13	4,021,715,961	4,631,084,419
Other Income	2.14	10,607,406	20,678,638
Total Revenue		4,032,323,367	4,651,763,057
EXPENSES :			
Cost of Materials Consumed	2.15	2,663,137,888	3,255,951,894
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.16	(65,361,951)	127,425,769
Expenditure on Contracts	2.17	358,556,213	385,246,394
Employee Benefit Expense	2.18	430,696,883	393,754,773
Finance Cost	2.19	204,222,972	180,025,902
Depreciation and Amortization Expense	2.6	50,310,114	51,364,185
Other Expenses	2.20	250,601,353	98,587,882
Total Expenses		3,892,163,472	4,492,356,800
Profit Before Tax		140,159,895	159,406,257
Tax Expense:			
– Current Tax		52,300,000	46,000,000
– Deferred Tax		(1,809,992)	4,038,808
– Tax Adjustment for Earlier Years		2,950,080	(4,067,476)
Profit after tax carried to Balance Sheet		86,719,807	113,434,925
Earning per share (₹)			
Basic	2.25	8.27	10.81
Diluted	2.25	8.27	10.81
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON ACCOUNTS	2		

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

For & on behalf of Board of Directors

Avinash C Gupta
 Managing Director
 DIN - 00012077

Nakul Gupta
 Director
 DIN - 00012106

Rajesh Jain
 Partner
 Mem. No.098229

Date : 20.05.2017
 Place : New Delhi

Sandeep Kumar Vij
 Chief Financial Officer
 Mem. No.076443

Suman Kumar Verma
 Company Secretary
 Mem. No.F7409

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

	2016-2017	2015-2016
	₹	₹
(A) CASH FLOW OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Item	140,159,895	159,406,257
Adjustment for :		
Depreciation	50,310,114	51,364,185
Finance charges	204,222,972	180,025,902
Net Loss on Sale of Fixed Assets	3,632,946	(462,259)
Provision for Diminution in Value of Investments	72,887	513,879
Provision for Leave Encashment	1,752,862	1,226,827
Provision for Gratuity	3,102,274	(201,033)
Dividend Received	(2,798)	(2,478)
Profit on sale of Mutual funds	-	(20,208,744)
Operating Profit before Working Capital Changes	403,251,152	371,662,536
Adjustment for :		
Trade and other Receivables	(120,045,187)	(368,121,003)
Loans & Advances	28,416,737	7,663,897
Inventories 69,771,666	164,326,314	
Trade and Other payables	(126,039,919)	(61,390,418)
Cash Generated from Operation	255,354,449	114,141,325
Direct Taxes Paid	(48,950,080)	(26,309,524)
Leave Encashment Paid	(952,906)	(1,255,192)
Gratuity Paid	(2,260,292)	(4,822,520)
Cash Flow Before Extraordinary Items	203,191,171	81,754,090
Net Cash Flow from Operating Activities (A)	203,191,171	81,754,090
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15,261,633)	(35,322,496)
Sale of Fixed Assets	24,674,664	3,589,077
Profit on sale of Mutual funds	-	20,208,744
Sale / (Purchase) of Investments	(4,999,800)	65,275,000
Dividend Received	2,798	2,478
Net Cash from (-used) in Investing Activities (B)	4,416,029	53,752,803
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance charges	(204,222,972)	(180,025,902)
Proceeds / Repayment from / of Long term Borrowings (Net)	(20,526,499)	(13,380,594)
Proceeds / Repayment from / of Short term Borrowings (Net)	59,580,771	(99,228,286)
Net Cash Flow From Financing Activities (C)	(165,168,700)	(292,634,782)
Net Increase in Cash & Cash Equivalents (A+B+C)	42,438,500	(157,127,889)
Cash & Cash Equivalents (Opening Balance)	523,977,424	681,105,313
Cash & Cash Equivalents (Closing Balance)	566,415,924	523,977,424

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

For & on behalf of Board of Directors

Rajesh Jain
 Partner
 Mem. No.098229

Avinash C Gupta
 Managing Director
 DIN - 00012077

Nakul Gupta
 Director
 DIN - 00012106

Date : 20.05.2017
 Place: New Delhi

Sandeep Kumar Vij
 Chief Financial Officer
 Mem. No.076443

Suman Kumar Verma
 Company Secretary
 Mem. No.F7409

Note : 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2017

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

Rajesh Jain
Partner
Mem. No.098229

Place: New Delhi
Dated: 20.05.2017

For and on behalf of Board of Directors

Avinash C Gupta
Managing Director
DIN-00012077

Sandeep Kumar Vij
Chief Financial Officer
Mem. No.076443

Nakul Gupta
Director
DIN-00012106

Suman Kumar Verma
Company Secretary
Mem. No.F7409

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31.03.2017**

NOTE : 2 NOTES ON ACCOUNTS

2.1 Share Capital

Authorised Capital

18,000,000 (Previous Year 15,000,000)
Equity shares of ₹ 10/- each

Issued, Subscribed & Paid up Capital

10,490,000 (Previous Year 10,490,000)
Equity shares of ₹ 10/- each fully paid up

Total

As At 31.03.2017	As At 31.03.2016
₹	₹
180,000,000	150,000,000
104,900,000	104,900,000
104,900,000	104,900,000

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

Particulars	As At 31.03.2017		As At 31.03.2016	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Shares at the beginning of the year	10,490,000	104,900,000	10,490,000	104,900,000
Shares at the end of the year	10,490,000	104,900,000	10,490,000	104,900,000

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

Name of the shares holders	As At 31.03.2017		As At 31.03.2016	
	No. of shares	% of holding	No. of shares	% of holding
Avinash Chander Gupta	3313096	31.58	3313096	31.58
Emerging India Focus Fund	752153	7.17	752153	7.17

2.2 Reserves and Surplus

(i) Securities Premium Reserve

736,221,323

736,221,323

(ii) General Reserve

745,794,058

720,794,058

Add : Fixed Asset & Deferred Tax
Liability Adjustment

Add : Transfer from Profit & Loss A/c

25,000,000 770,794,058

25,000,000 745,794,058

(iii) Surplus

728,576,914

640,141,989

Add : Profit after tax for the year
Add : Income related to earlier year
not accounted

86,719,807

113,434,925

Less : Transfer to General Reserve

25,000,000 790,296,721

25,000,000 728,576,914

Total

2,297,312,102

2,210,592,295

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31.03.2017**

		As At 31.03.2017	As At 31.03.2016
2.3	(a) Long-term borrowings (Secured)		
	Term Loans	₹	₹
	(i) From Banks		
	Vehicle Loans*	2,868,499	6,341,889
	Equipment Loans**	32,085,541	49,138,650
	(ii) From Other Parties		
	Equipment Loans*	-	-
	Total	34,954,040	55,480,539

Note :* Secured by hypothecation of the asset purchased under various financing scheme and repayment terms of term loans ₹ 19,781,761 payable within one years and ₹ 34,954,040 payable one to three @10 to 13% pa rate of interest.

****** ECB Loan of USD 866,215/- is secured against hypothecation of plant and machinery purchased for International Projects @ 3.823% pa rate of interest.

(b) Short-term borrowings (Secured)			
(i) From Banks			
Working Capital**	936,581,244		877,000,472
Total	936,581,244		877,000,472

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				
		Others Payables				
	(i)	Vehicle Security		406,864	357,364	
	(ii)	Advance from Customers		427,899,584	365,995,902	
		Total		428,306,448	366,353,266	
	(b)	Current Liabilities				
		Trade Payables		896,698,376	1,253,963,524	
		Total		896,698,376	1,253,963,524	
	(c)	Other Current Liabilities				
	(i)	Other Creditors Payable	270,286,166		111,516,259	
	(ii)	Advance from Customers	75,511,691		64,587,512	
	(iii)	Unpaid Dividends	58,516		58,516	
	(vi)	Current Maturity of Long Term Borrowings				
	(a)	Vehicle Loans*	3,736,336		3,645,819	
	(b)	Equipment Loans*	16,045,425	365,638,134	16,557,980	
		Total		365,638,134	196,366,086	
	2.5		Provisions			
		(a)	Long Term Provisions			
		(i)	Gratuity	3,989,106		2,538,200
(ii)		Leave Encashment	4,227,823		3,509,756	
(iii)		Dinimution in Value of Investments	5,472,878	13,689,807	11,447,947	
		Total		13,689,807	11,447,947	
(b)		Short Term Provisions				
(i)		Income Tax	52,300,000		46,000,000	
(iii)		Gratuity	3,694,102		4,303,026	
(vi)		Leave Encashment	1,310,232		1,228,343	
		Total		57,304,334	51,531,369	

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31.03.2017

2.6 Fixed Assets

Description	GROSS BLOCK				DEPRECIATION				Net Block	
	As on 01.04.2016	Addition During the year	Sales/ Adjustment during the year	Total as on 31.03.2017	Upto 01.04.2016	For the year Ended	Sale/ Adjustment during the Period	Total upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
(i) Tangible Assets	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Factory Land	42,753,678	-	24,687,580	18,066,098	-	-	-	-	18,066,098	42,753,678
Building	107,700,922	-	-	107,700,922	18,632,377	2,453,469	-	21,085,846	86,615,076	89,068,545
Barge	88,414,593	-	-	88,414,593	8,012,709	5,999,562	-	14,012,271	74,402,322	80,401,884
Purely Temp. Construction	96,986,810	289,377	615,504	96,660,683	77,057,717	11,514,338	584,729	87,987,326	8,673,357	19,929,093
Plant & Machinery	203,157,765	3,075,450	3,673,491	202,559,724	51,323,765	16,447,298	1,907,357	65,863,706	136,696,018	151,834,000
Furniture & Fixture	3,812,070	270,979	447,387	3,635,662	1,566,790	445,925	109,323	1,903,392	1,732,270	2,245,280
Office Equipment	4,737,301	687,945	104,179	5,321,067	2,515,991	987,025	(24,757)	3,527,773	1,793,294	2,221,310
Vehicles	75,952,915	7,653,250	2,371,698	81,234,467	26,006,571	9,302,707	1,023,920	34,285,358	46,949,109	49,946,344
Computers	13,964,605	1,298,191	35,236	15,227,560	10,052,560	2,214,406	26,893	12,240,073	2,987,487	3,912,045
Total a	637,480,659	13,275,192	31,935,075	618,820,776	195,168,480	49,364,730	3,627,465	240,905,745	377,915,031	442,312,179
(ii) Intangible Assets										
Computers Software	2,746,913	1,986,441	-	4,733,354	870,720	945,384	-	1,816,104	2,917,250	1,876,193
Total (i) + (ii)	640,227,572	15,261,633	31,935,075	623,554,130	196,039,200	50,310,114	3,627,465	242,721,849	380,832,281	444,188,372
Previous Year	610,771,817	35,322,496	5,866,741	640,227,572	147,444,046	51,364,185	2,769,031	196,039,200	444,188,372	463,327,771

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31.03.2017**

2.7 Investments

	Face Value	Qty. Nos.	As at 31.03.2017	Qty. Nos.	As at 31.03.2016
	₹		₹		₹
(a) Non-current Investment-Non Trade (Long Term Investments at cost)					
(I) Equity Shares, Fully Paid up (quoted)					
Ahluwalia Contracts Ltd.	2	100	11,820	100	11,820
C & C Construction Ltd.	10	100	15,002	100	15,002
Hind Dorr-Oliver Ltd.	2	74037	6,069,017	74037	6,069,017
Hindustan Construction Ltd.	1	100	3,434	100	3,434
IVRCL Infrastructure Ltd.	2	100	6,718	100	6,718
Larsen & Toubro Ltd.	2	150	152,745	150	152,745
Nagarjuna Construction Ltd.	2	100	9,900	100	9,900
Patel Engineering Ltd.	1	100	15,658	100	15,658
Shriram EPC Ltd.	10	200	29,751	200	29,751
Unitech Ltd.	2	2000	70,715	2000	70,715
Total (I)			6,384,760		6,384,760
(II) Unquoted Equity shares, Fully Paid up					
Hydro Air Tectonics (PCD) Ltd.	10	390000	15,639,000	390000	15,639,000
Total (II)			15,639,000		15,639,000
TOTAL (Non-current Investments)			22,023,760		22,023,760
(b) Current Investments (other than trade) Unquoted, Fully Paid up units of mutual fund					
BOI Axa Equity Debt Rebancer Fund		499990	4,999,900	499990	5,000,000
BOI Axa Regular Return Fund		271555	4,999,900		-
TOTAL (Current Investments)			9,999,800		5,000,000
GRAND TOTAL (a+b)			32,023,560		27,023,760

- Cost of Quoted Investment ₹ 6,384,760 (Previous Year ₹ 6,384,760) Market Value ₹ 1,015,448 (Previous Year ₹ 1,033,029) as on 31.03.2017
- Cost of Unquoted Investment other than Mutual fund units ₹ 1,56,39,000 (Previous Year ₹ 1,56,39,000) as on 31.03.2017
- Cost of Unquoted Investment in Mutual Fund ₹ 9,999,800 (Previous Year ₹ 5,000,000). Net Market Value ₹ 12,177,473 (Previous Year ₹ 6,275,124) as on 31.03.2017

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31.03.2017**

	As At 31.03.2017	As At 31.03.2016
2.8 (a) Long term Loans and Advances (Unsecured, Considered good)	₹	₹
Deposits	16,217,202	5,845,523
Prepaid Expenses	1,198,106	213,034
Total	17,415,308	6,058,557
(b) Short term Loans and Advances (Unsecured, Considered good)		
Recoverable from Revenue Authorities	299,245,414	246,460,921
Deposits	14,312,879	12,859,485
Prepaid Expenses	57,872,266	38,016,510
Advances for supply of raw materials & Others	181,988,149	297,754,949
Advance to employee	17,177,983	15,278,312
Total	570,596,691	610,370,177
2.9 Inventories :		
(As taken, valued and certified by the Management)		
Raw Material	89,472,067	90,372,372
Work in Progress	217,149,087	150,886,831
Stores & Spares	66,156,684	201,290,301
Total	372,777,838	442,549,504
2.10 Trade Receivables #		
Unsecured , Considered Good		
Outstanding exceeding six months	1,667,669,237	1,224,613,544
Others	1,497,492,882	1,820,503,388
Total	3,165,162,119	3,045,116,932
Note : # Trade receivables includes Retention Money		
2.11 (a) Other Non Current Assets		
Balance with Banks		
– Fixed deposits having remaining maturity of more than 12 months (including interest accrued)	86,012,577	11,727,893
Total	86,012,577	11,727,893
2.11 (b) Cash and Cash Equivalents		
Balance with Banks		
– in Current Account with Scheduled Banks	45,635,603	13,674,552
– Fixed deposits having remaining maturity of 3 months or less (including interest accrued)	68,507,658	217,351,425
– in Current Account with Foreign Banks	23,472,699	7,503,812
Cash on Hand	3,568,084	19,626,418
Other Bank Balances		
– Fixed deposits having remaining maturity of more than 3 months but not more than 12 months (including interest accrued)	339,219,303	254,093,323
Total	480,403,347	512,249,530

- Note :**
- (a) The Current Accounts balance with Scheduled Banks includes amount of ₹ 58,516 (Previous Year ₹ 58,516) earmarked for payment of unpaid dividend.
 - (b) Fixed Deposited/cash margin with banks amount to ₹ 311,679,902 (Previous year ₹ 300,148,705) are under lien with banks as per banking arrangements.

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31.03.2017**

	As At 31.03.2017	As At 31.03.2016
2.12 Deferred tax Liability comprised of the following: -	₹	₹
Liability		
– Fixed Assets	30,915,811	32,168,600
Assets		
– Expenses allowable under Income Tax Act on payment basis	4,575,615	4,018,413
Net Deferred Tax Liability	26,340,196	28,150,187

Note : Deferred Tax Liability for the period ended March 31, 2017 has been provided on the estimated tax computation for the year.

	2016-2017	2015-2016
	₹	₹
2.13 Revenue from Operations		
(i) Sales	4,019,774,661	4,626,356,653
(ii) Other Operating Income	1,941,300	4,727,766
Total	4,021,715,961	4,631,084,419
2.14 Other Income		
(i) Miscellaneous Income (Interest from Others, Claim received etc.)	10,604,608	5,157
(ii) Dividend Income		
(a) From long term Investments	2,798	2,478
(b) From short term Investments	-	-
(iii) Profit on sale of Investments (net)		
(a) From long term Investments	-	20,208,744
(b) From short term Investments	-	-
(iv) Profit on sale of fixed assets (Net)	-	462,259
Total	10,607,406	20,678,638
2.15 Cost of Materials Consumed	2,663,137,888	3,255,951,894
2.16 (Increase) / Decrease in Raw Material & Work in progress		
(a) Opening Stock		
Raw Material	90,372,372	53,431,256
Work-in-Progress	150,886,831	315,253,716
Total a	241,259,203	368,684,972
(b) Closing Stock		
Raw Material	89,472,067	90,372,372
Work-in-Progress	217,149,087	150,886,831
Total b	306,621,154	241,259,203
Total (a-b)	(65,361,951)	127,425,769

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31.03.2017**

	2016-2017	2015-2016
	₹	₹
2.17 Expenditure on Contracts		
(i) Power & Fuel	28,139,753	32,961,858
(ii) Inspection & Testing	4,986,090	5,434,230
(iii) Repairs & Maintenance	34,085,761	35,606,538
(iv) Freight, Forwarding & Clearing	45,680,700	85,193,578
(v) Rent, Rates & Taxes	79,946,838	88,564,722
(vi) Insurance	18,867,052	22,709,272
(vii) Other Site Expenses	146,850,019	114,776,196
Total	358,556,213	385,246,394
2.18 Employee Benefit Expense		
(i) Salaries, Wages, Bonus, Allowances etc.	380,542,500	351,365,968
(ii) Contributions to Provident Fund, ESI & Others	31,240,178	26,577,463
(iii) Staff Welfare	18,914,205	15,811,342
Total	430,696,883	393,754,773
2.19 Finance Cost		
(i) Bank Charges	105,274,992	101,069,850
(ii) Interest Cost	133,906,561	119,557,862
	239,181,553	220,627,712
LESS:		
(iii) Interest Income on FDR's (Tax Deducted at Source Current Year ' 3,589,794 Previous Year ' 4,064,234)	34,958,581	40,601,810
Total	204,222,972	180,025,902
2.20 Other Expenses		
(i) Power & Fuel	5,112,428	4,711,424
(ii) Repairs to Building	87,859	8,751
(iii) Repairs to Machinery	36,832	36,400
(iv) Repairs to Others	13,555,952	4,206,073
(v) Insurance	2,329,534	1,224,387
(vi) Rates & Taxes	2,682,578	6,013,730
(vii) Exchange Rate Variation (Net)	33,844,687	6,041,273
(viii) Auditors Remuneration	298,649	149,168
(ix) Miscellaneous Expenditure	5,001,040	5,594,638
(x) Director's Sitting Fees	1,310,100	1,311,672
(xi) Legal & Professional	37,226,704	27,523,993
(xii) Rent & Hire Charges	1,081,322	981,188
(xiii) Communication Charges	4,086,620	4,488,764
(xiv) Printing & Stationary	4,899,297	4,176,508
(xv) Travelling & Conveyance	18,770,355	31,336,633
(xvi) Vehicle Running & Maintenance Charges	376,551	269,401
(xvii) Bad Debts written/off	116,195,012	-
(xviii) Loss on Sale of Assets (Net)*	3,632,946	-
(xix) Diminution in Value of Investments	72,887	513,879
Total	250,601,353	98,587,882

* Loss on Sale of Assets Loss is ' 3,632,946/- (Previous Year Profit of ' 467,821/- is shown in Other Income)

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31.03.2017

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	31.03.2017
Woodlands Instruments Pvt. Ltd	India	100% subsidiary of TECHNOFAB ENGINEERING LIMITED	31.03.2017
Arihant Flour Mills Pvt. Ltd.	India	100% subsidiary of TECHNOFAB ENGINEERING LIMITED	31.03.2017

2.21 Contingent Liability

- a. Claims against the Company not acknowledged as debt (net) amount to ₹ 13,906,783 (Previous year ₹ 8,194,303).
- b. In respect of demand against Sales Tax & Income Tax amounting to ₹ 73,898,523 (Previous year ₹ 9,282,836) raised by the authorities, appeals are pending before the authorities.
- c. Capital commitment (Net of advances) ₹ NIL (Previous year ₹ 22,992,185).

2.22 Fixed Deposits/cash margin with banks amount to ₹ 311,679,902 (Previous year ₹ 300,148,705) 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 31.03.2017 ₹	As on 31.03.2016 ₹
Profit for the year after Tax	86,719,807	113,434,925
Weighted average No. of equity Shares of ₹ 10/- each for Basic EPS	1,04,90,000	1,04,90,000
Basic Earning per Share	8.27	10.81
Weighted average No. of equity Shares of ₹ 10/- each for Diluted EPS	1,04,90,000	1,04,90,000
Diluted Earning per Share	8.27	10.81

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

(d) Rajesh Kumar Gupta

(B) Executive Officers

2.27 Related Party Transactions

(1) Name of Related Parties

(a) Sandeep Kumar Vij (Chief Financial Officer)

(A) Key Management Person / Control

(b) Suman Kumar Verma (Company Secretary)

Whole time director

(a) Avinash C. Gupta (Whole Time Director)

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

(b) Arjun Gupta (Whole Time Director)

(a) Techfab International Pvt. Ltd.

(c) Nakul Gupta (Whole Time Director)

(b) Techfab Systems Pvt. Ltd.

Non whole-time-directors

(c) Bakool Venture Pvt. Ltd.

(a) Arun Mittar (Independent Director Non Executive)

(d) JoyLuck Venture India Pvt. Ltd.

(b) Pawan Chopra (Independent Director Non Executive)

(e) Chasha Lands Pvt. Ltd.

(c) Anju Banerjee (Independent Director Non Executive)

(f) Wrap Art & Design Private Limited

(D) Relatives of Key managerial Person

Wholly Director in Subsidiary Company

(a) Meera Gupta

(a) Arun Kochhar

(b) Gunjan Gupta

(b) Vijay Nagrajan

(c) Sucheta Sarvadaman Nakul

(c) Ashutosh Jagga

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

Amount in ₹

Sr.No.	Particulars	(A)	(B)	(C)	(D)
1.	Remuneration Paid	42,815,579 (40,179,007)	5,991,482 (5,323,594)	NIL (NIL)	NIL (NIL)
2.	Reimbursement of Expenses	381,500 (654,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)
3.	Director Sitting Fees Paid	1,310,100 (1,311,672)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4.	Legal & Professional Charges	882,000 (936,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5.	Outstanding Balance as on 31.03.2017				
	- Payable in respect of remuneration, commission & Professional charges	18,630,303 (13,004,199)	322,931 (293,120)	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 in (₹)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	6,369,405 (6,069,077)	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)	13,967,297	14,998,783	4,800,389	4,779,525
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	928,825	1,117,409	319,226	356,075
Past service cost	NIL	NIL	NIL	NIL
Current service cost (D)	2,170,780	1,861,142	1,529,103	1,328,633
Benefits paid (E)	(2,234,188)	(1,307,915)	(952,906)	(1,205,963)
Actuarial (gain) / loss on obligation (F)	675,044	(2,702,122)	(157,757)	(457,881)
Present value of obligations as at the end of year (A+B+C+D-E+F)	15,507,758	13,967,297	5,538,055	4,800,389

(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)	15,507,758	13,967,297	5,538,055	4,800,389
Estimated fair value of plan assets (B)	7,824,549	7,126,071	NIL	NIL
Net Liability (A)-(B)	7,683,209	6,841,226	5,538,055	4,800,389
Amounts in the Balance Sheet				
Liabilities	7,683,209	6,841,226	5,538,055	4,800,389
Amount charged to Profit & Loss Account				
Current Service Cost	2,170,780	1,861,142	1,529,103	1,328,633
Past service cost	NIL	NIL	NIL	NIL
Interest Cost	928,825	1,117,409	319,226	356,075
Expected return on plan assets	(623,531)	(477,462)	NIL	NIL
Actuarial (Gain)/Loss	626,200	(2,702,122)	(157,757)	(457,881)
	3,102,274	(201,033)	1,690,572	1,226,827
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	31.03.2017	31.03.2016
A	Fair value of plan assets at the beginning of the period	7,126,071	5,456,524
B	Acquisition adjustment	NIL	NIL
C	Expected return on plan assets	623,531	477,462
D	Contributions	2,260,291	2,500,000
E	Benefits paid	(2,234,188)	(1,307,915)
F	Actuarial gain/(loss) on plan assets	48,844	NIL
G	Fair value of plan assets at the end of the period	7,824,549	7,126,071

2.30 Un-hedged position of Foreign Exchange:-

Particulars	As At 31.03.2017		As At 31.03.2016	
	Amount (in Foreign Currency)	Amount (₹)	Amount (in Foreign Currency)	Amount (₹)
- In Respect of Receivables				
USD	6,926,884	449,068,868	6,424,120	425,145,348
EURO	2,618,403	181,219,656	2,266,556	170,830,302
ETB – (Ethiopian Birr)	1,989,746	5,650,880	1,926,592	5,933,904
GHS – (Ghanian Cedi)	477,395	7,113,191	240,926	4,163,208
KSH – (Kenya Shilling)	67,290,696	49,462,949	3,102,228	2,018,703
UGX – (Ugandan Shilling)	16,309,851	293,577	-	-
MZN – (Mozambican Metical)	6,996,800	9,025,872	14,176,800	18,288,072
TZS – (Tanzanian Shilling)	3,006,502,127	122,102,116	21,402,031	647,957
TOTAL		823,937,109		627,027,494
- In Respect of Payables				
USD	5,406,305	350,460,527	2,373,020	156,819,544
EURO	-	-	2,506,210	188,893,080
GHS – (Ghanian Cedi)	526,323	7,842,219	1,324,873	4,080,609
ETB – (Ethiopian Birr)	1,419,616	4,031,710	704,699	12,177,195
KSH – (Kenya Shilling)	16,563,854	10,418,664	21,854,516	14,249,144
FJD – (Fiji Dollar)	-	-	2,131	67,936
GBP – (British Pound)	-	-	76,927	7,320,373
MZN – (Mozambican Metical)	704,340	908,599	704,340	908,599
TZS – (Tanzanian Shilling)	386,549,848	11,227,123	1,214,142,415	36,758,777
UGX – (Ugandan Shilling)	481,050,733	8,658,913	-	-
BTN – Bhutanese Ngultrum	7,690,909	7,690,909	-	-
TOTAL		401,238,664		421,275,257

2.31 Disclosure as per AS-7

Amount in ₹

S.No.	Particulars	As At 31.03.2017	As At 31.03.2016
1	Contract Revenue	4,021,715,961	4,631,084,419
2	Cost incurred on Contract	2,956,332,150	3,768,624,057
3	Advance received	503,411,275	430,583,414
4	Amount due from Customers includes Retention Money	3,165,162,119	3,045,116,932
5	Contract Profit / losses recognized	1,065,383,811	862,460,361

2.32 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is given below:-

	SBNs denomination notes	Other	Total
Closing cash in hand as on 08.11.2016	20,000	115,465	135,465
(+) Permitted receipts	-	1,364,480	1,364,480
(-) Permitted payments	-	1,187,159	1,187,159
(-) Amount deposited in Banks	20,000	-	20,000
Closing cash in hand as on 30.12.2016	-	292,786	292,786

2.33 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 Board of Directors

Rajesh Jain
Partner
Mem. No.098229

Avinash C Gupta
Managing Director
DIN-00012077

Nakul Gupta
Director
DIN-00012106

Place: New Delhi
Dated: 20.05.2017

Sandeep Kumar Vij
Chief Financial Officer
Mem. No.076443

Suman Kumar Verma
Company Secretary
Mem. No.F7409



Areator and Gravity Sand Filter at Bukoba WTP, Tanzania



Filter Backwash Pumping Station at Bukoba, Tanzania



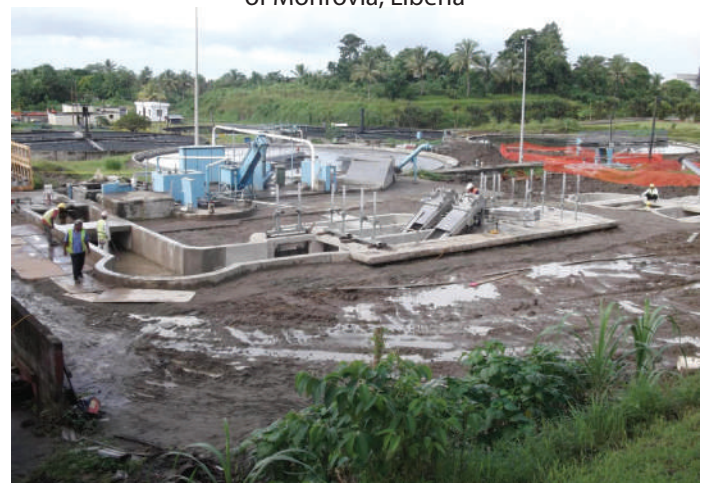
Clear Water Pumping Station at WTP, Bakobay Tangania



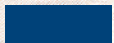
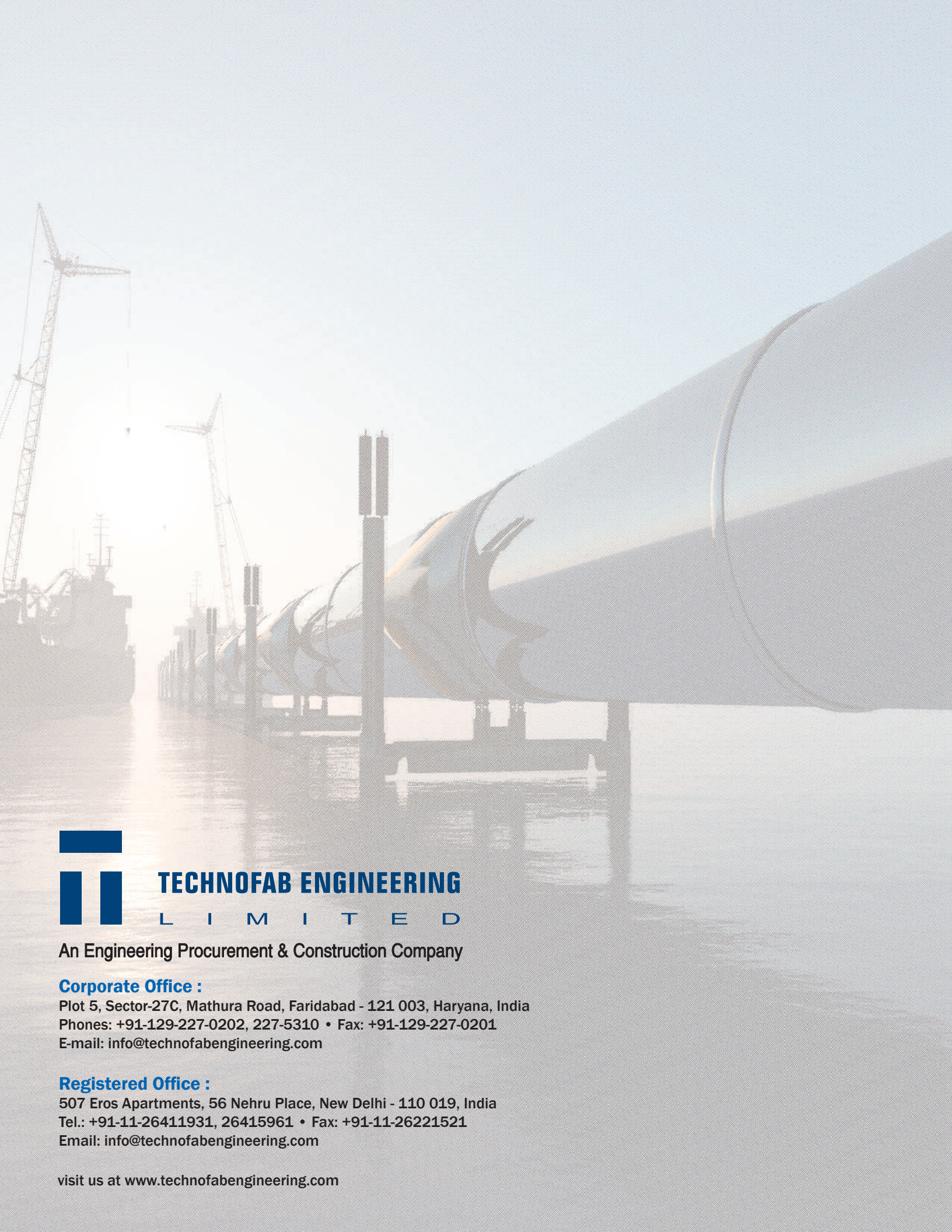
Piling under the Sea Bed at Fuel Unloading Facility at Free Port of Monrovia, Liberia



Pipeline at Tema oil Refinery, Ghana



Sewage Treatment Plant, Fiji



TECHNOFAB ENGINEERING L I M I T E D

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