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TECHNOFAB ENGINEERING LIMITED

May 20, 2017

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

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

Security Code: 533216

Subject:- Information Update

Dear Sir/Madam,

Technofab Engineering Limited is pleased to announce the attached information updates pertaining to the Financial Performance of the Company for the quarter and year ended 31 March 2017.

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

Thanking you,
Yours Faithfully
For Technofab Engineering Limited


Suman Kumar Verma
Company Secretary
M. No. F7409





Information Update

Dt: 20 May 2017

The Board of Directors of Technofab Engineering have approved the Audited financial results for 2016-2017 at its meeting held on 20 May 2017. Brief highlights are given below:

Financials

The Turnover (standalone) during the year was Rs 402 Crores. This represents a drop of 12.8% in comparison to the preceding year..

The pre tax profit for the year at Rs 14 Crores, is 3.5% of turnover, which is virtually same as the previous year..

The profit after tax for the year at Rs 8.8 Crores is 2.21% of turnover, marginally lower than the previous years 2.49%.

Margins

The EBIDTA margins which have been slowly rising, maintained their upward trajectory for the fourth year in a row and increased to 9.8% for the year (against 8.5% during the preceding year).

Order Book

The company has secured fresh orders worth Rs 942 Crores in the year which is an all time high. All the orders, without exception, were from PSU's/Government bodies. The majority of the orders were from the electrical sector, followed by the water sector. Overseas orders accounted for around 22% of the fresh orders received and were all under foreign funding including ADB funding. The order backlog now stands at around Rs 1750 crores which is very encouraging. The Company continues to have substantial outstanding bids, around Rs. 4000 Crores. Around Rs 450 Crores worth new orders are expected in the near term.

The breakup of the order book by source of funding is as follows:

Overseas (all funded by multilateral agencies)	: 17%
Domestic (Private Sector)	: negligible
Domestic PSU/government/ government funded	: 83%

Management Commentary

The operational results for the year are below Management expectations/previous projection. This is on account of inability to achieve the planned/projected turnover, whilst having a good order book. As a result, despite margin improvements, the fixed costs (which are largely at the same level as the previous year) have dragged the profit down.

Management is confident that the drop in turnover is a one time aberration and the current fiscal year should see decent growth relative to the turnover in FY 2016. The prospects – short/medium and long term are good. Behind this optimism is an excellent order book, which is largely of recent origin and for which funding does not seem to be an issue.

As far as non availability of work fronts is concerned, a substantial portion of the problems have been resolved..

The Company also expects the EBITDA margins to continue their upwards trend.

Apart from the profit foregone due to lower turnover, the pressure on outstandings continues, and this is reflected in higher borrowings and finance charges.

Outlook On Fresh Business

The main domestic opportunities in the next year or two will continue to be restricted to two sectors, viz. water sector and electrical sector. A bounce back in the Power and Industrial sectors is still not visible. Overseas, the Company continues to vigorously pursue opportunities in all sectors in sub Saharan Africa and in nearby SAARC countries(the first success in SAARC having being achieved during the previous year), with particular focus on funded projects.

Out of the present outstanding bids, the Company is well placed (L1) in approximately Rs. 450 Crores.

.Outstandings.

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

Investors Con Call

An investors con call has been organised to be held on Wednesday 24 May 2017 at 4:30 pm for which a separate confirmation will be issued to the stock exchanges.


Arjun Gupta
Whole-time Director

