



Information Update

Date: 18 August 2018

The Board of Directors of the Company has approved the unaudited financial results for the Quarter ended 30th June 2018 at its Board Meeting held on 13th August 2018.

Brief highlights are given below:

Financials:

The Revenue (standalone Turnover) during the quarter was Rs. 103 Cr. which represents an increase of 23.4 % when compared to the results of the corresponding period of the previous year.

The pre-tax profit (PBT) for the quarter was Rs. 2.81 Cr which equates to a ratio of 2.73% of Turnover and represents an increase of 26.6 % over the corresponding period of the previous year.

The profit after tax (PAT) for the quarter was at Rs. 1.83 Cr, which equates to a ratio of 1.78% of Turnover and an increase of 37.6 % over the corresponding period of the previous year.

The Company has reported EPS of Rs. 1.72 for the quarter ended March 31, 2018 as compared to Rs. 1.27 for the corresponding period of the previous year.

Financials	Q1 FY18-19	Q1 FY17-18	% Change
Turnover (Standalone)	102.91 Cr	83.39 Cr	↑ 23.41 %
PBT	2.81 Cr	2.22 Cr	↑ 26.58 %
PAT	1.83 Cr	1.33 Cr	↑ 37.59 %
EPS	1.72	1.27	↑ 35.43 %
EBITDA	10.83 Cr	10.72 Cr	↑ 1.03 %
EBITDA (%)	10.51%	12.85%	↓ -22.26%

Performance Analysis

The Cost of Material Consumed and Expenditure on Contracts in Q1FY19 was slightly higher when compared with the corresponding quarter in the previous year. This was primarily due to the increase in raw material and freight costs over the past few months and certain other project related expenditures incurred by the company.

The EBITDA margin which had touched an all-time high of 12.86 % in the previous financial year, has suffered a dip in the current quarter due to the above factors. However, it should be kept in mind that this margin relates to a single quarter and the management expects it to pick back up during the course of the year.

Finance Cost

Finance Cost of the Company in Q1FY19 was Rs. 7.02 Crore (6.82% of Net Sales) as compared to that of Rs. 7.41 Crore in Q1FY18 (8.69% of Net Sales)

Order Book:

The Company has a robust order backlog of about Rs. 1,900 Cr that is largely comprised of orders from the Water & Electrical Sectors. All the existing projects are proceeding smoothly.

Outlook on Fresh Business:

Besides a rich order book, the Company continues to look for more orders both domestically as well as overseas, at decent margins. Apart from the Electrical and Water Sectors, the Company is exploring opportunities in the Industrial, Railways, Metro, Fertilizer and the Nuclear Sector. Further the company is also scouting for business beyond its traditional geographies. The results of such efforts may be visible in the next year or two.

The Company has substantial outstanding bids to the tune of approximately Rs. 4,500 Cr. In the near term, we are expecting new orders (L1 Position) to the tune of Rs. 150 Cr and targeting an additional order intake of Rs. 1,200 Cr during the balance year.

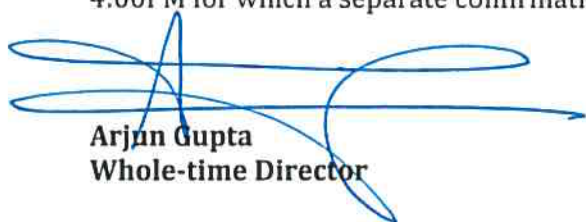
Management Commentary:

The operational results for the Quarter are satisfactory, however, the Management was expecting to maintain the EBITDA levels which were impacted due to increased raw material and freight costs.

Given the healthy order book, L1 position and improving cash flows, the Management is confident that the current year should see decent growth in both earnings and performance.

Investors Con Call:

An Investors con-call has been tentatively organized to be held on Tuesday 21st August, 2018 at 4:00PM for which a separate confirmation will be issued to the Stock Exchanges.



Arjun Gupta
Whole-time Director

**Disclaimer**

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Technofab Engineering Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.