

ANNUAL REPORT

2014 - 15



TECHNOFAB ENGINEERING
L I M I T E D

An Engineering Procurement & Construction Company





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Avinash C Gupta
Chairman & Managing Director

Mr. Arjun Gupta
Whole Time Director

Mr. Nakul Gupta
Whole Time Director

Mr. Pawan Chopra
Non Executive and Independent Director

Ms. Anju Banerjee
Non Executive and Independent Director

Mr. Arun Mitter
Non Executive and Independent Director

CHIEF FINANCIAL OFFICER

Mr. Sandeep Kumar Vij

COMPANY SECRETARY

Mr. Ashish Kapil

STATUTORY AUDITORS

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

WEBSITE

www.technofabengineering.com

REGISTRAR & TRANSFER AGENTS

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

INVESTOR SERVICES E-MAIL ID

investors@technofabengineering.com



CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me great pleasure to welcome you to our Company's 44th Annual General Meeting.

For the fourth year in a row, the general economic slowdown has continued. Though the GDP growth rate has picked up, the sectors that we serve, continue to be starved of significant fresh investments.

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

Our focus has been to improve operations by greater use of technology and organisation strengthening, and to prepare ourselves to take advantage of the fresh investments in the various sectors that we operate in, which we hope begin to be visible by the time the current fiscal year ends. The decrease in oil prices and softening of commodity prices across the board, the reduction in inflation are all encouraging factors. We have great expectations of being able to benefit from the substantial investments in the water sector expected pursuant to the emphasis on river clean up and urban renewal.

An order book of ₹ 14 billion gives us a good cushion, in terms of revenue visibility for next couple of years, by which time the expected accelerations in investments should put us back on the growth path.

Thank You

Avinash C Gupta

Chairman and Managing Director



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 44th Annual General Meeting of the members of Technofab Engineering Limited will be held at the Delhi Flying Club, Safdarjung Airport, New Delhi - 110003 at 10.30 A.M. on Friday, the 25th day of September, 2015 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2015, the Balance Sheet as on March 31, 2015 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Sh. Avinash C Gupta (DIN: 00012077) who retires by rotation and being eligible, seeks re-appointment.
3. To re-appoint M/s Rajesh Suresh Jain & Associates, Chartered Accountants (FRN: 017163N) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Anju Banerjee (DIN: 00397755), who was appointed as an Additional Director (Non-Executive Independent Director) of the

Company by the Board of Directors w.e.f. 31st March, 2015 pursuant to provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the said Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years commencing from the date of her appointment as Additional Director i.e. 31st March, 2015."

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), and all guidelines for managerial remuneration issued by the Central Government from time to time, approval of the members be and is hereby accorded, for alteration in terms and conditions including increase in remuneration of Shri Arjun Gupta, Whole Time Director of the Company with effect from April 1, 2015 as set out below for the remaining term of his tenure:

1. **Basic Salary:** ₹ 5.5 Lacs per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time, ensuring that any such revision shall be in compliance with Companies Act, 2013, taking into account the performance of the Company.



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

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

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

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

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and 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 Arjun Gupta functions as the Whole Time Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any committee thereof.

RESOLVED FURTHER THAT the Board of



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

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), and all guidelines for managerial remuneration issued by the Central Government from time to time, approval of the members be and is hereby accorded, for alteration in terms and conditions including increase in remuneration of Shri Nakul Gupta, Whole Time Director of the Company with effect from April 1, 2015 as set out below for the remaining term of his tenure:

1. **Basic Salary:** ₹ 5.5 Lacs per month with authority to the Board of Directors (which expression shall include a Committee thereof) to revise the basic salary from time to time, ensuring that any such revision shall be in compliance with Companies Act, 2013, taking into account the performance of the Company.
2. **Housing:** Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof.
3. **Medical Expenses:** Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.

4. **Leave Travel Allowance:** For self and family, in accordance with Rules of the Company.

5. **Club Fees:** Membership of one Club in India (including admission and membership fee).

6. **Entertainment:** Travelling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company.

7. **Car & Telephone:** The Company shall provide car with driver and telephone at the residence of the Whole Time Director for business purposes of the Company.

8. **PF Contribution:** Contribution to Provident Fund shall be as per the rules of the Company and applicable laws.

9. **Gratuity:** Gratuity payable shall be as per rules of the Company and applicable laws.

10. **Performance Incentive:** upto 1% of the net profit of the Company P.A. Subject to the condition that total managerial remuneration during a financial year does not cross the threshold limit of 5% or 10% of the net profits of the Company, as the case may be, as per Section 197 of the Companies Act, 2013.

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

RESOLVED FURTHER THAT in the event of no profit or the profit being inadequate in financial year of the Company during the currency of tenure of his office, the Company may pay salary, commission and perquisites to Shri Nakul Gupta, in excess of limits as set out in



Schedule V to the Companies Act, 2013, subject to approval of the Central Government and subject to such conditions and modifications as may be prescribed by Central Government while granting such approval and such other consents and approvals as may be required.

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

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

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New Delhi
August 13, 2015

year of service, and 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 Nakul Gupta functions as the Whole Time Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any committee thereof.

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

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

**Ashish Kapil
Company Secretary**

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company

carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Share transfer books of the Company shall remain closed from 19th September, 2015 to 25th September,



2015 (both days inclusive).

4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. As a part of Green Initiative, soft copy of the Annual Report 2014-15 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.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the AGM, is separately annexed hereto. The Directors seeking appointment/re-appointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as required under Section 164(2) of the Companies Act, 2013 and other requisite declarations for their appointment / re-appointment.
7. 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.
8. 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.
9. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of the Meeting.
10. 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.
11. Members are requested:
 - a. To notify the change of address, if any, to the Company immediately.
 - b. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
 - c. To carry along their copy of the Annual Report at the Annual General Meeting for ready reference.
 - d. To produce at the entrance the enclosed attendance slip duly completed and signed for admission to the meeting place.
12. **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 Clause 35B of the Listing Agreement with Stock Exchanges, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in