ANNUAL REPORT
2015-16

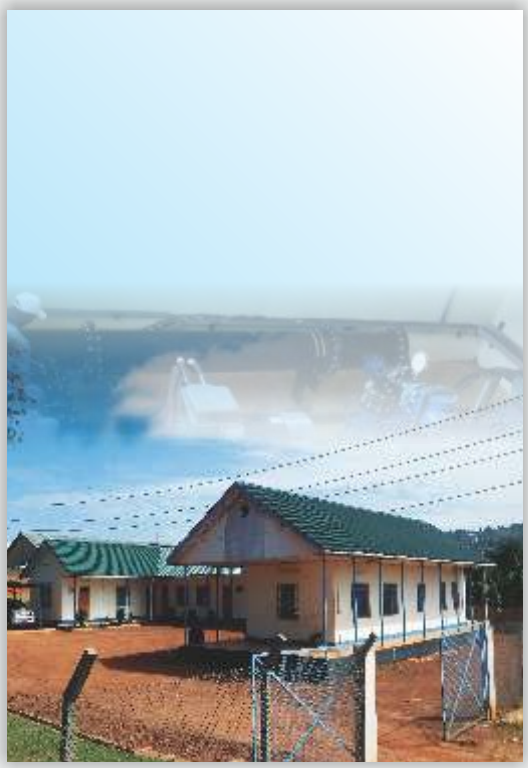
TECHNOFAB ENGINEERING LIMITED

An Engineering Procurement & Construction Company

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

Pursuit of Excellence Through Customer Satisfaction

TECHNOFAB ENGINEERING
LIMITED



Contents

02 Corporate Information

03 Chairman's Letter

STATUTORY REPORTS

04 Notice of AGM

16 Boards' Report

45 Report on Corporate Governance

63 Management Discussion and Analysis

FINANCIALS

66 Standalone Financial Statements

90 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	
Mr. Arun Mitter	Chairperson
Mr. Pawan Chopra	Member
Ms. Anju Banerjee	Member
Mr. Arjun Gupta	Member

CSR Committee	
Mr. Avinash Chander Gupta	Chairman
Mr. Arjun Gupta	Member
Mr. Nakul Gupta	Member
Mr. Pawan Chopra	Member
Ms. Anju Banerjee	Member

Stakeholder Relationship Committee	
Ms. Anju Banerjee	Chairperson
Mr. Arun Mitter	Member
Mr. Pawan Chopra	Member

Nomination & Remuneration Committee	
Mr. Pawan Chopra	Chairperson
Mr. Arun Mitter	Member
Ms. Anju Banerjee	Member

CIN
L74210DL1971PLC005712

Bankers
Bank of India
Bank of Baroda
State Bank of Mysore
AXIS Bank
IDBI Bank Limited
State Bank of Hyderabad

Registered Office	Corporate Office
507 Eros Apartments, 56 Nehru Place	Plot No 5, Sector-27C, Mathura Road
New Delhi-110019	Faridabad-121003, Haryana,
Tel: +91-11-26411931, 26415961	Tel: +91-129-227-0202, 227-5310
Fax: +91-11-26221521	Fax: +91-129-227-0201
Email: info@technofabengineering.com	Email: info@technofabengineering.com

Subsidiary Companies

- Arihant Flour Mills Private Limited
- Woodlands Instruments Private Limited
- Rivu Infrastructural Developers Private Limited

Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
44, Community Centre, 2nd 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, E-3/38, IInd Floor, Sector-7, Rohini, Delhi-110085
Company Secretary & Compliance Officer	**Investor Services E-Mail ID**	
Mr. Suman Kumar Verma	investors@technofabengineering.com	

CHAIRMAN'S MESSAGE

Dear Shareholders

It gives me great pleasure to welcome you to our Company's 45th Annual General Meeting.

After four relatively depressed years marked by a slowdown in investments in most of the sectors we serve, early signs of an upturn are now visible. Starting in the second half of FY 2016, there has been a significant increase in domestic bidding opportunities. This however is yet to translate into orders, in part because these opportunities are driven by public investment and are therefore accompanied by a longer gestation, and partly because of increased intensity of competition. Moreover private investment has still not picked up and most of the public investment enquiries we are receiving are largely relating to just two sectors, viz. the Electrical and the Water Sectors. Clearly there is still much way to go for a sustained improvement.

Nevertheless I am gratified to see that the sense of the following paragraph from my message last year has been, to an extent, validated

The views of pundits seem to be that with the fiscal deficit getting contained and current account deficit being in control, the ground work 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 operating results for FY 2016 have shown a distinct improvement and this trend is expected to continue.

This improvement is facilitated not only by upwards business trends but also the organisational strengthening we have undertaken during the recent lean years.

While for the time being, the Power and Industrial sectors continue to be depressed, some of the fundamental constraints have been ironed out. The next wave of investment in the Power sector may not be far away and will be driven by the need to replace older polluting capacity which has outlived its life and is inconsistent with environmental obligations, by newer larger sized units adopting the latest technologies. When this happens the current operating improvements should get a significant further impetus.

Thank You

Avinash C Gupta
Chairman and Managing Director

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Fifth Annual General Meeting of the members of Technofab Engineering Limited will be held on Friday, the 30th day of September 2016 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 31st March 2016 and the report of Board of Directors and Auditors' Report thereon; and

(b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2016 together with report of Auditor's thereon.

2. To appoint a Director in place of Mr. Nakul Gupta (DIN: 00012106) who retires by rotation and being eligible, offers himself for 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 avail coporate guarantee and security from M/s Arihant Flour Mills Private Limited and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Section 188 of the Companies Act 2013, and other applicable provisions of the Companies Act, 2013 read with Rules made there under, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent be and is hereby accorded to the Board of Directors of the Company including Management Sub-Committee thereof to avail from M/s Arihant Flour Mills Private Limited, wholly owned subsidiary of the Company:

(i) Corporate guarantee, from time to time, in favour of various banks for securing the credit facilities upto an amount of ₹ 1500 Crore granted by them to the Company whether under consortium arrangement or otherwise and in such form and manner as may be required by the bank(s); and

(ii) Security in the form of immovable property situated at 161, RIICO, Neemrana phase-II, District-Alwar, Rajasthan in favour of various banks, from time to time, for securing the credit facilities upto an amount of ₹ 1500 Crore granted by them to the Company whether under consortium arrangement or otherwise and in such form and manner as may be required by the bank(s);

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

5. To avail coporate guarantee and security from M/s Woodlands Instruments Private Limited and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Section 188 of the Companies Act 2013 (the "Act"), and other applicable provisions of the Act read with Rules made there under, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent be and is hereby accorded to the Board of Directors of the Company including Management Sub-Committee thereof to avail from M/s Woodlands Instruments Private Limited, wholly owned subsidiary of the Company:

(i) Corporate guarantee in favour of various banks for securing the credit facilities upto an amount of ₹ 1500 Crore granted by them to the Company whether under consortium arrangement or otherwise and in such form and manner as may be required by the bank(s); and

(ii) Security in the form of immovable property situated at Plot No. 12A, Sector-27 C, Faridabad,

Haryana in favour of various banks for securing the credit facilities upto an amount of ₹ 1500 Crore granted by them to the Company whether under consortium arrangement or otherwise and in such form and manner as may be required by the bank(s);

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

6. **To give approval to various transactions with Techfab Systems Private Limited and Techfab International Private Limited and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

"**RESOLVED THAT** pursuant to Section 188 of the Companies Act 2013 (the "Act"), and other applicable provisions of the Act read with Rules made there under, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent be and is hereby accorded to the Board of Directors of the Company, including Management Sub Committee thereof, to enter in to contracts and/or arrangements with the following related parties with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind, availing or rendering of any services or any other transaction of whatever nature:

Name of the Related Parties

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

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

7. **To approve the Issue of Equity Shares of the Company by way of private placement to Qualified Institutional Buyers for upto extended period i.e. upto one year from the date of passing this resolution and in this regard 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 aforementioned 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 form a committee or delegate all or any of its powers to any Director(s) or Committee of Directors / 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."

8. To approve creation of charges under Section 180(1)(a) on the assets of the Company, both present and future, in respect of borrowings and in this regard 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 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and in terms of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to create such charges, mortgages

and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the aforementioned Loans for which the charge is to be created on fund based and non-fund based borrowings of the Company, shall not, at any time exceed ₹ 1500 Crores (Rupees One Thousand and Five Hundred Crores) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

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

By order of the Board of Directors
For Technofab Engineering Limited

Suman Kumar Verma
Company Secretary

New Delhi
2nd September, 2016

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 24th September, 2016 to 30th September, 2016 (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 2015-16 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 appointment / 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 Fifth Annual General Meeting, Attendance Slip, Proxy Form, Route Map, and the Annual Report for the year 2015-2016 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 am to 1.00 pm 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 AGM 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 Company 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 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. 23rd September 2016 only shall be entitled to avail the facility of remote e-voting as well as 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.