



TECHNOFAB ENGINEERING

L I M I T E D

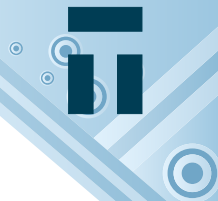
An Engineering Procurement & Construction Company

India ■ Kenya ■ Ethiopia ■ Ghana ■ Fiji ■ Malawi
Liberia ■ Tanzania ■ Zimbabwe ■ Mozambique



ANNUAL REPORT & ACCOUNTS
2012-2013





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GENERAL 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

Mr. V S Mathur
Non Executive and Independent Director

Mr. Arun Mitter
Non Executive and Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Jyoti Singh

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
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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 42nd Annual General Meeting Today.

The economy is going through a very difficult period and investment in sectors from which we derive our business has slowed down to a bare trickle. Nor are there any signs of an early upturn and the current year is therefore going to see a continuation of the ongoing difficult times.

It is in scenario that there is some satisfaction we have derived in being able to swim against the current and achieve some growth, even if modest in comparison to the preceeding five years.

Past Lessons

A decade and a half ago we had faced a similar situation and it had then taken us several years to recover. That experience had not only toughened us, but also led to the evolution of our underlying business philosophies and strategies, on which I had dwelt last year.

Having realized the importance of market diversification while sticking to our core competence of executing turnkey electro mechanical projects, leveraging our project management skills, we have, over the years successfully achieved this diversity, both sectorally and geographically. As a result we are no longer vulnerable to slowdown in any one or even a few of the sectors that we operate in. This is now benefiting us in the sense that despite the difficult situation we still managed to grow last year, even if modestly, and largely protected our profits. This happened because the electrical distribution/rural electrification and the overseas markets yielded good business, and this compensated for the domestic slowdown in traditional sectors.

Outlook

In the current year too I am anticipating a modest growth in business. However I would like to emphasize that if these difficult times continue we would prefer to hunker down and conserve resources rather than pursue any unrelated diversification or financial leveraging for the sake of merely achieving top line growth.

Nevertheless I have the confidence in our ability to cope with the current headwinds. It is on account of this confidence that the Company has stood by its policy of increasing dividend in small incremental steps . At 25% it is the highest ever dividend.

Thank You

Avinash C Gupta

Chairman & Managing Director

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd Annual General Meeting of the members of Technofab Engineering Limited will be held at the **India Islamic Cultural Centre, 87-88 Lodhi Road, New Delhi - 110003** at 10.30 A.M. on **Wednesday, the 25th day of September, 2013** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2013, the Balance Sheet as on March 31, 2013 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare the dividend for the year ended March 31, 2013.
3. To appoint a Director in place of Mr. Nakul Gupta, Director who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Pawan Chopra, Director who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. **Increase in remuneration of Shri Avinash C Gupta Chairman & Managing Director of the Company.**

To Consider, and if thought fit, to pass with or without modification(s) the following resolution as a special resolution

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 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 Avinash C Gupta, Chairman and Managing Director of the Company with effect from September 1, 2013 as set out below for the remaining term of his tenure:

1. **Basic Salary:** ` 5.85 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 decision shall be in compliance with Companies Act, 1956, 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 & applicable laws.
10. **Performance Incentive:** upto 2% of the net profit of the Company P.A.

All 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 309 of the Companies Act, 1956.

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 XIII to the Companies Act, 1956 unless approved by the Central Government.

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 Board of Directors of the Company be and are hereby authorised do such acts and deeds as may be necessary to give effect to the aforesaid resolution."

NOTES:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the company. The proxy forms to be valid should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.

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2. After declaration of the dividend at the Annual General Meeting, the dividend warrants/ pay orders/ demand drafts for the dividend amount are scheduled to be posted from September 26, 2013 onwards to the members, whose names appear on the Register of Members on close of business hours on September 19, 2013.
 3. The Register of Members and the Share transfer books of the Company shall remain closed from 20th September, 2013 to 25th September, 2013 (both days inclusive).
 4. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts in respect of item no. 6 is attached.
 5. Members are requested:
 - a. To notify the change of address, if any, to the Company immediately.
 - b. To carry along their copy of the Annual Report at the Annual General Meeting for ready reference.
 - c. To produce at the entrance the enclosed attendance slip duly completed and signed for admission to the meeting place.


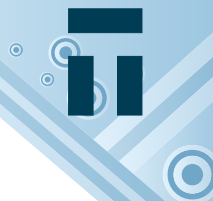
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Shri Avinash C Gupta Managing Director of the Company was appointed by the Board of Directors of the Company for a period of 5 years w.e.f. 01.04.2009. Under his able leadership and guidance, the Company has been able to successfully come out with its IPO and has today become a multi location profit generating unit. It is proposed to revise the terms and conditions including remuneration of Shri Avinash C Gupta for the remaining period of his existing term.

The revised terms and conditions w.e.f. 01.09.2013 are as under:-

1. **Basic Salary:** ` 5.85 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 decision shall be in compliance with Companies Act, 1956, 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.

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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.

All 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 309 of the Companies Act, 1956.

In terms of the provisions of the Companies Act read with Schedule XIII, consent of members of the Company by way of Special Resolution is required to give effect to the proposed increase in remuneration of Managing Director.

None of the Directors, except Mr. Avinash C Gupta, Mr Arjun Gupta and Mr. Nakul Gupta are in anyway, concerned or interested in the resolution set out at item no. 6 of the notice.

Nature of Interest:

Shri Avinash C Gupta is Chairman & Managing Director of the Company. As this resolution is for increase in his own remuneration.

Shri Arjun Gupta & Shri Nakul Gupta Directors of the Company being son of Shri Avinash C Gupta are interested in the resolution.

The Board recommends the resolution set out at item no.6 of the Notice, for your approval.

For Technofab Engineering Limited

**Avinash C Gupta
Chairman & Managing Director**

**Place: New Delhi
Date:13.08.2013**

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting their Annual Report on the business and operations of your Company along with the audited statement of accounts for the year ended 31st March, 2013.



THE FINANCIAL HIGHLIGHTS ARE SET OUT BELOW

	Year ended March 31, 2013 (` In Million)	Year ended March 31, 2012 (` In Million)
Turnover (from operations incl. export incentives)	4263.01	3773.32
Other Income	19.33	43.33
Total Income	4282.34	3816.65
Total Expenditure	3701.78	3264.77
Profit before Interest, depreciation and Tax (EBIDTA)	580.56	551.88
Less: Interest & finance charge	73.28	37.13
Less: Depreciation	35.47	21.15
Profit before Tax	471.81	493.60
Less: Provision for Tax- current tax	137.50	149.00
Less: Wealth Tax	0.35	0.27
Profit before Deferred Tax	333.96	344.33
Add/(Less): Deferred Tax Credit/(Debit)	(7.04)	(2.27)
Profit after Tax	326.92	342.06
Add/(Less): Income Tax for earlier years	(1.58)	(0.40)
Profit Available for Appropriation	325.34	341.67
Proposed Dividend including Dividend Tax	30.68	24.38
Transfer to General Reserve	150.00	150.00
Profit After Appropriation	144.66	167.28
Balance Brought Forward From Last Year	392.80	225.52
Profit & Loss Account balance	537.46	392.80

REVIEW OF OPERATIONS

Financial Highlights

The financial year 2012-13 has seen your Company successfully protect the momentum that it had created since 2005-2006. Your company achieved a gross operating turnover of ` 4263.01 Million for the year ended 31st March, 2013 as against ` 3773.32 Million for the previous financial year. This amounts to a 12.98% growth over the previous year. The EBIDTA at ` 580.56 Million increased by 5.19 % in comparison to the previous year. The EBIDTA margin stood at 13.62%, as against 14.63% during the previous year and compares well with those



of peers in the sector in which your Company operates. The profit after tax in the period under review was ` 325.34 Million as compared to ` 341.67 Million in the previous year.

The net worth of your Company, which has been steadily increasing, stands at over ` 2025 million as on 31st March 2013.

Sectoral Overview

Your Company's capabilities to undertake turnkey EPC Services has been deployed across diverse sectors. Whereas, till 2006, over 90% of the Company's business accrued from the Power Sector, in recent years your Company has been successful in diversifying across other sectors. As a result the relative contribution of various sectors has seen a continuous churning. Whereas in the previous year, Power and Industrial sectors had the highest contribution to the turnover (at 28% and 27% respectively), during the year under review the water sector had the maximum contribution at 40% followed by the Power sector at 27%. This was followed by the Oil & Gas Sector which contributed 13%.

Major customers during the year included MCA, Mozambique; Fuel Trade, Ghana; Water Authority, Fiji; West Bengal State Electrical Development Corporation, National Thermal Power Corporation and HINDALCO. For the first time in the Company's history the top three revenue earners were overseas projects.

Geographical Spread

Your 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 your Company continued to execute business secured in Ethiopia, Fiji, Ghana, Kenya, Malawi and Mozambique. The geographical spread was further increased to cover Liberia, Tanzania and Zimbabwe. Slightly over half of the Company's revenue came from overseas assignments.

Fresh business Secured

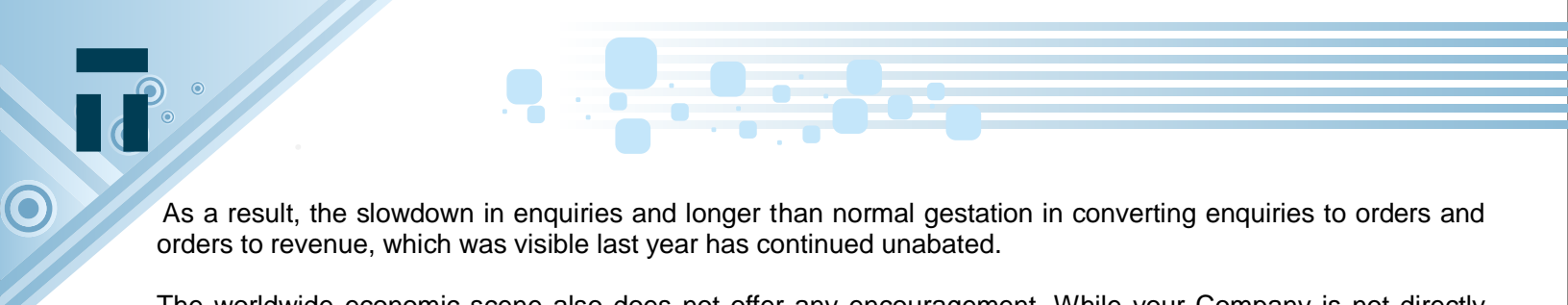
Your company continued to put great emphasis on securing new business from existing as well as new customers and new geographies. During the year, the Company secured fresh business of around ` 4800 Million, of which a substantial portion was from overseas. The largest share of orders were received from the Water sector followed by the Electrical Distribution/ Rural Electrification sectors. The Company did not see much activity in the Thermal Power, Nuclear Power and Industrial sectors.

At present your Company has outstanding proposals worth over ` 40 billion, 60% of which pertain to domestic business and the remaining overseas.

ECONOMIC AND BUSINESS OUTLOOK

The previous year had seen a dip in confidence of our country's economic outlook, and this has deepened. Investment in the main sectors that are crucial to us viz. the thermal power, nuclear power and the industrial sectors is reduced to a bare trickle. Even though there is no dearth of viable projects, several factors which are not in the control of project developers have resulted in many of these projects coming to a virtual standstill. With the project investment pipeline thus been severely impaired, the outlook is compounded by the absence of any realistic hopes of an upturn during the current fiscal year.

The scenario is adversely impacted by many factors, which are well known. There seems to be no end to the uncertainties faced on fuel for power plants, the difficulties in obtaining environmental clearances and in land acquisition. The continuous high fiscal and balance of payments deficits have caused a severe denting of confidence apart from the steady erosion in the value of the rupee.



As a result, the slowdown in enquiries and longer than normal gestation in converting enquiries to orders and orders to revenue, which was visible last year has continued unabated.

The worldwide economic scene also does not offer any encouragement. While your Company is not directly impacted by the crisis in Europe, the slowdown in China, and slow recovery and the imminent withdrawal of quantitative easing in USA, it does have indirect adverse impact on our business.

The fact that the Company still has a decent order book, along with its proven ability to target multiple sectors and geographies should hopefully help it tide over these concerns and be in a healthy shape to take advantage of the upturn which should be happening sooner rather than later. The steps taken by the government in aligning fuel prices with the international market, the small initial steps towards reduction of interest rates taken by RBI, the prospects of increase in gas prices, and decrease of deficits both fiscal and on Current account can undoubtedly be seen as early green shoots. The critical administrative issues that are holding up the project pipeline will hopefully now be addressed.

The overseas markets continue to present a reasonably good promise and we have further increased our marketing efforts by going into new countries in Africa and closer home in South Asia. During the year we could enter three new countries and are now working in 9 countries abroad. At the same time, fresh business opportunities are being pursued in a few other countries both in Africa and in South Asia. We are largely focused on developing countries where the basic demand on infrastructure and urban development remains very strong. To a great extent the projects your Company aims at, are not profit oriented or privately financed being more likely to be the subject of developmental finance, whether governmental or from multilateral development banks/bodies, hence these are not so strongly impacted by market related issues.

Both domestically and in the overseas markets there are strong signs of increased competition which in turn has the potential of affecting margins.

While we are confident that the Company will be able to cope with the present gloomy scene, your Company believes it will be unrealistic to expect the growth over the next 1-2 years to be significantly better than what has been achieved in 2012-2013 and to be ready to face a slight dip in margins due to pressures of competition in a slowing market.

STRATEGIC INITIATIVES

Being in the Service sector, the Company's success has been founded on Customer satisfaction. Achieving Customer Satisfaction through Excellence in Project Management has been and will continue to remain the cornerstone of your Company's business philosophy. In recent years this has been accompanied by a strong initiative to diversify the market, both in terms of newer sectors and newer geographies. Initiatives aimed at enhancing business and improving our internal environment and processes are an ongoing feature. Briefly these include:

Focus on improving efficiency

Since inception the Company has largely adhered to the mantra "keep it simple". Notwithstanding the inherent complexities of our business and the environment in which we operate, we continue to have faith in and abide by this mantra. It is important however to make full use of the opportunities available by advances in IT to efficiently cope with the growth pangs that are an integral accompaniment to the rapid increase in business volume. To this end the Company has greatly enhanced its in house IT capability and is well on the way to develop its own ERP systems, the first few modules of which have been rolled out.

With larger size jobs being taken up, the Company has considerably strengthened its senior management levels in project execution. The Company has appointed a Chief Financial Officer during the year.

Focus on HR

During the year employee strength crossed the 370 mark. The Company faces challenges on the manpower front, in terms of attracting, retaining and providing appropriate training to its employees. The Company HR policies and practices are geared to meet these challenges.

The Company maintains an informal, achievement oriented, merit and loyalty rewarding work atmosphere. As a result it has been able to develop a loyal workforce and keep attrition levels under control.

The Company continues to retain a lean, non hierarchical structure with an effective but simple, no frills office culture.

Marketing initiatives

The Company's recent rapid growth has been built around its core competence of providing turnkey electro mechanical EPC services. All recent diversification has been achieved around this core competence and no unrelated diversification has either been done or is planned.

The Company intends to continue with this market diversification strategy. This has been yielding good results as borne out by the fact that the Company has secured fresh orders last year in sectors and geographies where it had little presence till recently. As a result the Company has been able to sustain its order book despite the complete absence of fresh orders from sectors like thermal power, nuclear power and industrial, which together had been the mainstays of Company's business in recent years. Simultaneously the Company has in recent years been gravitating toward higher value jobs and this trend has accelerated during the year. Pre qualification issues have now become more important and the Company is suitably addressing this issue through tie ups and partnerships.

The Company had previously created new specialized groups to secure jobs in sectors like Electrical Distribution/ Rural Electrification, Water and Waste Water treatment/infrastructure and Oil & Gas and is achieving the benefits of these initiatives. The diversification into Africa continues to be spearheaded by one of the Company's full time Directors.

While the Company continues to look at the consolidated Mechanical, Electrical and Public Health services (MEP) Sector from the future perspective, it sees little scope in the near future.

Quality upgradation

Your 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. Recently our external auditors have conducted a rigorous audit and recertified our ISO 9001 accreditation.

DIVIDEND

Your Directors have pleasure in recommending an increased dividend of 25% i.e. ` 2.50 per share of ` 10/- each on 10,490,000 equity shares of ` 10/- each for the financial year ended 31st March, 2013, which, if approved at the ensuing Annual General Meeting, will be paid to all those members whose names appear in the Register of members as on the close of business hours on a book closure date that shall be separately identified. The dividend payable will result in an outgo of ` 30.7 Million.

The Directors are aware that many investors have been seeking a higher dividend but have deliberately chosen to follow a cautious and conservative path on account of the uncertain outlook and to facilitate growth and sustainability. This will reflect in incremental steps towards dividend enhancement and in line with this approach, dividend has been increased despite a very slight dip in after tax profit.

RESERVES

It is proposed to transfer ` 150.00 Million to the General Reserves of the Company, constituting 45.88% of the profits after tax made during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. The Directors have selected such appropriate accounting policies and applied them consistently and have 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 at the end of the financial year and the profit of the Company for the period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting of fraud and other irregularities;
- iv. The Annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

Details of employees who were in receipt of remuneration in terms of the provisions of Section of 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is given below.

Name of the Employee	Designation	Qualification	Date of Joining	Age	Experience	Remuneration Received during FY 2012-13 (INR in Millions)	Previous Employment	Nature of Employment	Nature of Duties
*Mr Avinash C Gupta	Chairman & Managing Director	Bachelor of Science	Promoter of the Company	72	52	17.01	Gannon Dunkerley	Permanent	Overall Management and Head of all Divisions.
Mr. Arjun Gupta	Whole Time Director	Bachelor of Engineering (USA)	Since 1998	42	19	9.07	Optical Detection Technologies incorporated USA	Permanent	Turnkey Projects for our Company both in India and abroad.

Mr. Nakul Gupta	Whole Time Director	Bachelor of Science (Indiana)	Since 1994	41	18	9.07	-	Per man ent	Handling Finance & Accounts, banking activities, export business
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*Mr. Avinash C Gupta is father of Mr Arjun Gupta & Mr. Nakul Gupta

SUBSIDIARY COMPANIES

In accordance with the requirements of Accounting Standards AS 21, issued by the Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its subsidiaries are a part of this Annual Report.

A statement pursuant to Section 212(3) of the Companies Act, 1956 relating to subsidiary company is attached.

In terms of the General Circular No. 2/2011 dated 8th February 2011, issued by the Government of India, Ministry of Corporate Affairs, the Annual Reports of the subsidiary Companies are not Annexed to this Report. Members desiring to have a copy of audited Annual Accounts and the related detailed information of the subsidiaries may write to the Company Secretary at the Registered Office of the Company and they will be provided with the same upon such a request. Annual Accounts of these subsidiary Companies will also be kept for inspection at the Registered Office of the Company as well as at the offices of the subsidiary Companies

PUBLIC DEPOSITS:

The Company has not accepted any deposit in the year under review.

CORPORATE GOVERNANCE REPORT

The corporate governance philosophy of your Company is driven by the interests of the stakeholders and business needs of the Company Therefore, enhancing corporate governance is on our highest priority in order to keep the trust of the shareholders and to fulfill Our social responsibilities as a Company. The Directors adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India and your Company has implemented all the stipulations prescribed by SEBI.

MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is presented in a separate section forming part of the Annual Report.

DIRECTORS

Mr. Nakul Gupta and Mr Pawan Chopra will retire by rotation at the ensuing AGM and they have offered themselves for reappointment.

AUDITORS

The Auditors Rajesh Suresh Jain & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received

confirmation that their appointment, if made, would be within the limits prescribed under Sec. 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

I. Conservation of energy

Though the operations of your 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. Your 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	-	1,29,34,99,988
Foreign Exchange Outgo	-	94,82,71,285

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.

ACKNOWLEDGEMENT

Your 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. Your 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.

BY ORDER OF THE BAORD

**AVINASH C GUPTA
CHAIRMAN & MANAGING DIRECTOR**

Place : New Delhi.
Dated : 13.08.2013

REPORT ON CORPORATE GOVERNANCE

In Compliance with Clause 49 of the Listing Agreement entered into with the stock exchange, the Company hereby submits the report on matters as mentioned in the said clause and corporate governance practices followed by the Company.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Corporate Governance Philosophy of the Company is driven by the interest of the stakeholders and business needs of the Company. Therefore the Company firmly believes that Corporate Governance is a powerful tool for the long term growth of the Company and continues to give high priority to the principle and practice of Corporate Governance in order to keep the trust of the shareholders and to fulfill our social responsibilities as a Company.

II. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company.

The Company has an Executive Chairman who is also a promoter Director. The number of Non-Executive Directors is half of the total strength. The total board strength is six out of which three are Independent Directors.

COMPOSITION, MEETINGS AND ATTENDANCE

During the Financial year ended March 31, 2013, 6 Board Meetings were held on 07.05.2012, 29.05.2012, 01.08.2012, 09.11.2012, 10.01.2013 and 05.02.2013.

The Composition and category of Directors along with number of Directorship/ Membership of the Committees in other Companies and also the attendance of each Director at the Board Meetings of Technofab Engineering Ltd. held during financial year 2012-13 and the last Annual General Meeting are as under-

Name of the Director	Director Ships*	Committee Memberships (including Chairmanship)		No. of Board Meetings		Attendance at Last AGM
		Memberships	Chairmanship	Held during tenure	Attended	
PROMOTERS & EXECUTIVE DIRECTORS						
Mr. Avinash C Gupta (Chairman & Managing Director)	NIL	NIL	NIL	6	5	Yes
Mr. Arjun Gupta (Whole Time Director)	NIL	NIL	NIL	6	6	Yes
Mr. Nakul Gupta (WholeTime Director)	NIL	NIL	NIL	6	5	Yes

NON EXECUTIVE / INDEPENDENT DIRECTORS

Mr. Arun Mitter	7	10	2	6	5	Yes
Mr. Pawan Chopra	1	1	1	6	6	No
Mr. V S Mathur	4	3	1	6	6	No

* Excluding Technofab Engineering Limited, Private Companies, Section 25 companies and Foreign Companies.

BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT

Mr. Nakul Gupta, 41 years, is the Whole Time Director of our Company. Mr. Nakul Gupta holds a Bachelor of Science (Marketing & Psychology) degree from Indiana University (Bloomington). He has successfully completed Owners President Management Programme from Harvard University over three years ending 2010. He has been associated with our Company as director since 1994 and in these Eighteen (18) years has been handling finance & accounts and Banking activities of our Company. He has been managing the export business of our Company.

Mr. Pawan Chopra, 68 year, is a retired Indian Administrative Service Officer. He has been appointed as a Director of our Company in 2009. Mr. Chopra has more than thirty eight (38) years of experience working with Government of Rajasthan and Government of India in various capacities and sectors. Mr. Chopra retired as a Secretary to Government of India, Ministry of Information and Broadcasting.

DETAILS OF THE REMUNERATION PAID TO THE DIRECTORS FOR THE YEAR 2012-13

(A) Remuneration to Directors

The Remuneration/Sitting fees paid to the Directors during the financial year 2012-13 are mentioned below:

(Amount in `)

Sl. No.	Name of Director	Salary & Allowance	Commission	Sitting Fees	Total
1	Mr. Avinash C Gupta	77,64,070	92,50,000	Nil	1,70,14,070
2	Mr. Arjun Gupta	44,45,906	46,25,000	Nil	90,70,906
3	Mr. Nakul Gupta	44,45,906	46,25,000	Nil	90,70,906
4	Mr. Arun Mitter	Nil	Nil	2,00,000	2,00,000
5	Mr. Pawan Chopra	Nil	Nil	2,20,000	2,20,000
6	Mr. V.S. Mitter	Nil	Nil	2,20,000	2,20,000

(b) 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, as per table below, for attending the meetings and are not entitled to any other payments.

Sl. No.	Nature of Meeting	Sitting Fees Payable (in `)
1.	Board	20,000
2.	Audit Committee	20,000
3.	Remuneration Committee	20,000
4.	Shareholders / Investors Grievance Committee	20,000

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:

A. CORPORATE GOVERNANCE COMMITTEES

1. Audit Committee
2. Remuneration Committee
3. Shareholders / Investors Grievance Committee

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

(1) AUDIT COMMITTEE

Composition:

All Members of the Committee have good financial and accounting knowledge. The Chairman of the Audit Committee is having accounting and financial management expertise. The Statutory Auditors and Internal Auditors are invitees to the Audit Committee Meetings. During the year, the Committee reviewed key audit findings covering operational, financial and compliance areas.

The Composition of Audit Committee as on March 31, 2013: -

- | | | |
|---------------------|---|--------------------------------------|
| 1. Mr. Arun Mitter | : | Chairman, Independent, Non-Executive |
| 2. Mr. Pawan Chopra | : | Member, Independent, Non-Executive |
| 3. Mr. V S Mathur | : | Member, Independent, Non- Executive |

Secretary: Mrs. Jyoti Singh, Company Secretary of the Company is the secretary of the Committee.

Brief Description of Terms of Reference of Audit Committee:-

The term of reference of Audit Committee includes overseeing the audit functions, review of Company's financial performance, review critical findings of Internal Audit, compliance with the Accounting Standards & all other matters specified under Clause 49 of the Listing Agreement of the Stock Exchange and in Section 292A of the Companies Act, 1956.

Meetings and Attendance:-

During the financial year ended March 31, 2013, Four Audit Committee meetings were held on 29.05.2012, 01.08.2012, 09.11.2012 and 05.02.2013

The attendance details are as under: -

Name of the Member	No. of Meetings Attended
Mr. Arun Mitter	4
Mr. Pawan Chopra	4
Mr. V S Mathur	4

(2) REMUNERATION COMMITTEE

Composition:

The Composition of Remuneration Committee as on March 31, 2013: -

1. Mr. Pawan Chopra : Chairman, Independent, Non-Executive
2. Mr. Arun Mitter : Member, Independent, Non-Executive
3. Mr. V S Mathur : Member, Independent, Non-Executive

Secretary: Mrs. Jyoti Singh, Company Secretary of the Company is the secretary of the Committee.

Brief Description of Terms of Reference of Remuneration Committee: -

Remuneration Committee is responsible for deciding and fixing the remuneration of the Executive Directors of the Company.

Meetings and Attendance:-

During the financial year ended March 31, 2013, no meeting of Remuneration Committee was held.

Remuneration Policy of the Company:-

The Remuneration policy aims at encouraging and rewarding good performance/contribution to company objectives.

(3) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Composition:

The Composition of Shareholders / Investors Grievance Committee as on March 31, 2013: -

1. Mr. Pawan Chopra : Chairman, Independent, Non-Executive
2. Mr. Arun Mitter : Member, Independent, Non-Executive
3. Mr. V S Mathur : Member, Independent, Non-Executive

Secretary: Mrs. Jyoti Singh, Company Secretary of the Company is the secretary of the Committee.

Brief Description of Terms of Reference of Shareholders / Investors Grievance Committee:-

The Committee supervises the systems of redressal of Investor Grievances and ensures cordial investor relations.

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, dematerialisation/ rematerialisation of shares in stipulated period of time.

Meetings and Attendance:-

During the financial year ended March 31, 2013, One Shareholders/Investors Grievance Committee meetings was held on 10.01.2013.

Name of the Member	No. of Meetings Attended
Mr. Pawan Chopra	1
Mr. Arun Mitter	1
Mr. V S Mathur	1

IV. COMPLIANCE OFFICER: -

Ms. Jyoti Singh is the Company Secretary cum Compliance Officer of the Company appointed by the Board. Her 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. Company also redresses shareholders complaint coming through SEBI-SCORES mail id.

DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED & REPLIED :

A status of the Complaints received from investors and attended during financial year 2012-13 is as follows:

Opening Balance	Received	Replied	Closing Balance
Nil	27	26	1

V. GENERAL BODY MEETINGS

The location and time of the last three Annual General Meetings were as under:

Financial Year	Date	Time	Venue
2009-10	May 22, 2010	11.30 AM	Registered Office : 507, Eros Apartments, 56, Nehru Place, New Delhi- 110019
2010-11	August, 10, 2011	10.30 AM	PHD Chamber of Commerce and Industry, August Kranti Marg, New Delhi-110016
2011-12	September 10, 2012	10.30 AM	- same as above -

In the last three Annual General Meetings, following special business items were approved by the members by means of Special Resolution:

Financial Year	Item
2009-10	<ol style="list-style-type: none"> 1. Increase in Remuneration of Shri Avinash C Gupta as the Managing Director of the Company. 2. Increase in Remuneration of Shri Arjun Gupta, Whole Time Director. 3. Increase In Remuneration of Shri Nakul Gupta, Whole Time Director
2010-11	<ol style="list-style-type: none"> 1. Increase In Remuneration of Shri Avinash C Gupta as the Managing Director of the Company. 2. Reappointment of Shri Arjun Gupta as Whole Time Director of the Company. 3. Reappointment of Shri Nakul Gupta as Whole Time Director of the Company. 4. Increase in Borrowing Powers of the Company from Rs. 800 Crores to Rs 1500 Crores
2011-12	No Special business item was approved.

VI. POSTAL BALLOT

No resolution was put to vote through Postal Ballot in the last year and there is no resolution which is required to be passed by Postal Ballot at present.

VII. DISCLOSURES

a. Related Party Transactions

The Company has not entered into any materially significant transactions with the related parties viz. Promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Transactions with related parties are being disclosed in the Notes to Accounts forming part of the Annual Report and are transacted after obtaining necessary Central Government approval, wherever required.

b. 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.

c. 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.

d. Details of compliance with mandatory requirements under Clause 49 of the Listing Agreement

Particulars	Clause of Listing Agreement	Compliance Status
I. Board of Directors	49 (I)	
Composition of Board	49 (I A)	Complied
Non-Executive Directors' Compensation & Disclosures	49 (I B)	Complied
Other provisions as to Board and Committees	49 (I C)	Complied
Code of Conduct	49 (I D)	Complied
II. Audit Committee	49 (II)	
Qualified & Independent Audit Committee	49 (II A)	Complied
Meeting of Audit Committee	49 (II B)	Complied
Powers of Audit Committee	49 (II C)	Complied
Role of Audit Committee	49 (II D)	Complied
Review of Information by Audit Committee	49 (II E)	Complied
III. Subsidiary Companies	49 (III)	Complied
IV. Disclosures	49 (IV)	
Basis of Related party transactions	49 (IV A)	Complied
Disclosure of Accounting Treatment	49 (IV B)	N.A.
Board Disclosures – Risk Management	49 (IV C)	Complied
Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	Complied
Remuneration of Directors	49 (IV E)	Complied
Management	49 (IV F)	Complied
Shareholders	49 (IV G)	Complied
V. CEO/ CFO Certification	49 (V)	Complied
VI. Report on Corporate Governance	49 (VI)	Complied
VII. Compliance	49 (VII)	Complied

VIII. MEANS OF COMMUNICATION

The quarterly / half-yearly results are forthwith communicated to the Bombay Stock Exchange Limited and the National Stock Exchange, 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 are published in leading newspapers, namely, Business Standard both English and Hindi, Financial Express in English, Jansatta in Hindi, etc., along with the official news releases in accordance with the guidelines of the Stock Exchanges.

The results are also put- up on Company's website www.technofabengineering.com. The website also hosts official news release.

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 well attended by the analysts, fund managers and investors.

IX. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting: -

The 42nd Annual General Meeting of the Company is scheduled to be held as under :-

Date and Time : Wednesday 25th September, 2013 at 10:30 AM
Venue : India Islamic Cultural Centre, 87-88, Lodhi Road
New Delhi - 110003

b. Financial Calendar (Tentative): -

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 14/08/2013
Half Yearly / Second quarter Results : On or before 14/11/2013
Third Quarter Results : On or before 14/02/2014
Audited Annual results for the year : On or before 30/05/2014

c. Date of Book Closure: - September 20, 2013 to September 25, 2013(both days inclusive)

d. Dividend Payment Date:- Within 30 days from the date of AGM

e. Listing on Stock Exchanges: -

Name of Stock Exchange	Stock Code
Bombay Stock Exchange	533216
National Stock Exchange	TECHNOFAB

f. ISIN Number: INE509K01011

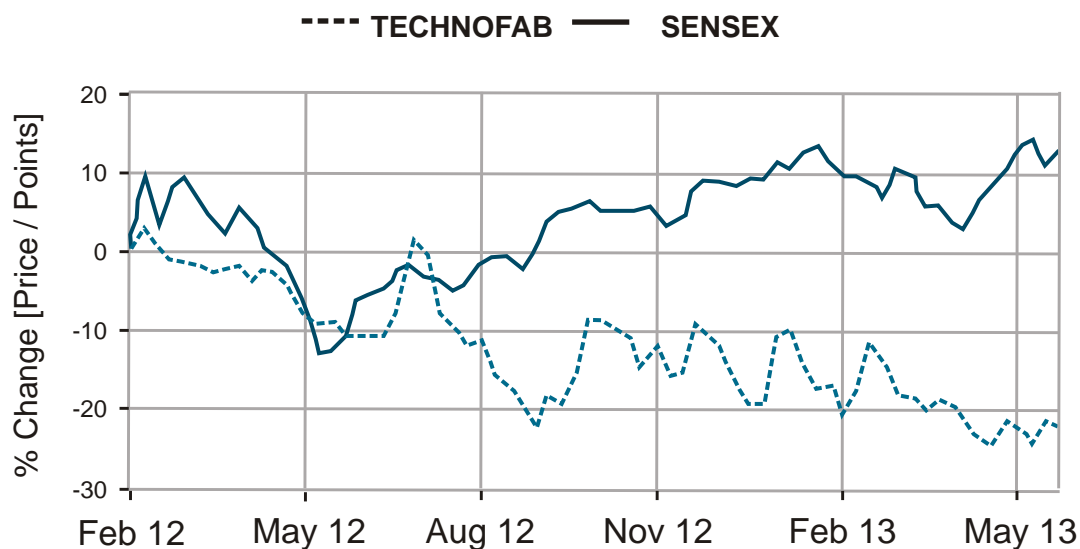
g. Market Price Data & Share price performance: -

Monthly High, Low (based on the closing prices) during each month, in last financial year, is as below:

MONTH	BSE		NSE	
	HIGH (₹)	LOW (₹)	HIGH (₹)	LOW (₹)
April 2012	178.30	143.05	158.00	138.00
May 2012	162.20	120.05	150.00	118.00
June 2012	137.00	120.60	148.00	127.00
July 2012	158.00	123.00	158.25	111.55
August 2012	136.55	116.15	137.00	116.65
September 2012	126.00	112.95	125.95	111.55

October 2012	156.00	120.00	140.00	119.00
November 2012	134.00	120.05	134.70	120.20
December 2012	135.00	116.40	135.00	116.20
January 2012	133.15	115.05	133.50	117.00
February 2012	129.90	111.00	133.95	111.90
March 2013	127.00	115.00	135.90	114.05

COMPANY'S EQUITY SHARE PRICE COMPARISON WITH BSE SENSEX



h. 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
 Ph: +91-11-41410592
 Fax: +91-11-41410591

Detailed list of Link Intime Offices is available at their website www.linkintime.co.in

i. 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.

j. **Shareholding Pattern as on March 31, 2013: -**

Sl. No.	CATEGORY	No. of Share holders	No of Shares held	% of Share holding
A	PROMOTERS HOLDING			
1	Promoters			
	(i) Indian Promoters	10	4897046	46.68
	(ii) Foreign Promoters			
2	Persons acting in Concert			
	Sub-Total	10	4897046	46.68
B	NON- PROMOTER HOLDINGS			
1	Institutions			
a	Mutual Funds and UTI			
b	Banks, Financial Institution, Insurance Companies (Central/ State Government Institutions/ Non - Government Institutions)			
c	FIs	4	13,41,929	12.79
	Sub-Total	4	13,41,929	12.79
2	Others			
a	Corporate Bodies	170	26,73,706	25.49
b	Indian Public	6364	15,06,036	14.36
c	NRIs	98	58,760	0.56
d	Any other :			
	(i) Trusts	1	40	0.00
	(ii) HUF			
	(iii) Clearing Members (NSDL & CDSL)	39	12483	0.12
	(iv) Foreign Companies			
	Sub-Total	6672	4251025	40.53
	GRAND TOTAL	6686	1,04,90,000	100

k. **Dematerialisation of Shares and Liquidity: -**

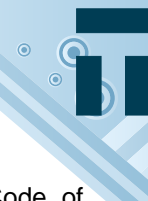

The shares of the Company are compulsorily traded in dematerialized form. All equity shares except 4(four) have been dematerialized as on March 31, 2013.

The equity shares of the Company are actively traded at BSE & NSE.

There are no outstanding GDRs / ADRs /Warrants or any convertible or other instruments.

X. **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.

XI. CEO/ CFO CERTIFICATION

In compliance with Clause 49(V) of the Listing Agreement, a declaration by Chairman & Managing Director & 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.

DECLARATION

As provided under clause 49 of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2013.

For Technofab Engineering Limited

Place: New Delhi
Date: 13.08.2013

AVINASH C GUPTA
Chairman & Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
TECHNOFAB ENGINEERING LIMITED

1. We have examined the implementations of the Corporate Governance Procedures as stipulated in clause 49 of the Listing Agreement with the Stock Exchange(s), as in force, by TECHNOFAB ENGINEERING LIMITED (the Company) for the financial year ended on March 31, 2013.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was 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.
3. 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 in all material respects with the other conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that no investor grievance is pending for a period of exceeding one month against the company from the date of receipt of the grievance by the Company as per the records and other documents maintained by the Shareholders/Investor Grievance Committee.
5. We further state that such compliance is neither an assurance as to the future validity 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
Firm Reg. No. 017163N

Rajesh Jain
Proprietor
Mem. No. 98229

Place: New Delhi
Date: 13-08-2013

CERTIFICATE OF CEO/CFO

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

- (a) We have reviewed financial statements and the cash flow statement for the year 2012-13 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls 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:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. 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 system over financial reporting.

AVINASH C GUPTA
Chairman & Managing Director

SANDEEP KUMAR VIJ
Chief Financial Officer

Place: New Delhi
Date: 13-08-2013

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The last financial year has, to state the obvious been a difficult one. It has been difficult not just for our Company but in fact all across the economy, particularly the sectors our customers operate in. Despite extreme adversities we still managed to increase our turnover by 12.98% whilst largely protecting our after tax profits. Our 5 year CAGR is 40%, something of which we can be justifiably proud. Alongside the Company is slowly and steadily forging ahead towards its vision of being a world class, globally versatile, medium sized EPC service provider, creating value for customers and stakeholders through excellence in Project Management.

This performance has been achieved on the back of a well planned business strategy, at the heart of which has been the Company's successful endeavour to diversify its customer base beyond the traditional domestic thermal power sector market. The Company now serves multiple sectors and geographies. This diversity is clearly evidenced by the following table showing sector wise contribution to the overall revenue in the last 6 years, as a percentage of total revenue.

Segment	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008
Conventional Power	27	32.9	19.8	25	22	37
Nuclear Power	3	4.1	9.9	27	18	0
Oil & Gas	13	22.5	3.7	1	13	55
Water & Waste Water Treatment	40	11.8	11.7	20	35	1
Industrial & Infrastructure Sectors	10	27.4	49.2	19	12	7
Electrical Distribution and Rural Electrification	7	1.3	5.6	8	0	0

Similarly our foreign turnover has been continuously varying as seen below

Year	%age revenue from overseas
2012-2013	52
2011-2012	34
2010-2011	21
2009-2010	10
2008-2009	39
2007-2008	55
2006-2007	0

This diversity and consequent growth has been achieved whilst remaining focussed on our core competence of turnkey project execution. While this strategy has been instrumental in our recent growth, it has also helped us better cope with the slowdown in the thermal power, nuclear power and industrial segment which has been so noticeable now for over one and a half years.

ORDER BOOK

The Company received fresh orders aggregating around ` 4.80 billion during the course of the year of which around 60% was from overseas. This has been the largest ever inflow of foreign orders in any year. The order book of the Company as on 31st March 2013 stands at around ` 10.5 billion. The sector wise break up is as follows:

No.	Segment	% contribution
1.	Conventional Power	24
2.	Nuclear Power	1
3.	Water & Waste Water Treatment	42
4.	Electrical Distribution and Rural Electrification	17
5.	Industrial & Infrastructure Sectors	3
6.	Oil & Gas	13

Over 62% of order book is on account of foreign orders. What is even more noticeable is that our mainstays in recent years viz. thermal power, nuclear power and industrial segments have not brought in any fresh orders in 2012 - 2013. This is a matter of serious concern to us. At the same time there is a degree of satisfaction that the Company has still managed to achieve a modest growth.

BUSINESS ENVIRONMENT AND OUTLOOK


The optimism that was strongly evident till as recently as two years ago has largely evaporated, at least as far as our domestic business opportunities are concerned. Our country's over 8% rate of growth has turned into a mirage. 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. CRISIL in their recent annual survey and business outlook has brought out a very gloomy picture. They have clearly conveyed that not only is the investment and resultant project pipeline severely impaired, the earliest an upturn is possible goes well into the middle of the next financial year.

This is compounded by slowdown in some of our ongoing projects in the domestic thermal power sector and absence of financial closure in two overseas projects aggregating ` 2.4 billion.

To us what is of the utmost importance is how well we are able to cope with these adverse conditions. In this process we are fully aware that our mettle will be tested to the full. The various business and strategic initiatives we have taken in recent years has helped us avoid a slip in our business though it is a fact that growth has been muted in the last year while profit is flat.

The Board has never looked at rapid top line growth as an objective in itself, unless it is accompanied by profit. For the same reason the Company has stuck to its core competence and not gotten into any unrelated diversification or projects on BOOT basis. Thus excessive leveraging has been avoided and your Company's balance sheet continues to be in fairly good shape.

The following two paragraphs which found place in the previous year's Management Discussion and Analysis continues to be equally relevant as well as equally significant even today and are reproduced here in their entirety.



“As was mentioned last year, the water sector has the greatest long term potential due to pressure on scarce resources which can only be overcome by heavy investments in treatment, recycling and water infrastructure. Though the water sector has provided us some good business during the year, we continue to face problems in the water and waste water treatment sector due to qualification issues. Our strategy of having tie ups yielded its first success when the Company secured a prestigious order for a Demineralised Water Plant of fairly large capacity. The sector as a whole however continues to face financial hurdles arising out of structural factors. In particular our country’s inability to price water at economical levels restricts project opportunities to industrial and JNURM funded projects at present.

Internationally, while we continue to see good opportunities particularly in Africa and South Asia, we see increased competitive pressures. We have developed a strong dedicated marketing team for International business, and have identified a few countries where we are focussing. Indian government’s recent enhanced focus on Africa in terms of economic cooperation is an encouraging factor. Apart from Multilateral Agency funded projects we are identifying projects being funded by Indian government and Exim Bank for pursuing business opportunities. Our efforts have yielded satisfactory results during the year.”

The Electrical Distribution/Rural Electrification Sector domestically, and the Water/Waste Water Sector Internationally, which have yielded good business in 2012-2013 are expected to remain prominent drivers of our business for the next one year or so. By then we are hopeful that our traditional sector(s) will revive.

COMPARISON OF PERFORMANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2013 VIS-À-VIS FINANCIAL YEAR ENDED MARCH 31, 2012

Turnover: Our turnover increased to ` 4263.01 million in fiscal 2013 from ` 3773.31 million in fiscal 2012, representing an increase of 12.98%. The growth in our revenues was on account of executing substantially more projects in the Water and Electrical Distribution/Rural Electrification Sectors.

During the fiscal 2013, revenues from projects in the Water and Waste Water sector amounted to ` 1704 million as against ` 445 million in the previous year.

Other Income: Other income fell from ` 43.33 million for the year ended March 31, 2012 to ` 19.33 million for the year ended March 31, 2013.

Expenditure on Contracts Our Expenditure on Contracts increased by 89.33 % from ` 221.36 million for the year ended March 31, 2012 to ` 419.10 million for the year ended March 31, 2013. The increase in the contracts expenditure was on account of increased turnover.

Finance Costs : Finance costs which amounted to ` 37.13 million in the year ended 31 March, 2012 increased significantly to ` 73.28 million in the year ended 31 March, 2013.

Profit before Taxation: Due to factors discussed above, our net profit before taxation decreased by 4.4% to ` 471.81 million in fiscal 2013 from ` 493.61 million in fiscal 2012.

Net Profit after tax: Our net profit after tax decreased by 4.8% to ` 325.34 million in fiscal 2013 from ` 341.67 million in fiscal 2012.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company management recognises the necessity, and has 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.

MATERIAL DEVELOPMENTS IN HUMAN RELATIONS

Your 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, 2013, there were around 370 employees on the roll of the Company. Further significant growth in employee count is not envisaged.

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 AUDITOR'S REPORT

TO THE MEMBERS OF TECHNOFAB ENGINEERING LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TECHNOFAB ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, 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 Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 over all presentation of the 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 aforesaid 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

2. As required by Section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the Directors as on March 31, 2013, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Rajesh Jain
Partner
Mem. No. 098229

Place: New Delhi

Dated: 23.05.2013

Annexure to Independent Auditor's Report


(Referred to in Paragraph 1 under the heading of "Report on other legal and Regulatory Requirements" of our report of even date for the year ended 31st March, 2013)

- i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year 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.
 - (c) The Company has not disposed off any substantial part of fixed assets during the year and therefore going concern status of the Company is not affected.
- ii) In respect of its inventories:
 - (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.
 - (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.
 - (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.
- iii)
 - (a) According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 accordingly paragraphs 4(iii)(a), (b), (c) and (d) of the order are not applicable.
 - (b) The Company has not taken unsecured loans from parties covered in register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control system.
- v) In respect of transaction covered under Section 301 of the Companies Act 1956:
 - (a) According to the information and explanations given to us, the particulars of contracts or arrangements that needed to be entered into the register required to be maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Companies Act 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act.1956
- vii) According to the information and explanations given to us, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii) The nature of the business activities is such that Clause 4 (viii) of the Companies (Auditors Report 2003) regarding maintenance of Cost Records is not applicable to the Company.
- ix) In respect of statutory dues:
- (a) According to the records of the Company and information and explanations given to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable have generally been regularly deposited with the appropriate authorities. However, there have been some delays in few cases.
- (b) The disputed statutory dues that have not been deposited on account of matters pending before different Authorities as provided by the Company are stated below :-

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Orissa	WCT Wrongly Assessed	13,55,000	2002-03	Before Sales Tax Tribunal–Orissa
Delhi	CST Wrongly Assessed	2,88,12,219	2009-10	Before Special Commissioner(VAT) – Delhi
Delhi	CST Wrongly Assessed	9,92,86,985	2010-11	Before Special Commissioner(VAT) – Delhi
Delhi	CST Wrongly Assessed by Audit	43,56,754	2010-11	Before Special Commissioner(VAT) – Delhi
Delhi	Penalty on CST Wrongly Assessed by Audit	35,71,082	2010-11	Before Special Commissioner(VAT) – Delhi

- x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediate preceding financial year.
- xi) According to the information and explanations given to us, the Company has not made any default during the year towards dues of financial institutions, banks and debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- 
- xiv) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
 - xv) According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
 - xvi) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
 - xvii) According to the information and explanations given to us, the Company has not taken any term loans during the year.
 - xviii) On the basis of overall examination of the Balance Sheet of the Company and information and explanations given to us, we report that during the year short term funds have not been used to finance long term investments.
 - xix) During the year, the Company has not made any preferential allotment of shares to parties covered in the register maintained under Section 301 of Companies Act, 1956.
 - xx) The Company has not issued any debentures during the year.
 - xxi) The Management has disclosed the utilization and pending utilization of money raised by public issue and we have verified the same.
 - xxii) In our opinion and according to the information and explanations given to us, no material fraud on or by the Company have been noticed or reported during the year nor have we been informed of any such case by the Management.

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

Rajesh Jain
Partner
Mem. No. 098229

Place: New Delhi

Dated: 23.05.2013

TECHNOFAB ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note no.	As at 31/03/2013		As at 31/03/2012	
EQUITY AND LIABILITIES					
(1) Shareholder's Funds:					
(a) Share Capital	2.1	10,49,00,000		10,49,00,000	
(b) Reserves and Surplus	2.2	1,92,06,23,547	2,02,55,23,547	1,62,59,66,400	1,73,08,66,400
(2) Non-Current Liabilities					
(a) Long Term Borrowings	2.3(a)	-		36,89,648	
(b) Deferred Tax Liabilities (Net)	2.12	1,42,83,984		72,39,414	
(c) Other Long Term Liabilities	2.4(a)	13,12,502		14,91,051	
(d) Long Term Provisions	2.5(a)	1,53,79,105	3,09,75,591	1,24,78,206	2,48,98,319
(3) Current Liabilities					
(a) Short Term Borrowings	2.3(b)	70,34,15,306		43,93,03,951	
(b) Trade Payables	2.4(b)	1,52,41,49,069		96,05,97,566	
(c) Other Current Liabilities	2.4(c)	18,16,54,450		27,69,95,114	
(d) Short Term Provisions	2.5(b)	17,08,12,056	2,58,00,30,881	17,51,73,008	1,85,20,69,639
Total			4,63,65,30,019		3,60,78,34,358
ASSETS					
(1) Non-Current Assets					
(a) Fixed assets					
(i) Tangible assets	2.6	26,92,69,671		16,96,23,849	
(ii) Capital Work in Progress		-		37,89,931	
(b) Non-Current Investments	2.7(a)	9,10,77,520		10,13,44,903	
(c) Long Term Loans and Advances	2.8(a)	5,22,47,595		3,71,83,718	
(d) Other Non Current Assets	2.11(a)	8,31,95,072	49,57,89,858	4,49,80,564	35,69,22,965
(2) Current Assets					
(a) Current Investments	2.7(b)	49,51,52,842		37,74,15,914	
(b) Inventories	2.9	45,35,36,964		11,51,05,937	
(c) Trade Receivables	2.10	2,12,00,81,522		1,66,78,80,197	
(d) Cash and Cash Equivalents	2.11(b)	46,62,83,585		63,41,55,794	
(e) Short-Term Loans and Advances	2.8(b)	60,56,85,248	4,14,07,40,161	45,63,53,551	3,25,09,11,393
Total			4,63,65,30,019		3,60,78,34,358

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 the Board

Rajesh Jain

Partner

Mem.No.098229

Managing Director

Director

Date : 23.05.2013

Place: New Delhi

Company Secretary

TECHNOFAB ENGINEERING LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note no.	2012-2013	2011-2012
REVENUE :			
Revenue from Operations	2.13	4,26,30,05,263	3,77,33,16,322
Other Income	2.14	1,93,33,499	4,33,31,853
Total Revenue		4,28,23,38,762	3,81,66,48,175
EXPENSES :			
Cost of Materials Consumed	2.15	2,89,42,00,742	2,70,24,05,631
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.16	(5,03,75,246)	1,85,74,171
Expenditure on Contracts	2.17	41,90,83,218	22,13,60,226
Employee Benefit Expense	2.18	31,09,54,732	23,66,65,719
Finance Cost	2.19	7,32,75,918	3,71,25,023
Depreciation and Amortization Expense	2.6	3,54,74,380	2,11,49,353
Other Expenses	2.20	12,79,15,173	8,57,62,048
Total Expenses		3,81,05,28,917	3,32,30,42,171
Profit Before Tax		47,18,09,845	49,36,06,004
Tax Expense :			
- Current Tax		13,75,00,000	14,90,00,000
- Deferred Tax		70,44,570	22,65,715
- Wealth Tax		3,45,000	2,70,000
- Tax Adjustment for Earlier Years		15,81,189	3,98,296
Profit after tax carried to Balance Sheet		32,53,39,086	34,16,71,993
Earning per share (₹)			
Basic	2.24	31.01	32.57
Diluted	2.24	31.01	32.57
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 the Board

Rajesh Jain

Partner

Mem.No.098229

Managing Director

Director

Date : 23.05.2013

Place : New Delhi

Company Secretary

TECHNOFAB ENGINEERING LIMITED

NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2013

1.1 Basis of Preparation of Financial Statements

- i) The Financial Statements have been prepared under the historical cost convention method in accordance with the generally accepted Accounting Principles and the Accounting Standard referred to Section 211(3C) of the Companies Act, 1956.
- ii) Use of Estimates: - The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.2 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/realisation of income, the same is not accounted for.

1.3 Fixed Assets

- a) All fixed assets are stated at historical cost less depreciation.
- b) Depreciation is provided on straight-line method at the rates specified in Schedule XIV of Companies Act, 1956.

1.4 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.

1.5 Inventories

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

1.6 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.

1.7 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.

1.8 Taxes on Income

Tax expenses comprise current tax, deferred tax & wealth 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.

1.9 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.

1.10 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

For and on behalf of the Board

Rajesh Jain
Partner
Mem. No. 098229

Managing Director

Director

Place: New Delhi

Dated: 23.05.2013

Company Secretary

TECHNOFAB ENGINEERING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

NOTE : 2 NOTES ON ACCOUNTS

2.1 Share Capital

Authorised Capital

1,50,00,000 (Previous Year 1,50,00,000)
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 31/03/2013	As At 31/03/2012
15,00,00,000	15,00,00,000
10,49,00,000	10,49,00,000
10,49,00,000	10,49,00,000

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

Particulars	As At 31/03/2013		As At 31/03/2012	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Shares at the beginning of the year	1,04,90,000	10,49,00,000	1,04,90,000	10,49,00,000
Shares at the end of the year	1,04,90,000	10,49,00,000	1,04,90,000	10,49,00,000

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

Name of the shares holders	As At 31/03/2013		As At 31/03/2012	
	No. of shares	% of holding	No. of shares	% of holding
Avinash Chander Gupta	2261694	21.56%	1939789	18.49%
Meera Gupta	1478439	14.09%	1346665	12.84%
Gammon India Limited	#		1025000	9.77%
Emerging India Focus Fund	752153	7.17%	752153	7.17%
Karuna Rajan	#		752944	7.18%

Note: # as on 31/03/2013 share holding of the share holders is less than 5%

2.2 Reserves and Surplus

(i) Securities Premium Reserve

(ii) General Reserve

Add : Transfer from Profit & Loss A/c

(iii) Surplus

Add : Profit after tax for the year

Less : Transfer to General Reserve

Less : Proposed Dividend on equity shares, ₹
2.50 per share (previous year ₹ 2.00 per share)

Less : Dividend distribution tax

Total

70,19,42,133	70,19,42,133
53,12,25,461	38,12,25,461
15,00,00,000	15,00,00,000
68,12,25,461	53,12,25,461
39,27,98,806	22,55,10,293
32,53,39,086	34,16,71,993
15,00,00,000	15,00,00,000
2,62,25,000	2,09,80,000
44,56,939	34,03,480
53,74,55,953	39,27,98,806
1,92,06,23,547	1,62,59,66,400

TECHNOFAB ENGINEERING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

	As At 31/03/2013	As At 31/03/2012
2.3 (a) Long-term borrowings (Secured)		
Term Loans		
(i) From Other Parties		
Equipment Loans*	-	36,89,648
Total	-	36,89,648
(b) Short-term borrowings (Secured)		
(i) From Banks		
Working Capital**	69,97,55,560	43,51,31,311
Equipment Loans*	-	1,91,086
(ii) From Other Parties		
Equipment Loans*	36,59,746	39,81,554
Total	70,34,15,306	43,93,03,951

Note : * Secured by hypothecation of the asset purchased under various financing scheme and repayment terms of term loans ` 36,59,746 payable within one year.

** 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.

	As At 31/03/2013	As At 31/03/2012
2.4 (a) Other Long Term Liabilities		
Others Payables		
Vehicle Security	13,12,502	14,91,051
Total	13,12,502	14,91,051
(b) Current Liabilities		
Trade Payables	1,52,41,49,069	96,05,97,566
Total	1,52,41,49,069	96,05,97,566
(c) Other Current Liabilities		
(i) Other Payable	13,82,54,280	9,47,40,137
(ii) Advance from Customers	4,33,63,374	18,22,35,198
(iii) Unpaid Dividends	36,796	19,779
Total	18,16,54,450	27,69,95,114
2.5 Provisions		
(a) Long Term Provisions		
(i) Gratuity	1,15,32,101	97,94,815
(ii) Leave Encashment	38,47,004	26,83,391
Total	1,53,79,105	1,24,78,206
(b) Short Term Provisions		
(i) Income Tax	13,75,00,000	14,90,00,000
(ii) Dividend	2,62,25,000	2,09,80,000
(iii) Tax on Dividend	44,56,939	34,03,480
(iv) Wealth Tax	3,45,000	2,70,000
(v) Gratuity	16,15,016	3,95,484
(vi) Leave Encashment	6,70,101	11,24,044
Total	17,08,12,056	17,51,73,008

TECHNOFAB ENGINEERING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

2.6 Fixed Assets

Description	GROSS BLOCK			DEPRECIATION				Net Block		
	As on 01/04/2012	Addition During the year	Sales/Adjutme nt during the year	Total as on 31/03/2013	Upto 01/04/2012	For the Year 2012-2013	Sale/Adjutme nt during the period	Total upto 31/03/2013	As on 31/03/2013	As on 31/03/2012
(a) Tangible Assets										
Factory Land	1,07,55,532	75,55,124	-	1,83,10,656	-	-	-	-	1,83,10,656	1,07,55,532
Building	2,76,85,656	2,81,49,932	-	5,58,35,588	63,74,428	6,50,975	-	70,25,403	4,88,10,185	2,13,11,228
Purely Temp. Construction	87,88,333	5,82,71,373	87,88,333	5,82,71,373	33,67,000	2,26,88,624	87,88,333	1,72,67,291	4,10,04,082	54,21,333
Plant & Machinery	9,78,95,611	2,26,24,289	-	12,05,19,900	1,10,84,670	51,59,717	-	1,62,44,387	10,42,75,513	8,68,10,941
Furniture & Fixture	36,55,326	7,16,553	-	43,71,879	18,70,249	2,15,951	-	20,86,200	22,85,679	1,7,85,077
Office Equipment	24,98,451	6,89,489	-	31,87,940	2,45,091	1,36,509	-	3,81,600	28,06,340	22,53,360
Vehicles	3,94,77,122	1,51,93,370	24,98,198	5,21,72,294	70,35,021	41,20,346	3,85,738	1,07,69,629	4,14,02,665	3,24,42,101
Computers	1,42,67,583	40,61,882	45,523	1,82,83,942	54,23,306	25,02,259	16,174	79,09,391	1,03,74,551	88,44,277
Total (a)	20,50,23,614	13,72,62,012	1,13,32,054	33,09,53,572	3,53,99,765	3,54,74,381	91,90,245	6,16,83,901	26,92,69,671	16,96,23,849
(b) Capital Work in Progress	-	-	-	-	-	-	-	-	-	37,89,931
Total (a+b)	20,50,23,614	13,72,62,012	1,13,32,054	33,09,53,572	3,53,99,765	3,54,74,381	91,90,245	6,16,83,901	26,92,69,671	17,34,13,780
Previous Year	14,15,70,964	7,78,72,716	1,44,20,068	20,50,23,614	2,82,28,187	2,11,49,353	1,39,77,775	3,53,99,765	17,34,13,780	11,33,42,777

TECHNOFAB ENGINEERING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

2.7 Investments

		As at		As at	
Particulars	Face Value	Qty. in nos.	31/03/2013	Qty. in nos.	31/03/2012
(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
Techno Electric Ltd.			-	1000	2,27,432
Hind Dorr-Oliver Ltd.	2	74037	60,69,017	74037	60,69,017
Hindustan Construction Ltd.	1	100	3,434	100	3,434
IVRCL Infrastructure Ltd.	2	100	6,718	100	6,718
Jai Prakash Associates Ltd.			-	69000	58,53,784
Larsen & Toubro Ltd.	2	100	1,52,745	100	1,52,745
Nagarjuna Construction Ltd.	2	100	9,900	100	9,900
Patel Engineering Ltd.	1	100	15,658	100	15,658
Sadbhav Engineering Ltd.			-	47599	56,86,167
Shriram EPC Ltd.	10	200	29,751	200	29,751
Unitech Ltd.	2	2000	70,715	2000	70,715
Total (I)			63,84,760		1,81,52,143
(II) Unquoted Equity shares, Fully Paid up					
Hydro Air Tectonics (PCD) Ltd.	10	390000	1,56,39,000	390000	1,56,39,000
Total (II)			1,56,39,000		1,56,39,000
(III) In wholly owned subsidiary company					
Unquoted, fully paid up equity shares (Trade)					
Rivu Infrastructral Developers Pvt. Ltd.	10	100000	5,01,250	100000	5,01,250
Woodlands Instruments Pvt. Ltd.	10	473000	75,16,670	373000	60,16,670
Arihant Flour Mills Pvt. Ltd.	100	58228	6,00,35,840	58228	6,00,35,840
Total (III)			6,80,53,760		6,65,53,760
(IV) Debentures (Equity Linked Debt) (unquoted other than trade)					
Benchmark Asset Management Co. Pvt. Ltd.	1000000	1	10,00,000	1	10,00,000
Total (IV)			10,00,000		10,00,000
TOTAL (Non-current Investments)			9,10,77,520		10,13,44,903
(b) Current Investments (other than trade)					
Unquoted, Fully Paid up units of mutual fund					
Units JM Agri & Infra Fund (Dividend Plan)	10		-	2,00,000	20,00,000
IDFC Monthly Income Plan	10		-	1,00,000	10,00,000
Birla Sunlife Fixed Term Plan Series EY Growth	10	63,89,999	6,39,00,000	63,90,000	6,39,00,000
Birla Sunlife Dynamic Bond Fund	10	56,51,508	10,10,00,000	1,01,00,000	10,10,00,000
BNP Paribas Fixed Term Fund - Series 20C	10		-	50,00,000	5,00,00,000
Kotak FMP Series 75 Growth	10		-	1,04,08,126	10,40,81,260
Reliance Fixed Horizon Fund XXI Series 18	10	55,43,465	5,54,34,654	55,43,466	5,54,34,654
Kotak Bond Fund	10	15,00,272	5,00,00,000	-	-
Sundaram Flexible Fund - Short Term Plan	10	26,35,236	4,85,50,000	-	-
BOI Axa Liquid Fund	10	10,03,678	1,02,68,188	-	-
DWS Gilt Fund	10	39,72,195	5,00,00,000	-	-
IDFC Dynamic Bond Fund	10	84,16,652	11,60,00,000	-	-
TOTAL (Current Investments)			49,51,52,842		37,74,15,914
GRAND TOTAL (a+b)			58,62,30,362		47,87,60,817

- 1 Cost of Quoted Investment ` 63,84,760 (Previous Year ` 1,81,52,144). Market Value ` 12,45,176 (Previous Year ` 1,60,61,443) as on 31/03/2013.
- 2 Cost of Unquoted Investment other than Mutual fund units ` 8,46,92,760(Previous Year ` 8,31,92,760) as on 31/03/2013
- 3 Cost of Unquoted Investment in Mutual Fund ` 49,51,52,843(Previous Year ` 37,74,15,914). Net Asset Value ` 52,44,24,772 (Previous Year ` 46,43,93,534) as on 31/03/13

TECHNOFAB ENGINEERING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

	As At 31/03/2013	As At 31/03/2012
2.8 (a) Long term Loans and Advances		
(Unsecured, Considered good)		
Capital Advance	1,41,22,492	3,16,60,000
Deposits	1,15,09,271	43,85,403
Prepaid Expenses	66,15,832	11,38,315
Advance to Subsidiaries	2,00,00,000	-
Total	5,22,47,595	3,71,83,718
(b) Short term Loans and Advances		
(Unsecured, Considered good)		
Recoverable from Revenue Authorities	23,76,00,468	24,17,53,710
Deposits	81,14,127	1,20,23,069
Prepaid Expenses	4,39,68,848	3,15,59,892
Advances for supply of raw materials & others	28,08,06,315	15,39,14,429
Advance to Subsidiaries	50,61,000	72,75,648
Advance to employees	3,01,34,490	98,26,803
Total	60,56,85,248	45,63,53,551
2.9 Inventories :		
(As taken, valued and certified by the Management)		
Raw Material	6,50,96,772	10,30,03,594
Work in Progress	9,10,15,593	27,33,525
Stores & Spares	29,74,24,599	93,68,818
Total	45,35,36,964	11,51,05,937
2.10 Trade Receivables #		
Unsecured , Considered Good		
Outstanding exceeding six months	59,29,32,578	39,89,54,426
Others	1,52,71,48,944	1,26,89,25,771
Total	2,12,00,81,522	1,66,78,80,197
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)	8,31,95,072	4,49,80,564
Total	8,31,95,072	4,49,80,564
2.11(b) Cash and Cash Equivalents		
Balance with Banks		
- in Current Account with Scheduled Banks	14,65,23,020	11,39,84,824
- Fixed deposits having remaining maturity of 3 Months or less (including interest accrued)	3,17,93,922	11,06,06,422
- in Current Account with Foreign Banks	65,09,036	99,72,322
Cash on Hand	1,17,34,716	40,38,677
Other Bank Balances		
-Fixed deposits having remaining maturity of more than 3months but not more than 12 months (including interest accrued)	26,97,22,891	39,55,53,549
Total	46,62,83,585	63,41,55,794

- Note :** (a) The Current Accounts balance with Scheduled Banks includes amount of ₹ 36,796 earmarked for payment of unpaid dividend.
- (b) Fixed Deposits/cash margin with banks amount to ₹ 23,47,20,937 (Previous year ₹ 35,95,46,039) are under lien with banks as per banking arrangements.

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

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 31/03/2013	As At 31/03/2012
1,84,93,206	95,05,129
42,09,222	22,65,715
1,42,83,984	72,39,414

Note : Deferred Tax Liability for the year ended March 31, 2013 has been provided on the estimated tax computation for the year.

2.13 Revenue from Operations

- (i) Sales
- (ii) Other Operating Income

Total

2012-2013	2011-2012
4,25,23,72,464	3,76,27,66,623
1,06,32,799	1,05,49,699
4,26,30,05,263	3,77,33,16,322

2.14 Other Income

- (i) Interest from Others
- (ii) Dividend Income
 - (a) From long term Investments
 - (b) From short term Investments
- (iii) Profit on sale of Investments (net)
 - (a) From long term Investments
 - (b) From short term Investments
- (iv) Other non-operating income (net of expenses directly attributable to such income)
- (v) Exchange Rate Variation (net) *
- (vi) Profit on sale of fixed assets

Total

25,33,163	3,20,347
1,950	1,25,894
2,77,488	10,17,314
1,53,83,303	2,98,58,370
10,37,104	(3,73,045)
-	-
-	1,23,65,688
1,00,491	17,285
1,93,33,499	4,33,31,853

Note : * In accordance with Accounting Standard 11(Revised) the net exchange loss is shown in other Expense ` 3,59,28,317/- (Previous Year Profit of ` 1,23,65,688 is shown in other income)

TECHNOFAB ENGINEERING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

	2012-2013	2011-2012
2.15 Cost of Materials Consumed	2,89,42,00,742	2,70,24,05,631
2.16 (Increase) / Decrease in Raw Material & Work in progress		
(a) Opening Stock		
Raw Material	10,30,03,594	8,22,21,542
Work-in-Progress	27,33,525	4,20,89,749
Total (a)	10,57,37,119	12,43,11,291
(b) Closing Stock		
Raw Material	6,50,96,772	10,30,03,594
Work-in-Progress	9,10,15,593	27,33,526
Total (b)	15,61,12,365	10,57,37,120
Total (a-b)	(5,03,75,246)	1,85,74,171
2.17 Expenditure on Contracts		
(i) Power & Fuel	3,31,47,931	1,21,94,556
(ii) Inspection & Testing	1,86,88,172	48,00,395
(iii) Repairs & Maintenance	2,62,15,116	1,74,70,590
(iv) Freight, Forwarding & Clearing	14,12,12,659	9,39,78,912
(v) Rent, Rates & Taxes	11,67,71,714	4,64,41,778
(vi) Insurance	1,76,11,248	1,20,06,652
(vii) Other Site Expenses	6,54,36,378	3,44,67,343
Total	41,90,83,218	22,13,60,226
2.18 Employee Benefit Expense		
(i) Salaries, Wages, Bonus and Allowances etc.	28,57,49,846	21,52,87,044
(ii) Contributions to Provident Fund, ESI & Others	1,52,44,172	1,32,17,362
(iii) Staff Welfare	99,60,714	81,61,313
Total	31,09,54,732	23,66,65,719
2.19 Finance Cost		
(i) Bank Charges	6,03,86,398	4,89,66,374
(ii) Interest Cost	5,52,99,117	2,94,64,258
	11,56,85,515	7,84,30,632
Less:-		
(iii) Interest Income on FDR's	4,24,09,597	4,13,05,609
(Tax Deducted at Source Current Year ` 42,40,783 Previous Year ` 41,35,638)		
Total	7,32,75,918	3,71,25,023
2.20 Other Expenses		
(i) Power & Fuel	38,75,999	41,27,149
(ii) Repairs to Building	23,80,382	93,70,458
(iii) Repairs to Machinery	7,16,985	7,90,819
(iv) Repairs to Others	45,57,587	40,18,000
(v) Insurance	14,99,710	13,10,419
(vi) Rates & Taxes	27,66,193	18,49,748
(vii) Exchange Rate Variation (Net)	3,59,28,317	-
(viii) Auditors Remuneration	91,382	67,835
(ix) Miscellaneous Expenditure	44,33,881	37,64,269
(x) Director's Sitting Fees	6,84,496	7,40,000
(xi) Legal & Professional	1,84,06,285	1,95,88,775
(xii) Rent & Hire Charges	11,53,134	10,51,493
(xiii) Communication Charges	41,30,510	36,86,652
(xiv) Printing & Stationary	38,07,415	52,54,932
(xv) Travelling & Conveyance	4,29,82,618	2,98,81,862
(xvi) Vehicle Running & Maintenance Charges	5,00,279	2,59,637
Total	12,79,15,173	8,57,62,048

TECHNOFAB ENGINEERING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

2.21 Contingent Liability

- a. Claims against the Company not acknowledged as debt (net) amount to ` 14,91,755 (Previous year ` 14,91,755).
- b. The Bank guarantees/letters of credit/Bill discounted given by the Banks for and on behalf of the Company outstanding at the end of the year amounted to ` 4,69,44,18,747 (Previous year ` 2,79,63,27,834).
- c. In respect of demand against Sales Tax amounting to ` 13,73,82,040 (Previous year ` 13,55,000) raised by the authorities, appeals are pending before the authorities.
- d. Capital commitment (Net of advances) ` 2,31,13,788 (Previous year ` 2,04,10,000).

2.22 Fixed Deposits/cash margin with banks amount to ` 23,47,20,937 (Previous year ` 35,95,46,039) are under lien with banks as per banking arrangements.

2.23 Auditor's Remuneration consist of Audit Fees of ` 50,562 (Previous Year ` 49,635) and ` 40,820 (Previous Year ` 18,200) for other services.

2.24 Earning per share :-

Particulars	As on 31/03/2013	As on 31/03/2012
Profit for the year after Tax	32,53,39,086	34,16,71,992
Weighted average no. of equity Shares of ` 10/- each for Basic EPS	1,04,90,000	1,04,90,000
Basic Earning per Share	31.01	32.57
Weighted average no. of equity Shares of ` 10/- each for Diluted EPS	1,04,90,000	1,04,90,000
Diluted Earning per Share	31.01	32.57

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

- (a) Avinash C. Gupta
- (b) Arjun Gupta
- (c) Nakul Gupta

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

- (a) Techfab International Pvt. Ltd.
- (b) Techfab Systems Pvt. Ltd.
- (c) Bakool Venture Pvt. Ltd.
- (d) JoyLuck Venture India Pvt. Ltd.
- (e) Chasha Lands Pvt. Ltd.
- (f) Torno Infrastructure Pvt. Ltd.

(C) Relatives of Key managerial Person

- (a) Meera Gupta
- (b) Gunjan Gupta
- (c) Sucheta Sarvadaman Nakul

(D) Wholly owned Subsidiary Company

- (a) Rivu Infrastructural Developers Pvt. Ltd.
- (b) Woodlands Instruments Pvt. Ltd.
- (c) Arihant Flour Mills Pvt Ltd.

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

Amount in `

Sr. No.	Particulars	(A)	(B)	(C)	(D)
1	Loan / Security / Advance Taken and recovery of advance given	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2	Loan / Security / Advance given	NIL (NIL)	NIL (NIL)	NIL (NIL)	2,50,00,000 (NIL)
3	Remuneration Paid	3,51,55,882 (3,04,82,429)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4	Reimbursement of Expenses	NIL (NIL)	5,84,628 (2,22,537)	NIL (NIL)	NIL (5,21,061)
5	Dividend Paid	59,84,718 (40,82,561)	5,31,882 (3,35,250)	27,39,330 (19,54,905)	NIL (NIL)
6	Fabrication & Installation	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (16,77,774)
7	Legal & Professional Charges	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
8	Outstanding Balance as on 31.03.2013				
	- Receivable in respect of advance to subsidiaries & other related parties	NIL (NIL)	NIL (NIL)	NIL (NIL)	54,13,039 (72,75,648)

Figures within brackets are in respect of previous year.

2.27 Expenditure and earning in foreign currency :-

Particulars	As on 31/03/2013	As on 31/03/2012
Travelling Expenses	1,28,52,458	69,39,929
Tender Expenses	3,15,636	1,63,300
Expenditure on Contract	74,33,27,663	35,94,08,075
Material	9,23,40,167	2,95,65,438
Service Charges	6,53,66,521	1,19,82,949
Purchase of Fixed Assets	3,40,68,840	1,65,51,275
FOB Value of Net Exports	1,29,34,99,988	1,12,69,93,670

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 31/03/2013		As on 31/03/2012	
	Outstanding Balance	Maximum balance during the year	Outstanding Balance	Maximum balance during the year
Prudential Bank Ltd. - Ghana	30,71,608.05	1,77,97,706.28	10,51,959.11	1,18,99,751.36
Bank of Abyssinia - Ethiopia	1,74,921.30	49,14,129.72	1,57,322.96	58,01,120.71
First Merchant Bank - Malawi	63,354.16	13,67,513.01	2,95,611.36	13,24,395.94
Standard Bank S.A. MZN - Mozambique	17,46,261.31	4,39,06,902.40	84,67,428.29	1,29,85,528.41
Standard Bank S.A. USD - Mozambique	29,387.85	29,387.85	NIL	NIL
International Bank Liberia	10,90,639.94	13,81,655.00	NIL	NIL
Equity Bank Isiolo Kenya	3,32,863.53	37,17,040.31	NIL	NIL

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	50,98,190 (45,64,471)	Contribution to Provident Fund

(b) 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)	1,01,90,299	80,11,898	38,18,299	32,51,107
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	8,15,224	6,81,011	3,05,464	2,76,344
Past service cost	NIL	NIL	NIL	NIL
Current service cost (D)	24,13,394	16,26,558	13,01,095	11,97,716
Benefits paid (E)	6,51,081	9,22,154	8,65,218	10,87,587
Actuarial (gain) / loss on obligation (F)	3,79,281	7,92,986	(42,535)	1,80,719
Present value of obligations as at the end of year (A+B+C+D-E+F)	1,31,47,117	1,01,90,299	45,17,105	38,18,299

(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)	1,31,47,117	1,01,90,299	45,17,105	38,18,299
Estimated fair value of plan assets (B)	46,90,816	42,74,505	NIL	NIL
Net Liability (A)-(B)	84,56,301	59,15,794	45,17,105	38,18,299
Amounts in the Balance Sheet				
Liabilities	84,56,301	59,15,794	45,17,105	38,18,299
Amount charged to Profit & Loss Account				
Current Service Cost	24,13,394	16,26,558	13,01,095	11,97,716
Past service cost	NIL	NIL	NIL	NIL
Interest Cost	8,15,224	6,81,011	3,05,464	2,76,344
Expected return on plan assets	(3,84,705)	(3,53,162)	NIL	NIL
Actuarial (Gain)/Loss	3,62,314	7,79,805	(42,535)	1,80,719
	32,06,227	27,34,212	15,64,024	16,54,779
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

S. No.	Particulars	Amount in `	
		As on 31/03/2013	As on 31/03/2012
A	Fair value of plan assets at the beginning of the period	42,74,505	39,24,018
B	Acquisition adjustment	NIL	NIL
C	Expected return on plan assets	4,01,672	3,66,343
D	Contributions	6,65,720	9,06,298
E	Benefits paid	(6,51,081)	(9,22,154)
F	Actuarial gain/(loss) on plan assets	16,967	13,181
G	Fair value of plan assets at the end of the period	46,90,816	42,74,505

2.32 Trade Payables :-

- (a) To the extent information is available with the Company, Sundry Creditors include Nil, (Previous year Nil) due to Small Scale Industrial Undertakings.
- (b) 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 31/03/2013		As At 31/03/2012	
	Amount (in Foreign Currency)	Amount in `	Amount (in Foreign Currency)	Amount in `
- In Respect of receivables				
USD	1,57,39,651.33	85,44,26,972.27	58,82,455.54	30,09,22,895.45
EURO	26,91,859.16	18,73,80,315.89	10,80,279.16	7,38,26,277.55
ETB -(Ethiopian Birr)	20,27,399.28	59,45,452.42	2,13,283.46	5,81,787.95
GHS -(Ghanian Cedi)	5,76,065.68	1,60,01,824.41	4,54,087.09	1,33,55,502.70
KSH -(Kenya Shilling)	12,43,435.88	7,62,844.10	17,90,782.73	9,89,382.72
FJD -(Fiji Dollar)	29,65,485.32	8,98,63,191.45	14,91,500.88	4,23,84,690.45
MZN -(Mozambican Metical)	5,17,79,099.19	9,41,43,816.70	16,21,394.34	31,77,932.90
TZS -(Tanzanian Shilling)	16,73,05,398.09	56,23,710.86	-	-
	TOTAL	1,25,41,48,128.10	TOTAL	43,52,38,469.72
- In Respect of Payables				
USD	1,42,09,823.10	77,13,80,246.95	7,78,579.95	3,06,61,548.21
EURO	3,01,163.31	2,09,63,978.01	4,74,241.35	3,24,09,653.86
GHS -(Ghanian Cedi)	5,78,244.68	1,60,62,352.35	10,73,989.36	3,15,87,922.49

ETB -(Ethiopian Birr)	11,63,197.04	34,11,135.01	21,10,798.54	57,57,770.16
KSH -(Kenya Shilling)	3,41,44,205.78	2,09,47,365.51	3,48,26,202.24	1,92,40,995.71
FJD -(Fiji Dollar)	5,86,153.66	1,77,62,232.13	32,102.26	8,02,556.50
MWK -(Malawi Kwacha)	2,21,77,916.62	33,25,024.98	1,35,57,538.68	38,19,024.98
MZN -(Mozambican Metical)	1,01,98,717.56	1,85,43,122.84	2,02,975.97	3,97,832.91
TZS -(Tanzanian Shilling)	5,94,17,065.63	19,97,212.29	-	-
	TOTAL	87,43,92,670.07	TOTAL	12,46,77,304.82

2.34 Disclosure as per AS-7 :-

S. No.	Particulars	As At 31/03/2013	As At 31/03/2012
1	Contract Revenue	4,26,30,05,263	3,77,33,16,322
2	Cost incurred on Contract	3,31,32,83,960	2,94,23,40,029
3	Advance received	4,33,63,374	18,22,35,198
4	Amount due from Customers includes Retention Money	2,12,00,81,522	1,66,78,80,197
5	Contract Profit / (Losses) recognized	94,97,21,303	83,09,76,293

2.35 Dividend Remitted to Non-Residents

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
- No. of Shareholders	110	124
- No. of shares	13,84,867	14,11,931
- Dividend paid	27,69,734	21,17,897
- Year to which Dividend pertains	2011-2012	2010- 2011

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

Rajesh Jain
Partner
Mem. No. 098229

For and on behalf of the Board

Managing Director

Director

Place: New Delhi

Dated: 23.05.2013

Company Secretary

TECHNOFAB ENGINEERING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

PARTICULARS	2012-2013	2011-2012
(A) CASH FLOW OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Item	47,18,09,845	49,36,06,004
Adjustment for :		
Depreciation	3,54,74,380	2,11,49,353
Finance charges	7,32,75,918	3,71,25,023
Net Loss on Sale of Fixed Assets	(34,995)	34,793
Provision for Leave Encashment	15,80,683	16,54,779
Provision for Gratuity	36,07,899	27,34,212
Dividend Received	(2,79,438)	(11,43,208)
Profit on sale of Mutual funds	(1,64,20,407)	(2,94,85,325)
Operating Profit before Working Capital Changes	56,90,13,885	52,56,75,631
Adjustment for :		
Trade and other Receivables	(45,22,01,325)	(26,59,19,877)
Loans & Advances	(16,43,95,573)	(14,30,15,506)
Inventories	(33,84,31,027)	1,78,94,271
Trade and Other payables	46,80,32,290	(13,09,05,470)
Cash Generated from Operation	8,20,18,249	37,29,049
Direct Taxes Paid	(15,08,51,189)	(12,05,28,296)
Leave Encashment Paid	(8,71,011)	(10,98,451)
Gratuity Paid	(6,51,081)	(9,06,298)
Cash Flow Before Extraordinary Items	(7,03,55,031)	(11,88,03,996)
Net Cash Flow from Operating Activities (A)	(7,03,55,031)	(11,88,03,996)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(13,34,72,081)	(8,16,62,648)
Sale of Fixed Assets	21,76,803	4,07,500
Profit on sale of Mutual funds	1,64,20,407	2,94,85,325
Sale / (Purchase) of Investments	(10,74,69,545)	(10,05,24,993)
Dividend Received	2,79,438	11,43,208
Net Cash from (-used) in Investing Activities (B)	(22,20,64,978)	(15,11,51,608)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance charges	(7,32,75,918)	(3,71,25,023)
Proceeds / Repayment from / of Long term Borrowings (Net)	(36,89,648)	(42,57,227)
Proceeds / Repayment from / of Short term Borrowings (Net)	26,41,11,354	28,88,27,158
Dividend Paid	(2,09,80,000)	(1,57,35,000)
Tax on Dividend	(34,03,480)	(25,52,610)
Net Cash Flow From Financing Activities (C)	16,27,62,308	22,91,57,298
Net Increase in Cash & Cash Equivalents (A+B+C)	(12,96,57,701)	(4,07,98,306)
Cash & Cash Equivalents (Opening Balance)	67,91,36,358	71,99,34,664
Cash & Cash Equivalents (Closing Balance)	54,94,78,657	67,91,36,358

As per our report attached.

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

For & on behalf of the Board

Rajesh Jain
Partner
Mem.No.098229

Managing Director

Director

Date : 23.05.2013
Place: New Delhi

Company Secretary

AUDITORS' REPORT

TO

THE MEMBERS OF
TECHNOFAB ENGINEERING LIMITED

Report on the Consolidated Financial Statements of TECHNOFAB ENGINEERING LIMITED and its Subsidiaries.

We have audited the attached Consolidated Balance Sheet of TECHNOFAB ENGINEERING LIMITED and its three subsidiaries as at 31st March, 2013 and the Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended on that date.

These Consolidated financial statements are the responsibility of the TECHNOFAB ENGINEERING LIMITED'S Management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of one of the subsidiary namely M/s Rivu Infrastructural Developers Pvt. Ltd. whose total assets and total revenue are ` 2,30,93,010 and ` 48,46,327 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.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard(AS)21, Consolidated Financial Statements notified pursuant to Companies (Accounting Standard) Rules, 2006.

On the basis of the information and explanations given to us and based on our audit on the consideration of the separate audit reports on individual audited financial statements of TECHNOFAB ENGINEERING LIMITED and its aforesaid one subsidiary and on the other financial information of the components, we are of the opinion that the said Consolidated Financial Statement gives a true and fair view in conformity with the accounting principles generally accepted in India :-

- a) in the case of Consolidated Balance Sheet of the consolidated state of affairs as at 31st March, 2013 ;
- b) in the case of Consolidated Profit & Loss Account of the consolidated results of operations for the year ended on that date ; and
- c) in the case of Consolidated Cash Flow Statement of the Consolidated Cash Flow for the year ended on that date.

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

Rajesh Jain
Partner
Mem.No.098229

Dated: 23.05.2013

Place: New Delhi

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

BALANCE SHEET AS AT 31ST MARCH, 2013

EQUITY AND LIABILITIES

(1) Shareholder's Funds:

- (a) Share Capital
- (b) Reserves and Surplus

(2) Non-Current Liabilities

- (a) Long Term Borrowings
- (b) Deferred Tax Liabilities (Net)
- (c) Other Long Term Liabilities
- (d) Long Term Provisions

(3) Current Liabilities

- (a) Short Term Borrowings
- (b) Trade Payables
- (c) Other Current Liabilities
- (d) Short Term Provisions

Total

Note no.	As At 31/03/2013		As At 31/03/2012	
2.1	10,49,00,000		10,49,00,000	
2.2	<u>1,94,92,43,526</u>	2,05,41,43,526	<u>1,62,19,63,850</u>	1,72,68,63,850
2.3(a)	-		36,89,648	
2.12	1,43,06,485		72,55,055	
2.4(a)	13,12,502		14,91,051	
2.5(a)	<u>1,53,79,105</u>	3,09,98,092	<u>1,24,78,206</u>	2,49,13,960
2.3(b)	70,34,15,306		43,93,03,951	
2.4(b)	1,53,15,57,619		96,32,40,898	
2.4(c)	18,42,92,625		27,84,05,712	
2.5(b)	<u>17,08,56,056</u>	2,59,01,21,606	<u>17,52,17,009</u>	1,85,61,67,570
Total		<u><u>4,67,52,63,224</u></u>		<u><u>3,60,79,45,380</u></u>

ASSETS

(1) Non-Current Assets

- (a) Fixed assets
 - (i) Tangible assets
 - (ii) Capital Work in Progress
 - (iii) Goodwill
- (b) Non-Current Investments
- (c) Long Term Loans and Advances
- (c) Other Non Current Assets

(2) Current Assets

- (a) Current Investments
- (b) Inventories
- (c) Trade Receivables
- (d) Cash and Cash Equivalents
- (e) Short-Term Loans and Advances

Total

2.6	32,69,20,019		20,72,54,313	
	-		37,89,931	
	5,65,81,210		2,21,91,771	
2.7(a)	2,30,23,760		3,47,91,143	
2.8(a)	3,22,47,595		3,42,75,556	
2.11(a)	<u>8,31,95,072</u>	52,19,67,656	<u>4,49,80,564</u>	34,72,83,278
2.7(b)	49,51,52,842		37,74,15,914	
2.9	46,12,15,622		11,59,90,153	
2.10	2,12,04,02,277		1,66,80,65,131	
2.11(b)	47,21,18,801		63,88,54,377	
2.8(b)	<u>60,44,06,026</u>	4,15,32,95,568	<u>46,03,36,527</u>	3,26,06,62,102
Total		<u><u>4,67,52,63,224</u></u>		<u><u>3,60,79,45,380</u></u>

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 the Board

Rajesh Jain

Partner

Mem.No.098229

Managing Director

Director

Date : 23.05.2013

Place: New Delhi

Company Secretary

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note no.	2012-2013	2011-2012
REVENUE :			
Revenue from Operations	2.13	4,26,78,51,590	3,77,54,67,069
Other Income	2.14	1,94,84,516	4,37,12,729
Total Revenue		4,28,73,36,106	3,81,91,79,798
EXPENSES :			
Cost of Materials Consumed	2.15	2,90,29,84,510	2,70,31,38,274
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.16	(5,71,69,688)	1,88,10,852
Expenditure on Contracts	2.17	42,05,84,601	22,13,60,226
Employee Benefit Expense	2.18	31,16,51,818	23,74,11,096
Finance Cost	2.19	7,30,89,160	3,71,29,458
Depreciation and Amortization Expense	2.6	3,72,24,316	2,30,93,253
Other Expenses	2.20	12,88,91,595	8,62,26,733
Total Expenses		3,81,72,56,312	3,32,71,69,892
Profit Before Tax		47,00,79,794	49,20,09,906
Tax Expense:			
- Current Tax		13,75,00,000	14,90,44,000
- Deferred Tax		70,51,430	22,66,586
With T		3,45,000	2,70,000
- Tax Adjustment for Earlier Years		15,81,189	3,98,296
Profit after tax carried to Balance Sheet		32,36,02,175	34,00,31,024
Earning per share (₹)			
Basic	2.25	30.85	32.41
Diluted	2.25	30.85	32.41
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 the Board

Rajesh Jain
Partner
Mem.No.098229

Managing Director

Director

Date : 23.05.2013
Place : New Delhi

Company Secretary

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

Note : 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2013

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 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

For and on behalf of the Board

Rajesh Jain
Partner
Mem. No.098229

Managing Director

Director

Place: New Delhi
Dated: 23.05.2013

Company Secretary

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

NOTE : 2 NOTES ON ACCOUNTS

2.1 Share Capital

Authorised Capital

1,50,00,000 (Previous Year 1,50,00,000) Equity shares of ₹ 10/- each

Issued, Subscribed & Paid up Capital

1,04,90,000 (Previous Year 1,04,90,000) Equity shares of ₹ 10/- each fully paid up

Total

As At 31/03/2013	As At 31/03/2012
15,00,00,000	15,00,00,000
10,49,00,000	10,49,00,000
10,49,00,000	10,49,00,000

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

Particulars	As At 31/03/2013		As At 31/03/2012	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Shares at the beginning of the year	1,04,90,000	10,49,00,000	1,04,90,000	10,49,00,000
Shares at the end of the year	1,04,90,000	10,49,00,000	1,04,90,000	10,49,00,000

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

Name of the shares holders	As At 31/03/2013		As At 31/03/2012	
	No. of shares	% of holding	No. of shares	% of holding
Avinash Chander Gupta	22,61,694	21.56%	19,39,789	18.49%
Meera Gupta	14,78,439	14.09%	13,46,665	12.84%
Gammon India Limited	#		10,25,000	9.77%
Emerging India Focus Fund	7,52,153	7.17%	7,52,153	7.17%
Karuna Rajan	#		7,52,944	7.18%

Note # as on 31/03/2013 share holding of the share holder's is less than 5%.

2.2 Reserves and Surplus

(i) Securities Premium Reserve

Add : Addition during the year

(ii) General Reserve

Add : Transfer from Profit & Loss A/c

(iii) Capital Reserve

(iv) Surplus

Add : Profit after tax for the year

Less : Transfer to General Reserve

Less : Proposed Dividend on equity shares, ₹ 2.50 per share (previous year ₹ 2.00 per share)

Less : Dividend distribution tax

Total

70,19,42,133		70,19,42,133
3,43,59,440	73,63,01,573	-
53,12,25,461		38,12,25,461
15,00,00,000	68,12,25,461	15,00,00,000
-		-
38,87,96,256		22,31,48,712
32,36,02,175		34,00,31,024
15,00,00,000		15,00,00,000
2,62,25,000		2,09,80,000
44,56,939	53,17,16,492	34,03,480
1,94,92,43,526		1,62,19,63,850

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

2.3 (a) Long-term borrowings (Secured)	As At 31/03/2013	As At 31/03/2012
Term Loans		
(i) From Other Parties		
Equipment Loans*	-	36,89,648
Total	-	36,89,648
(b) Short-term borrowings (Secured)		
(i) From Banks		
Working Capital**	69,97,55,560	43,51,31,311
Equipment Loans*	-	1,91,086
(ii) From Other Parties		
Equipment Loans*	36,59,746	39,81,554
Total	70,34,15,306	43,93,03,951

Note : * Secured by hypothecation of the asset purchased under various financing scheme and repayment terms of Term loans ` 36,59,746 payable within one years.

** 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	As At 31/03/2013	As At 31/03/2012
Others Payables		
Vehicle Security	13,12,502	14,91,051
Total	13,12,502	14,91,051
(b) Current Liabilities		
Trade Payables	1,53,15,57,619	96,32,40,898
Total	1,53,15,57,619	96,32,40,898
(c) Other Current Liabilities		
(i) Other Creditors Payable	13,86,50,856	9,56,50,735
(ii) Advance from Customers	4,56,04,973	18,27,35,198
(iii) Unpaid Dividends	36,796	19,779
Total	18,42,92,625	27,84,05,712

2.5 Provisions

(a) Long Term Provisions

(i) Gratuity	1,15,32,101	97,94,815
(ii) Leave Encashment	38,47,004	26,83,391
Total	1,53,79,105	1,24,78,206

(b) Short Term Provisions

(i) Income Tax	13,75,44,000	14,90,44,000
(ii) Dividend	2,62,25,000	2,09,80,000
(iii) Tax on Dividend	44,56,939	34,03,481
(iv) Wealth Tax	3,45,000	2,70,000
(v) Gratuity	16,15,016	3,95,484
(vi) Leave Encashment	6,70,101	11,24,044
Total	17,08,56,056	17,52,17,009

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

2.6 Fixed Assets

Description	GROSS BLOCK			DEPRECIATION				Net Block		
	As on 01/04/2012	Addition During the year	Sales/Adjust ment during the year	Total as on 31/03/2013	Upto 01/04/2012	For the Year 2012-2013	Sale/Adjustm ent during the period	Total upto 31/03/2013	As on 31/03/2013	As on 31/03/2012
(a) Tangible Assets										
Factory Land	3,18,78,569	2,93,02,064	-	6,11,80,633	-	-	-	-	6,11,80,633	3,18,78,569
Building	4,46,89,833	2,81,49,932	-	7,28,39,765	80,74,846	21,81,351	-	1,02,56,197	6,25,83,568	3,66,14,987
Purely Temp. Construction	87,88,333	5,82,71,373	87,88,333	5,82,71,373	33,67,000	2,26,88,624	87,88,333	1,72,67,291	4,10,04,082	54,21,333
Plant & Machinery	9,85,78,092	2,26,24,289	-	12,12,02,381	1,12,42,986	52,43,930	-	1,64,86,916	10,47,15,465	8,73,35,106
Furniture & Fixture	36,91,108	7,16,553	-	44,07,661	18,83,765	2,19,981	-	21,03,746	23,03,915	18,07,343
Office Equipment	30,10,759	6,89,489	-	37,00,248	3,36,207	1,85,319	-	5,21,526	31,78,722	26,74,552
Vehicles	3,98,08,216	1,51,93,370	24,98,198	5,25,03,388	72,20,748	41,57,982	3,85,738	1,09,92,992	4,15,10,396	3,25,87,468
Computers	1,44,21,742	40,84,761	45,523	1,84,60,980	54,86,787	25,47,129	16,174	80,17,742	1,04,43,238	89,34,955
Total (a)	24,48,66,652	15,90,31,831	1,13,32,054	39,25,66,428	3,76,12,339	3,72,24,316	91,90,245	6,56,46,410	32,69,20,019	20,72,54,313
(b) Capital Work in Progress	-	-	-	-	-	-	-	-	-	37,89,931
Total (a+b)	24,48,66,652	15,90,31,831	1,13,32,054	39,25,66,428	3,76,12,339	3,72,24,316	91,90,245	6,56,46,410	32,69,20,019	21,10,44,244
Previous Year	14,22,74,848	11,70,11,871	1,44,20,068	24,48,66,652	2,84,53,596	2,30,93,253	1,39,34,510	3,76,12,339	21,10,44,244	11,38,21,249

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

2.7 Investments

	Face Value	Qty Nos.	As at 31/03/2013	Qty Nos.	As at 31/03/2012
(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
Techno Electric Ltd.			-	1,000	2,27,432
Hind Dorr-Oliver Ltd.	2	74,037	60,69,017	74,037	60,69,017
Hindustan Construction Ltd.	1	100	3,434	100	3,434
IVRCL Infrastructure Ltd.	2	100	6,718	100	6,718
Jai Prakash Associates Ltd.			-	69,000	58,53,784
Larsen & Toubro Ltd.	2	100	1,52,745	100	1,52,745
Nagarjuna Construction Ltd.	2	100	9,900	100	9,900
Patel Engineering Ltd.	1	100	15,658	100	15,658
Sadbhav Engineering Ltd.			-	47,599	56,86,167
Shriram EPC Ltd.	10	200	29,751	200	29,751
Unitech Ltd.	2	2,000	70,715	2,000	70,715
Total (I)			63,84,760		1,81,52,143
(II) Unquoted Equity shares, Fully Paid up					
Hydro Air Tectonics (PCD) Ltd.	10	3,90,000	1,56,39,000	3,90,000	1,56,39,000
Total (II)			1,56,39,000		1,56,39,000
(III) Debentures (Equity Linked Debt) (unquoted other than trade)					
Benchmark Asset Management Co. Pvt. Ltd.	1000000	1	10,00,000	1	10,00,000
Total (III)			10,00,000		10,00,000
TOTAL (Non-current Investments)			2,30,23,760		3,47,91,143
(b) Current Investments (other than trade)					
Unquoted, Fully Paid up units of mutual fund					
Units JM Agri & Infra Fund (Dividend Plan)			-	2,00,000	20,00,000
IDFC Monthly Income Plan			-	1,00,000	10,00,000
Birla Sunlife Fixed Term Plan Series EY Growth	10	63,89,999	6,39,00,000	63,90,000	6,39,00,000
Birla Sunlife Dynamic Bond Fund	10	56,51,508	10,10,00,000	1,01,00,000	10,10,00,000
BNP Paribas Fixed Term Fund - Series 20C			-	50,00,000	5,00,00,000
Kotak FMP Series 75 Growth			-	1,04,08,126	10,40,81,260
Reliance Fixed Horizon Fund XXI Series 18	10	55,43,465	5,54,34,654	55,43,466	5,54,34,654
Kotak Bond Fund	10	15,00,272	5,00,00,000	-	-
Sundaram Flexible Fund - Short Term Plan	10	26,35,236	4,85,50,000	-	-
BOI Axa Liquid Fund	10	10,03,678	1,02,68,188	-	-
DWS Gilt Fund	10	39,72,195	5,00,00,000	-	-
IDFC Dynamic Bond Fund	10	84,16,652	11,60,00,000	-	-
TOTAL (Current Investments)			49,51,52,842		37,74,15,914
GRAND TOTAL (a+b)			51,81,76,602		41,22,07,057

1 Cost of Quoted Investment ` 63,84,760 (Previous Year ` 1,81,52,144). Market Value ` 12,45,176 (Previous Year ` 1,60,61,443) as on 31/03/2013.

2 Cost of Unquoted Investment other than Mutual fund units ` 8,46,92,760 (Previous Year ` 8,31,92,760) as on 31/03/2013

3 Cost of Unquoted Investment in Mutual Fund ` 49,51,52,843 (Previous Year ` 37,74,15,914). Net Asset Value ` 52,44,24,772 (Previous Year ` 46,43,93,534) as on 31/03/13

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

	As At 31/03/2013	As At 31/03/2012
2.8 (a) Long term Loans and Advances		
(Unsecured, Considered good)		
Capital Advance	1,41,22,492	3,16,60,000
Deposits	1,15,09,271	14,77,241
Prepaid Expenses	66,15,832	11,38,315
Total	3,22,47,595	3,42,75,556
(b) Short term Loans and Advances		
(Unsecured, Considered good)		
Recoverable from Revenue Authorities	23,81,77,586	24,19,61,722
Deposits	81,14,127	1,49,35,231
Prepaid Expenses	4,40,27,107	3,15,59,892
Advances for supply of raw materials & Others	28,39,52,716	16,20,22,879
Advance to employee	3,01,34,490	98,56,803
Total	60,44,06,026	46,03,36,527
2.9 Inventories :		
(As taken, valued and certified by the Management)		
Raw Material	7,26,52,402	10,30,03,594
Work in Progress	9,11,38,621	36,17,741
Stores & Spares	29,74,24,599	93,68,818
Total	46,12,15,622	11,59,90,153
2.10 Trade Receivables #		
Unsecured , Considered Good		
Outstanding exceeding six months	59,29,32,578	39,89,54,426
Others	1,52,74,69,699	1,26,91,10,705
Total	2,12,04,02,277	1,66,80,65,131
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)	8,31,95,072	4,49,80,564
Total	8,31,95,072	4,49,80,564
2.11(b) Cash and Cash Equivalents		
Balance with Banks		
- in Current Account with Scheduled Banks	14,87,73,228	11,53,60,024
- Fixed deposits having remaining maturity of 3 months or less (including interest accrued)	3,17,93,922	11,06,06,422
- in Current Account with Foreign Banks	65,09,036	99,72,322
Cash on Hand	1,25,73,905	49,84,115
Other Bank Balances		
-Fixed deposits having remaining maturity of more than 3 months but not more than 12 months (including interest accrued)	27,24,68,710	39,79,31,494
Total	47,21,18,801	63,88,54,377

Note : (a) The Current Accounts balance with Scheduled Banks includes amount of ₹ 36,796 earmarked for payment of unpaid dividend.

(b) Fixed Deposited/cash margin with banks amount to ₹ 23,47,20,937 (Previous year ₹ 35,95,46,039) are under lien with banks as per banking arrangements.

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

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 31/03/2013	As At 31/03/2012
1,85,15,707	95,20,770
42,09,222	22,65,715
1,43,06,485	72,55,055

Note : Deferred Tax Liability for the period ended March 31, 2013 has been provided on the estimated tax computation for the year.

2.13 Revenue from Operations

- (i) Sales
- (ii) Other Operating Income

Total

2012-2013	2011-2012
4,25,72,18,211	3,76,49,17,370
1,06,33,379	1,05,49,699
4,26,78,51,590	3,77,54,67,069

2.14 Other Income

- (i) Interest from Others
- (ii) Dividend Income
 - (a) From long term Investments
 - (b) From short term Investments
- (iii) Profit on sale of Investments (net)
 - (a) From long term Investments
 - (b) From short term Investments
- (iv) Other non-operating income (net of expenses directly attributable to such income)
- (v) Exchange Rate Variation (net) *
- (vi) Profit on sale of fixed assets

Total

26,84,180	5,26,604
1,950	1,25,894
2,77,488	10,17,314
-	2,98,58,370
1,53,83,303	(3,73,045)
10,37,104	1,74,619
-	1,23,65,688
1,00,491	17,285
1,94,84,516	4,37,12,729

Note : * In accordance with Accounting Standard 11(Revised) the net exchange loss is shown in other Expense ` 3,59,28,317/- (Previous Year Profit of ` 1,23,65,688 is shown in other income)

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

	2012-2013	2011-2012
2.15 Cost of Materials Consumed	2,90,29,84,510	2,70,31,38,274
2.16 (Increase) / Decrease in Raw Material & Work in progress		
(a) Opening Stock		
Raw Material	10,30,03,594	8,22,61,992
Work-in-Progress	36,17,741	4,31,70,195
Total a	10,66,21,335	12,54,32,187
(b) Closing Stock		
Raw Material	7,26,52,402	10,30,03,594
Work-in-Progress	9,11,38,621	36,17,741
Total b	16,37,91,023	10,66,21,335
Total (a-b)	(5,71,69,688)	1,88,10,852
2.17 Expenditure on Contracts		
(i) Power & Fuel	3,31,47,931	1,21,94,556
(ii) Inspection & Testing	1,87,05,960	48,00,395
(iii) Repairs & Maintenance	2,62,15,116	1,74,70,590
(iv) Freight, Forwarding & Clearing	14,12,40,109	9,39,78,912
(v) Rent, Rates & Taxes	11,68,89,114	4,64,41,778
(vi) Insurance	1,76,11,248	1,20,06,652
(vii) Other Site Expenses	6,67,75,123	3,44,67,343
Total	42,05,84,601	22,13,60,226
2.18 Employee Benefit Expense		
(i) Salaries, Wages, Bonus, Allowances etc.	28,64,31,714	21,60,32,421
(ii) Contributions to Provident Fund, ESI & Others	1,52,47,945	1,32,17,362
(iii) Staff Welfare	99,72,159	81,61,313
Total	31,16,51,818	23,74,11,096
2.19 Finance Cost		
(i) Bank Charges	6,04,42,283	4,89,70,809
(ii) Interest Cost	5,52,99,210	2,94,64,258
	11,57,41,493	7,84,35,067
LESS:		
(iii) Interest Income on FDR's	4,26,52,333	4,13,05,609
(Tax Deducted at Source Current Year ` 42,64,953 Previous Year ` 41,35,638)		
Total	7,30,89,160	3,71,29,458
2.20 Other Expenses		
(i) Power & Fuel	42,67,821	41,32,499
(ii) Repairs to Building	23,80,382	93,70,458
(iii) Repairs to Machinery	7,16,985	7,90,819
(iv) Repairs to Others	45,94,670	40,36,733
(v) Insurance	15,03,038	13,10,419
(vi) Rates & Taxes	28,18,401	18,57,123
(vii) Exchange Rate Variation	3,59,28,317	-
(viii) Auditors Remuneration	1,19,236	78,835
(ix) Miscellaneous Expenditure	45,71,910	38,15,055
(x) Director's Sitting Fees	6,84,496	7,40,000
(xi) Legal & Professional	1,84,67,185	1,96,65,275
(xii) Rent & Hire Charges	11,54,102	11,64,293
(xiii) Communication	42,20,227	37,48,661
(xiv) Printing & Stationary	38,23,375	52,72,729
(xv) Travelling & Conveyance	4,31,41,171	2,99,42,354
(xvi) Vehicle Running	5,00,279	3,01,480
Total	12,88,91,595	8,62,26,733

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

	2012-2013	2011-2012
(A) CASH FLOW OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Item	47,00,79,794	49,20,09,906
Adjustment for :		
Depreciation	3,72,24,316	2,30,93,253
Finance charges	7,30,89,160	3,71,29,458
Net Loss on Sale of Fixed Assets	(34,995)	34,793
Provision for Leave Encashment	15,80,683	16,54,779
Provision for Gratuity	36,07,899	27,34,212
Dividend Received	(2,79,438)	(11,43,208)
Profit on sale of Mutual funds	(1,64,20,407)	(2,94,85,325)
Operating Profit before Working Capital Changes	56,88,47,102	52,60,27,868
Adjustment for :		
Trade and other Receivables	(45,23,37,146)	(26,48,69,280)
Loans & Advances	(14,21,89,069)	(16,25,20,594)
Inventories	(34,52,25,469)	1,81,30,950
Trade and Other payables	47,41,86,617	(13,47,65,024)
Cash Generated from Operation	10,32,81,945	(1,79,96,078)
Direct Taxes Paid	(15,08,95,189)	(12,05,28,296)
Leave Encashment Paid	(8,71,011)	(10,98,451)
Gratuity Paid	(6,51,081)	(9,06,298)
Cash Flow Before Extraordinary Items	(4,91,35,336)	(14,05,29,123)
Net Cash Flow from Operating Activities (A)	(4,91,35,336)	(14,05,29,123)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15,52,41,900)	(12,08,01,802)
Sale of Fixed Assets	21,76,803	4,07,500
Profit on sale of Mutual funds	1,64,20,407	2,94,85,325
Sale / (Purchase) of Investments	(10,59,69,545)	(3,89,89,693)
Dividend Received	2,79,438	11,43,208
Net Cash from (-used) in Investing Activities (B)	(24,23,34,797)	(12,87,55,461)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance charges	(7,30,89,160)	(3,71,29,458)
Proceeds / Repayment from / of Long term Borrowings (Net)	(36,89,648)	(42,57,227)
Proceeds / Repayment from / of Short term Borrowings (Net)	26,41,11,354	28,88,27,158
Dividend Paid	(2,09,80,000)	(1,57,35,000)
Tax on Dividend	(34,03,480)	(25,52,610)
Net Cash Flow From Financing Activities (C)	16,29,49,066	22,91,52,862
Net Increase in Cash & Cash Equivalents (A+B+C)	(12,85,21,067)	(4,01,31,722)
Cash & Cash Equivalents (Opening Balance)	68,38,34,941	72,39,66,663
Cash & Cash Equivalents (Closing Balance)	55,53,13,874	68,38,34,941

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

For & on behalf of the Board

Rajesh Jain
Partner
Mem.No.098229

Managing Director

Director

Date : 23.05.2013
Place: New Delhi

Company Secretary



TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31/03/2013

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	31.03.2013
Woodlands Instruments Pvt. Ltd	India	100% subsidiary of TECHNOFAB ENGINEERING LIMITED	31.03.2013
Arihant Flour Mills Pvt. Ltd.	India	100% subsidiary of TECHNOFAB ENGINEERING LIMITED	31.03.2013

2.21 Contingent Liability

- Claims against the Company not acknowledged as debt (net) amount to ` 14,91,755 (Previous year ` 14,91,755).
- The Bank guarantees/letters of credit/Bill discounted given by the Banks for and on behalf of the Company outstanding at the end of the year amounted to ` 4,69,44,18,747 (Previous year ` 2,79,63,27,834).
- In respect of demand against Sales Tax amounting to ` 13,55,000 (Previous year ` 13,55,000) raised by the authorities, appeals are pending before the authorities.
- Capital commitment (Net of advances) ` 2,31,13,788 (Previous year ` 2,04,10,000)

2.22 Fixed Deposits/cash margin with banks amount to ` 23,47,20,937 (Previous year ` 35,95,46,039) 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 31.03.2013	As on 31.03.2012
Profit for the year after Tax	32,36,02,175	34,00,31,024
Weighted average No. Of equity Shares of ` 10/- each for Basic EPS	1,04,90,000	1,04,90,000
Basic Earning per Share	30.85	32.41
Weighted average No. Of equity Shares of ` 10/- each for Diluted EPS	1,04,90,000	1,04,90,000
Diluted Earning per Share	30.85	32.41

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

2.27 Related Party Transactions

(1) Name of Related Parties

(A) Key Management Person / Control

- (a) Avinash C.Gupta
- (b) Arjun Gupta
- (c) Nakul Gupta
- (d) Onkar Nath Vij
- (e) Arun Kochhar
- (f) Vijay Nagrajan
- (g) Ashutosh Jagga

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

- (a) Techfab International Pvt. Ltd.
- (b) Techfab Systems Pvt. Ltd.
- (c) Bakool Venture Pvt. Ltd.
- (d) JoyLuck Venture India Pvt. Ltd.
- (e) Chasha Lands Pvt. Ltd.
- (f) Torno Infrastructure Pvt. Ltd.

(C) Relatives of Key managerial Person

- (a) Meera Gupta
- (b) Gunjan Gupta
- (c) Sucheta Sarvadaman Nakul

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

Sr. No.	Particulars	Amount in `		
		(A)	(B)	(C)
1.	Loan / Security / Advance Taken and recovery of advance given	NIL (NIL)	NIL (NIL)	NIL (NIL)
2.	Loan / Security / Advance given	NIL (NIL)	NIL (NIL)	NIL (NIL)
3.	Remuneration Paid	4,53,58,170 (3,96,58,115)	NIL (NIL)	NIL (NIL)
4.	Reimbursement of Expenses	NIL (NIL)	5,84,628 (2,22,537)	NIL (NIL)
5.	Dividend Paid	59,84,718 (40,83,611)	5,31,882 (3,35,250)	27,39,330 (19,54,905)
6.	Outstanding Balance as on 31.03.2013			

	- in respect of Receivables	NIL (NIL)	NIL (NIL)	NIL (NIL)
	- in respect of Payables	NIL (NIL)	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 (`)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	51,07,634 (46,05,594)	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)	1,01,90,299	80,11,898	38,18,299	32,51,107
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	8,15,224	6,81,011	3,05,464	2,76,344
Past service cost	NIL	NIL	NIL	NIL
Current service cost (D)	24,13,394	16,26,558	13,01,095	11,97,716
Benefits paid (E)	6,51,081	(9,22,154)	8,65,218	(10,87,587)
Actuarial (gain) / loss on obligation (F)	3,79,281	7,92,986	(42,535)	1,80,719
Present value of obligations as at the end of year (A+B+C+D-E+F)	1,31,47,117	1,01,90,299	45,17,105	38,18,299

(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)	1,31,47,117	1,01,90,299	45,17,105	38,18,299
Estimated fair value of plan assets (B)	46,90,816	42,74,505	NIL	NIL
Net Liability (A)-(B)	84,56,301	59,15,794	45,17,105	38,18,299
Amounts in the Balance Sheet				
Liabilities	84,56,301	59,15,794	45,17,105	38,18,299
Amount charged to Profit & Loss Account				
Current Service Cost	24,13,394	16,26,558	13,01,095	11,97,716
Past service cost	NIL	NIL	NIL	NIL
Interest Cost	8,15,224	6,81,011	3,05,464	2,76,344
Expected return on plan assets	(3,84,705)	(3,53,162)	NIL	NIL

Actuarial (Gain)/Loss	3,62,314	7,79,805	(42,535)	1,80,719
	32,06,227	27,34,212	15,64,024	16,54,779
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	31/03/2013	31/03/2012
A	Fair value of plan assets at the beginning of the period	42,74,505	39,24,018
B	Acquisition adjustment	NIL	NIL
C	Expected return on plan assets	4,01,672	3,53,162
D	Contributions	6,65,720	9,06,298
E	Benefits paid	(6,51,081)	(9,22,154)
F	Actuarial gain/(loss) on plan assets	16,967	13,181
G	Fair value of plan assets at the end of the period	46,90,816	42,74,505

2.30 Un-hedged position of Foreign Exchange:-

Particulars	As At 31.03.2013		As At 31.03.2012	
	Amount (in Foreign Currency)	Amount (`)	Amount (in Foreign Currency)	Amount (`)
- In Respect of Receivables				
USD	1,57,39,651.33	85,44,26,972.27	58,82,455.54	30,09,22,895.45
EURO	26,91,859.16	18,73,80,315.89	10,80,279.16	7,38,26,277.55
ETB -(Ethiopian Birr)	20,27,399.28	59,45,452.42	2,13,283.46	5,81,787.95
GHS -(Ghanian Cedi)	5,76,065.68	1,60,01,824.41	4,54,087.09	1,33,55,502.70
KSH -(Kenya Shilling)	12,43,435.88	7,62,844.10	17,90,782.73	9,89,382.72
FJD -(Fiji Dollar)	29,65,485.32	8,98,63,191.45	14,91,500.88	4,23,84,690.45
MZN -(Mozambican Metical)	5,17,79,099.19	9,41,43,816.70	16,21,394.34	31,77,932.90
TZS -(Tanzanian Shilling)	16,73,05,398.09	56,23,710.86	-	-
	TOTAL	1,25,41,48,128.10	TOTAL	43,52,38,469.72
- In Respect of Payables				
USD	1,42,09,823.10	77,13,80,246.95	7,78,579.95	3,06,61,548.21
EURO	3,01,163.31	2,09,63,978.01	4,74,241.35	3,24,09,653.86
GHS -(Ghanian Cedi)	5,78,244.68	1,60,62,352.35	10,73,989.36	3,15,87,922.49
ETB -(Ethiopian Birr)	11,63,197.04	34,11,135.01	21,10,798.54	57,57,770.16
KSH -(Kenya Shilling)	3,41,44,205.78	2,09,47,365.51	3,48,26,202.24	1,92,40,995.71

FJD -(Fiji Dollar)	5,86,153.66	1,77,62,232.13	32,102.26	8,02,556.50
MWK -(Malawi Kwacha)	2,21,77,916.62	33,25,024.98	1,35,57,538.68	38,19,024.98
MZN -(Mozambican Metical)	1,01,98,717.56	1,85,43,122.84	2,02,975.97	3,97,832.91
TZS -(Tanzanian Shilling)	5,94,17,065.63	19,97,212.29	-	-
	TOTAL	87,43,92,670.07	TOTAL	12,46,77,304.82

2.31 Disclosure as per AS-7

S. No.	Particulars	Amount in `	
		As At 31.03.2013	As At 31.03.2012
1	Contract Revenue	4,26,78,51,590	3,77,54,67,069
2	Cost incurred on Contract	3,25,82,29,813	2,94,33,09,352
3	Advance received	4,56,04,973	18,27,35,198
4	Amount due from Customers includes Retention Money	2,12,04,02,277	1,66,80,65,131
5	Contract Profit / losses recognized	1,00,96,21,777	83,21,57,717

2.32 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 the Board

Rajesh Jain
Proprietor
Mem. No.098229

Managing Director

Director

Place: New Delhi
Dated: 23.05.2013

Company Secretary

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 FOR THE
YEAR ENDED 31ST MARCH 2013**

Name of Subsidiary	Rivu Infrastructural Developers Private Limited	Woodlands Instruments Private Limited	Arihant Flour Mills Private Limited
Financial Year of the Subsidiary Company ended on	31 st March, 2013	31 st March, 2013	31 st March, 2013
Holding Company's Interest			
Number of Shares	100000	473000	58228
Extent of Holding	100%	100%	100%
For the Financial year of the Subsidiary			
The net aggregate amount of the subsidiaries profits so far as it concerns members of the Company and is not dealt with the holding Company's account	NIL	NIL	NIL
net aggregate amount of the profits/ loss of the Subsidiary dealt with in the Company's accounts	(46,239)	(9,612)	(16,81,061)
For the previous years of the Subsidiary since it became the holding Company's subsidiary			
The net aggregate amount of the subsidiaries profits so far as it concerns members of the Company and is not dealt with the holding Company's account	NIL	NIL	N.A.
Net aggregate amount of the profits of the subsidiary dealt with in the Company's accounts	91,199	96,930	(18,29,100)
Material Changes, if any, between the end of the financial year of the subsidiary and that of the holding Company	NIL	NIL	N.A.

For & on behalf of the Board

Place: New Delhi
Date :23-05-2013

Avinash C Gupta
Chairman & Managing Director

Arjun Gupta
Whole Time Director



TECHNOFAB ENGINEERING
L I M I T E D

Technofab Engineering Limited

Registered Office: 507 Eros Apartments, 56, Nehru Place, New Delhi – 110019

ATTENDANCE SLIP

Please fill this Attendance Slip and hand it over at entrance of the Meeting Hall.

Joint Shareholders may obtain additional attendance slip at the venue.

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of share(s) held	
----------------------	--

Name & Address of the shareholder.....

.....

I/we hereby record my/our presence at the **42nd Annual General Meeting** of the Company held on Wednesday, September 25, 2013 at 10:30 a.m. at India Islamic Cultural Centre, 87-88 Lodhi Road, New Delhi– 110003.

*Applicable for investors holding share(s) in electronic form.

Member's/Proxy name in Block letters

Signature of Member/Proxy

..... TEARE HERE

Technofab Engineering Limited

Registered Office: 507 Eros Apartments, 56, Nehru Place, New Delhi - 110019

PROXY FORM

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of share(s) held	
----------------------	--

I/We R/o.....

..... being a member/members

of Technofab Engineering Limited hereby appoint Mr./Ms. of

..... or failing him/her Mr./Ms.

... of..... As my/our proxy to attend and vote for me / us on my/our behalf, at the 42nd Annual General Meeting of the Company to be held on Wednesday, September 25, 2013 at 10:30 a.m. at India Islamic Cultural Centre, 87-88 Lodhi Road, New Delhi– 110003 and at any adjournment thereof.

Signed this _____ Day of _____ 2013

Affix Rs. 1/- Revenue Stamp

(Signature of the Member)

Note: This form of Proxy, in order to be valid must be duly filled in, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the time of commencement of the Meeting.

*Applicable for investors holding share(s) in electronic form.





REGISTERED OFFICE
507 Eros Apartments, 56 Nehru Place
New Delhi-110 019, India
Tel : +91-11-26411931, 26415961
Fax : + 91-11-26221521
Email : info@technofabengineering.com

TECHNOFAB ENGINEERING
L I M I T E D

CORPORATE OFFICE : Plot 5, Sector-27C, Mathura Road, Faridabad-121003, Haryana, India
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E-mail: info@technofabengineering.com, Web: www.technofabengineering.com