



Notice of Annual General Meeting

Notice is hereby given that the 39th Annual General Meeting of the members of Technofab Engineering Ltd will be held at the Registered Office of the Company at 507, Eros Apartments, 56, Nehru Place, New Delhi 110019 at 11.30 A.M. on Saturday, the 22nd day of May, 2010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2010, the Balance Sheet as on date and the Reports of the Board of Directors and the Auditors attached thereto.
2. To declare the dividend for the year ended March 31, 2010
3. To appoint a Director in place of Mr. Arjun Gupta, Whole Time Director who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr Nakul Gupta, Whole Time director Director who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

To consider and pass the following resolution with or without modification(s) as an ordinary resolution:

"Resolved that, pursuant to section 224 and other applicable provision, if any, of the Companies Act, 1956, M/s Rajesh Suresh Jain & Associates, Chartered Accountants, the retiring Auditors be and are hereby reappointed as Statutory Auditors of the Company to hold office till the conclusion of the next annual general meeting and that the Board of Directors of the Company be and is hereby authorised to fix the remuneration payable to them."

SPECIAL BUSINESS

6. INCREASE IN REMUNERATION OF SHRI AVINASH C GUPTA AS THE 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, 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 given for revision in terms and conditions including increase in remuneration of Shri Avinash C. Gupta as the Managing Director of the Company with effect from April 1, 2010 as set out below:

1. **Basic Salary:** Rs. 3.75 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 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 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.

subject to the condition that the 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 the 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 is hereby authorised to do such acts and deeds as may be necessary to give effect to the aforesaid resolution."

7. INCREASE IN REMUNERATION OF SHRI ARJUN GUPTA, WHOLE TIME DIRECTOR

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, 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 given for revision in terms and conditions including increase in remuneration of Shri Arjun Gupta as the Whole Time Director of the Company with effect from April 1, 2010 as set out below:

1. **Basic Salary:** Rs. 1.80 Lac 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 taking into account the performance of the Company.

2. **Housing:** Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof.

3. **Medical Expenses:** Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.

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

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

6. Entertainment, travelling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company.

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

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

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

10. **Performance Incentive:** Upto 1% of the net profit of the Company P.A. subject to the condition that the total managerial remuneration during a financial year does not cross the threshold limit of 10% of the net profits of the Company as per Section 309 of the Companies Act, 1956.

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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 the re-imbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.

RESOLVED FURTHER THAT so long as Shri Arjun Gupta functions as the Whole Time Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof.

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

8. INCREASE IN REMUNERATION OF SHRI NAKUL GUPTA, WHOLE TIME DIRECTOR

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, 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 given for revision in terms and conditions including increase in remuneration of Shri Nakul Gupta as the Whole Time Director of the Company with effect from April 1, 2010 as set out below:

1. **Basic Salary:** Rs. 1.80 Lac 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 taking into account the performance of the Company.
2. **Housing:** Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof.
3. **Medical Expenses:** Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.
4. **Leave Travel Allowance** for self and family, in accordance with Rules of the Company.
5. **Club Fees:** Membership of one Club in India (including admission and membership fee).
6. Entertainment, travelling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company.
7. **Car & Telephone:** The Company shall provide car with driver and telephone at the residence of the Whole Time Director for business purposes of the Company.
8. **PF Contribution:** Contribution to Provident Fund shall be as per Rules of the Company and applicable laws.
9. **Gratuity:** Gratuity payable shall be as per Rules of the Company and applicable laws.
10. **Performance Incentive:** Upto 1% of the net profit of the Company P.A. subject to the condition that the total managerial remuneration during a financial year does not cross the threshold limit of 10% of the net profits of the Company as per Section 309 of the Companies Act, 1956.

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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 the re-imbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.

RESOLVED FURTHER THAT so long as Shri Nakul Gupta functions as the Whole Time Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof.

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

Item No. 1

Mr Avinash C Gupta was reappointed as Managing Director of the Company w.e.f. 01.04.2009 in the previous Annual General Meeting of the Company held on 08.07.2009. In view of the good net profits earned by the Company during the financial year, it is proposed to increase his remuneration as mentioned below:

1. **Basic Salary:** Rs. 3.75 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 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 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.

subject to the condition that the 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.

Mr Avinash C Gupta, Mr Arjun Gupta and Mr Nakul Gupta are deemed to be interested in the aforesaid resolution.

Item No. 2

Mr Arjun Gupta was appointed as Whole Time Director of the Company w.e.f. 01.04.2008 in the Annual General Meeting of the Company held on 30.09.2008. In view of the good net profits earned by the Company during the financial year, it is proposed to increase his remuneration as mentioned below:

1. **Basic Salary:** Rs. 1.80 Lac 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 taking into account the performance of the Company.

2. **Housing:** Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof.

3. **Medical Expenses:** Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.

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

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

6. Entertainment, travelling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company.

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

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

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

10. **Performance Incentive:** Upto 1% of the net profit of the Company P.A. subject to the condition that the total managerial remuneration during a financial year does not cross the threshold limit of 10% of the net profits of the Company as per Section 309 of the Companies Act, 1956.

subject to the condition that the 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.

Mr Avinash C Gupta, Mr Arjun Gupta and Mr Nakul Gupta are deemed to be interested in the aforesaid resolution.

Item No. 3

Mr Nakul Gupta was appointed as Whole Time Director of the Company w.e.f. 01.04.2008 in the Annual General Meeting of the Company held on 30.09.2008. In view of the good net profits earned by the Company during the financial year, it is proposed to increase his remuneration as mentioned below:

1. **Basic Salary:** Rs. 1.80 Lac 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 taking into account the performance of the Company.

2. **Housing:** Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or House Rent Allowance in lieu thereof.

3. **Medical Expenses:** Reimbursement of medical expenses incurred in India and abroad (including insurance premium for medical and hospitalization policy, if any) on actual basis for self and family, subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.

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

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

6. Entertainment, travelling and all other expenses incurred for the business of the Company shall be reimbursed as per Rules of the Company.

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

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

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


10. Performance Incentive: Upto 1% of the net profit of the Company P.A. subject to the condition that the total managerial remuneration during a financial year does not cross the threshold limit of 10% of the net profits of the Company as per Section 309 of the Companies Act, 1956.

subject to the condition that the 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.

Mr Avinash C Gupta, Mr Arjun Gupta and Mr Nakul Gupta are deemed to be interested in the aforesaid resolution.

By order of the Board
For Technofab Engineering Ltd

Date: May 11, 2010
Place: New Delhi


Paresh Kumar Singh
Company Secretary

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.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts in respect of items 6 to 15 of the notice is attached.
3. 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 01.06.2010 onwards to the members, whose names appear on the Register of Members on close of business hours on 20.05.2010

REGISTERED OFFICE
507 Eros Apartments 56 Nehru Place
New Delhi-11 0019, India
Tel: +91 11 26411931, 26415961
Fax: +91 11 26221521
Email: info@technofabengineering.com



TECHNOFAB ENGINEERING LIMITED

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, 2010.

THE FINANCIAL HIGHLIGHTS ARE SET OUT BELOW

	Year ended March 31, 2010 (Rs. in Million)	Year ended March 31, 2009 (Rs. in Million)
Turnover (from operations incl export incentives)	2003.70	1493.06
Other Income	1.11	2.61
Total Income	2004.82	1495.67
Total Expenditure	1667.14	1277.12
Profit before Interest, depreciation and Tax (EBIDTA)	337.68	218.55
Less: Interest & finance charge	31.66	28.23
Less: Depreciation	13.53	10.19
Profit before Tax	292.48	180.13
Less: Provision for Tax- current tax	100.00	61.00
Less: Provision for Fringe Benefit Tax	--	0.95
Less: Wealth Tax	0.09	0.04
Profit before Deferred Tax	192.39	118.14
Add/(Less): Deferred Tax Credit/(Debit)	(1.49)	(0.63)
Profit after Tax	190.90	117.51
Add/(Less): Income Tax for earlier years	--	(0.44)
Profit Available for Appropriation	190.90	116.87
Proposed Dividend including Dividend Tax	13.11	8.77
Transfer to General Reserve	150	50.00
Profit After Appropriation	27.79	58.10
Balance Brought Forward From Last Year	105.76	47.67
Profit & Loss Account balance	133.55	105.76

CORPORATE OFFICE
Plot No. 5, Sector 27C, Mathura Road
Faridabad-121 003 (NCR), India



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REVIEW OF OPERATIONS

Financial Highlights

The financial year 2009-10 has been a good year in terms of growth achieved by the Company. Your company achieved a gross operating turnover of Rs. 2003.70 Million for the year ended 31st March, 2010 as against Rs. 1493.06 Million for the previous financial year registering an incremental turnover of Rs. 510.64 Million and recording a growth rate of 34% over the previous year. The EBIDTA at Rs. 337.68 Million is 16.85% of the Gross Turnover for the year under review as against 14.64% for the previous financial year. This rate of gross profit compares well with those of peers in the sector in which your Company operates. The profit after tax in the period under review increased by 62.73% to Rs. 190.90 Million as compared to Rs. 117.31 Million in the previous year.

Sectoral Overview

The Power Sector continued, as before, to be the most important line of our business operations, contributing around 52% of the operating revenue of your Company. What was significant was the increasing contribution of nuclear power to this sector, which at 27% is more than that of conventional thermal power. Our major customers in the power sector includes LANCO and Gammon in the private sector and NTPC, BHEL, GEB, in the Public Sector apart from Nuclear Power Corporation of India.

Our turnover from the water & waste water infrastructure/treatment section during the year, contributed 21% of our aggregate turnover.

The Electrical Substation & Distribution business for which a separate line of business was recently established contributed revenue for the first time, being 8.4% of the years turnover.

Geographical Spread

Your Company has always strived to secure business in new markets. During the year your Company continued to execute business secured in Ghana and Ethiopia. The assignment in Ghana was completed and the one in Ethiopia is at an advance stage. New assignments were received from Kenya and Fiji in the water sector and from Ethiopia in the industrial sector.

Overseas Branch Offices

Your company continued to operate overseas branch offices in Ethiopia and Kenya with the permission of RBI to cater to the needs of overseas projects in West and East Africa. A new branch office was recently established in Island of Fiji.

Fresh business Secured

During the year under review your company intensified its strong marketing endeavors to secure business from existing as well as new customers. As a result your Company

secured new business aggregating over Rs 3095.70 Million, around 20% of which was from overseas. The largest share of orders were received from the industrial and infrastructure sectors

At present we have outstanding proposals worth close to Rs 20 billion. Several of involve integrated BoP scope(as distinct from smaller individual BoP packages) where individual order sizes may go up to Rs 2.5 billion.

ECONOMIC AND BUSINESS OUTLOOK

The year under review has been one of steady growth and increased confidence as the effects of the international financial crisis began to wear out and global recovery commenced. The long term scenario in our country in the areas in which we operate is encouraging. The country's developmental needs in the power, urban development and related infrastructure sectors are immense. Our governments focus on development in these areas is ensuring that our addressable market will remain robust. Political stability and steady albeit slow structural reforms should hopefully ensure the favourable climate and liquidity necessary for major investments in these areas.

Even in our overseas markets a similar perspective prevails. Focused as we are largely on developing countries, the basic demand on infrastructure and urban development remains very strong. To a large extent the projects we aim 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.

Very recently the Eurozone has faced problems which has created uncertainty and lowering of business confidence. While this does not in any way directly influence your Company's operations, it does have indirect adverse impact due to uncertainty in the financial markets and lack of stability in exchange rates.

Nevertheless, your company believes that the overall business scenario continues to be encouraging, and, along with the strategic initiatives undertaken, be sufficient to sustain a robust growth. In the medium term, your Company expects, barring unforeseen circumstances, to be able to sustain a 25% or better growth rate.

STRATEGIC INITIATIVES

Being in the Service sector, our success has been founded on achieving 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. Your Company has undertaken several strategic initiatives, governed in large part by this philosophy. Briefly, these include:

Enhanced focus on HR

Your Company has always prided itself on its relatively high employee retention which in turn is largely on account of the informal, achievement oriented, merit and loyalty rewarding work atmosphere that the Company provides. With the recent substantial growth in business, our employee strength has also grown. During the year our

employee strength crossed the 200 mark. Your Company recognizes the necessity of evolving and implementing effective processes without compromising its existing strengths and is acutely aware of the necessity of strengthening the entire gamut of our HR functions from recruitment through training, performance related rewards, employee welfare, and enhancing overall employee satisfaction.

Marketing Initiatives

Sustaining growth calls for securing higher levels of business. This calls for developing newer customers, newer areas of work, as well as newer geographies. Our Marketing functions have been consolidated and strengthened with special focus on overseas business.

Balance of Plant

Balance of Plant in the Power Sector has traditionally been your Company's main focus area. In the process your Company has created a niche for itself in certain individual packages like fuel oil systems, fire protection, low pressure piping, water and waste water etc. Customers particularly some of the newer IPP's are moving towards having a single consolidated balance of plant package in lieu of several individual packages. Your Company has always aimed to be in step and has begun bidding for such consolidated high value packages with suitable partners.

Your Company has also begun to bid, with suitable partners for complete turnkey gas based power plants wherein your Company's scope mainly covers the balance of plant.

Beyond Balance of Plant

While in the past your Company has executed a few contracts in water intake pipelines and treatment, the entire "Water" area is now the focus of our enhanced attention. Your Company is on the lookout for technology tie ups including outright purchase where a strategic fit is seen.

In time to come customers developing Malls, Hospitals, Large building complexes are expected to demand high end consolidated Mechanical, Electrical and Public Health services (MEP) instead of the current practice of employing contractors on a fragmented basis. This has already become an established practice in most places abroad. In India it may be some time before this practice establishes itself and your Company is preparing to enter the field when this happens.

Traditionally your Company has been doing Civil construction only to the extent required as a part of our predominantly electro-mechanical contracts. One of our recent assignments in the nuclear power sector involved significant and highly specialized Civil works. We are now bidding not only for contracts where Civil Works are the predominant component but are also looking at stand alone civil works.

QUALITY UPGRADATION

Your Company secured ISO 9001 accreditation in 2007. This was a first milestone towards continuous quality enhancement. The subsequent acceptance of our credentials by Nuclear Power Corporation of India which was after a critical evaluation of our quality procedures has been the second major milestone in this direction. Your company is totally committed to a continuous ongoing initiative in this direction. During the year an internal audit was carried out and very recently our external auditors have conducted a rigorous audit and recertified our ISO 9001 accreditation.

PROPOSED INITIAL PUBLIC OFFER

Pursuant to the special resolution passed by the shareholders in the Annual General Meeting held on July 8, 2009 under Section 81(1A) of the Companies Act, 1956 and in compliance with the provisions of the SEBI (issue of capital and disclosure requirements) Regulations, 2009, your company is taking steps for its initial public offer of 29,90,000 equity shares of Rs. 10/- each through 100% book building method at such price as may be determined or discovered based on the book building including an Employee Reservation of 50,000 equity shares of Rs. 10/- each for eligible employees and for this purpose it has appointed Collins Stewart Inga Pvt Ltd, Mumbai, a Category I SEBI Registered Merchant Banker to manage the issue as sole Book Running lead Manger(BRLM). In consultation with the BRLM, the Company has also appointed the other agencies required for successful completion of the issue and filed the Draft Red Herring Prospectus with SEBI on January 18, 2010.

DIVIDEND

Your Directors have pleasure in recommending a dividend of 15% i.e. Rs.1.50/- per share of Rs. 10/- each on 7,500,000 equity shares of Rs. 10/- each for the financial year ended 31st March, 2010, 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 May 20, 2010. The dividend payable will result in an outgo of Rs.13.11 Million including the corporate dividend tax of Rs.1.87 Million. The dividend pay out for the year under review is keeping in view the growth plans of the Company and is in accordance with the Company's policy and intent of meeting the need for capital to finance such plans through internal accruals to the maximum.

RESERVES

It is proposed to transfer Rs.150.00 Million to the General Reserves of the Company, constituting 78.58% of the profits 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.

(Rs. in Million)

Name of the Employee	Designation	Remuneration Received during FY 2009-10
Mr Avinash C Gupta	Chairman & Managing Director	7.00
Mr. Arjun Gupta	Whole Time Director	3.41
Mr. Nakul Gupta	Whole Time Director	3.41
Mr. O N Vij	Senior Vice President	2.40

INVESTMENT IN SUBSIDIARY COMPANY

During the period under review, your Company has acquired 100,000 fully paid up equity shares constituting 100% shareholding of Rivu Infrastructural Developers Pvt. Ltd. by way of purchasing the same from its erstwhile promoters; thereby making Rivu Infrastructural Developers Pvt. Ltd. its Wholly Owned Subsidiary Company.

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

The Annual Accounts of subsidiary company and the detailed information are available for inspection by the shareholders at the registered office of the Company and at the office of the subsidiary company.

CONSOLIDATED FINANCIAL STATEMENTS

As required under Accounting Standards AS-21 of the Institute of Chartered Accountants of India, the consolidated financial statements have been prepared on the basis of the financial statements of the company and its subsidiary.

PUBLIC DEPOSITS:

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

DIRECTORS

Mr Arjun Gupta and Mr. Nakul Gupta being longest in office will retire at the ensuing AGM and they have offered themselves for reappointment. During the year Mr. R L Telang, Director of the Company has resigned. The Board places on record its sincere thanks to the contribution made by him.

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 & OUTGO

Foreign Exchange Earnings	-	Rs. 241,346,548
Foreign Exchange Outgo	-	Rs. 108,068,706

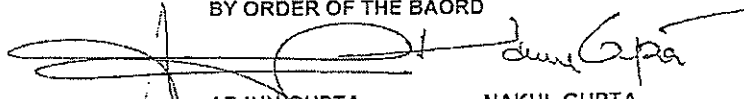
INDUSTRIAL RELATIONS

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, Private Sector Organizations 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 BOARD



ARJUN GUPTA
(DIRECTOR)

NAKUL GUPTA
(DIRECTOR)

Place : New Delhi.
Dated : May 11, 2010

RAJESH SURESH JAIN & ASSOCIATES

E-3/38 IInd floor, Sector-7, Rohini, Delhi-110085

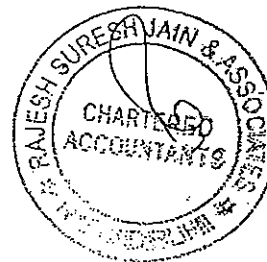
Ph.: -9811020899, 65819990

AUDITOR'S REPORT

TO THE MEMBERS OF
TECHNOFAB ENGINEERING LIMITED

We have audited the attached Balance Sheet of **TECHNOFAB ENGINEERING LIMITED**, as at 31st March 2010 and also the annexed Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements, based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annexe hereto a statement on the matters specified in paragraphs 4 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.



e. On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the company is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

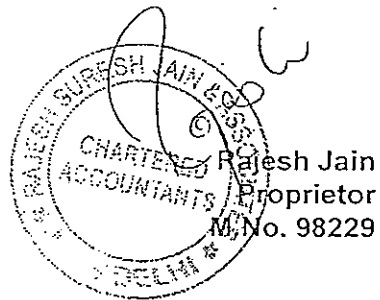
f. In our opinion and to the best of our information and according to the explanation given to us, the said financial statements read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) in the case of Balance Sheet, of the state of affairs of the Company as at March 31st, 2010,
- (ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date, and
- (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For: Rajesh Suresh Jain & Associates
Chartered Accountants

Place: New Delhi

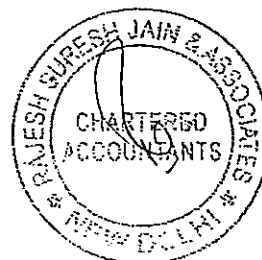
Dated: 11-05-2010



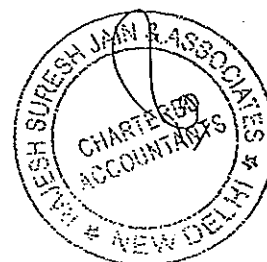
ANNEXURE TO THE AUDITOR'S REPORT

(Statement referred to in Paragraph 2 of our Report of even date)

- i) In respect of its fixed assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of 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 taken unsecured loans from parties covered in register maintained under Section 301 of the Companies Act, 1956. The amount of loans received during the year was Rs.7,000,000 from one party, the maximum amount involved during the year was Rs.14,900,000 and the year end balance of loan taken from two such parties was Rs.11,950,000.



- c) The above loan is interest free and other terms and condition on which loan have been taken from the party listed in the register maintained under Section 301 of the Companies Act 1956, are prima facie not prejudicial to the interest of the Company.
- d) As explained to us, there is no stipulation in writing and the loan is repayable on demand, hence there is no question of over due amount.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system 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 Act.
- 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 Record, 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 :-

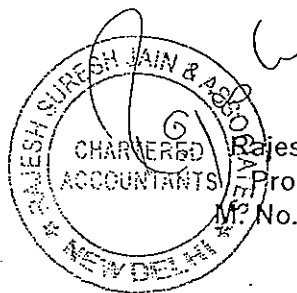
Name of the Statute	Nature of dues	Amount (Rs. Million)	Period to which the amount relates	Forum where dispute is pending
Sales Tax				
Orissa				
	Wrongly Assessed	1.355	2002-03	Before Sales Tax Tribunal – Orissa

- 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 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.
- xiv) 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.
- xv) According to the information and explanations given to us, during the year the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) According to the information and explanations given to us, the Company has not taken any term loan during the year.
- xvii) 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.
- xviii) During the year, the Company has not made any preferential allotment of shares to parties covered in the register maintained u/s 301 of Companies Act, 1956.



- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) In our opinion and according to the information and explanations given to us, no fraud, by the Company have been noticed or reported during the year nor we have been informed of any such case by the management.

For: Rajesh Suresh Jain & Associates.
Chartered Accountants



Rajesh Jain
Proprietor
M. No. 98229

Place: New Delhi

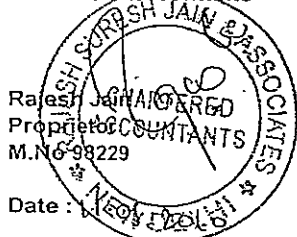
Dated: 11.05.2016

TECHNOFAB ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.		As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
SOURCES OF FUNDS				
<i>Shareholders' Funds:</i>				
Share Capital	1	75,000,000	75,000,000	
Reserves & Surplus	2	424,771,422	499,771,422	246,988,224
				321,988,224
<i>Loan Funds:</i>				
Secured Loans	3	151,735,413	118,332,889	
Unsecured Loans	4	42,347,900	194,083,313	43,784,667
				162,117,556
Deferred Tax Liability (Net)			1,751,176	262,649
Total			695,605,911	484,368,429
APPLICATION OF FUNDS				
<i>Fixed Assets</i>				
Gross Block	5	89,789,467	63,293,290	
Less : Depreciation		34,977,620	21,700,071	
Net Block			54,811,867	41,593,219
Investments	6		3,501,250	2,000,000
<i>Current Assets, Loans & Advances</i>				
Inventories	7	34,502,312	45,033,141	
Sundry Debtors		563,557,269	318,935,417	
Cash & Bank Balances		110,202,507	241,056,918	
Loans & Advances		412,262,840	322,471,018	
Total A		1,120,524,928	927,496,494	
Less : Current Liabilities & Provisions	8			
A. Current Liabilities		366,558,932	411,981,866	
B. Provisions		116,673,202	74,739,418	
Total B		483,232,134	486,721,284	
Net Current Assets (Total A-B)			637,292,794	440,775,210
Total			695,605,911	484,368,429
Significant Accounting Policies & Notes on Accounts	13			

As per our report of even date.
For Rajesh Suresh Jain & Associates
Chartered Accountants



Date : 15/04/2010
Place: New Delhi

For & on behalf of the Board

Managing Director

Director

Company Secretary

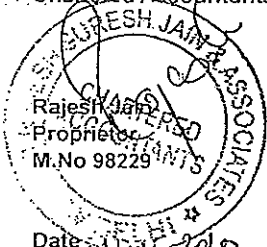
**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedule No	Current Year Rs.	Previous Year Rs.
A. INCOME			
Turnover		2,003,702,120	1,493,056,641
Other Income	9	1,119,266	2,610,481
Total (A)		2,004,821,386	1,495,667,122
B. EXPENDITURE			
Expenditure on Contracts	10	1,540,325,310	1,177,229,364
Administrative & Other Expenses	11	126,823,242	99,894,489
Interest & Finance Charges	12	31,663,445	28,227,610
Depreciation		13,529,179	10,187,026
Total (B)		1,712,341,176	1,315,538,488
Profit for the year before Taxation (A - B)		292,480,210	180,128,634
Provision for Taxation			
Current		100,000,000	61,000,000
Deferred		1,488,527	828,726
Fringe Benefit		-	950,000
Wealth Tax		90,000	39,500
Add/Less Tax adjustment for Earlier Years		-	442,092
Profit after Tax		190,901,683	116,868,316
Profit available for Appropriation		190,901,683	116,868,316
Proposed Dividend		11,250,000	7,500,000
Tax on Dividend		1,868,485	1,274,625
Transfer to General Reserve		150,000,000	50,000,000
Balance Brought Forward from Last Year		105,762,763	47,669,072
Balance Carried to Balance Sheet		133,545,961	105,762,763
Significant Accounting Policies & Notes on Accounts	13		
Earning per share (Rs.)			
Basic		25.45	15.58
Diluted		25.45	15.58

As per our report of even date.

For Rajesh Suresh Jain & Associates


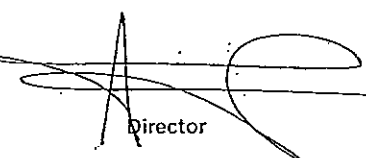
Chartered Accountants



Date: 12.05.2010

Place: New Delhi

For & on behalf of the Board

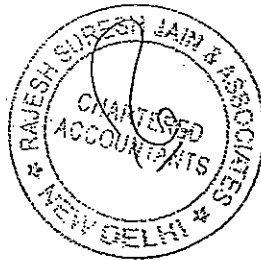



Managing Director Director


 Company Secretary

SCHEDULES TO THE ACCOUNTS

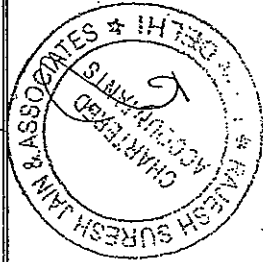
	As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
1. SHARE CAPITAL		
Authorised		
1,50,00,000 (Previous Year Rs.1,00,00,000) Equity shares of Rs.10/- each	150,000,000	100,000,000
Issued, Subscribed & Paid up		
75,00,000 Equity shares of Rs.10/- each fully paid up	75,000,000	75,000,000
	<u>75,000,000</u>	<u>75,000,000</u>
2. RESERVES AND SURPLUS		
i) Share Premium (As per Last Balance Sheet)	60,000,000	60,000,000
	<u>60,000,000</u>	<u>60,000,000</u>
ii) General Reserve (As per Last Balance Sheet)	81,225,461	31,225,461
Add : Transfer from Profit & Loss A/c	150,000,000	50,000,000
	231,225,461	81,225,461
iii) Profit & Loss Account (As per Annexed Account)	133,545,961	105,762,763
	<u>424,771,422</u>	<u>246,988,224</u>
3. SECURED LOANS		
From Banks		
Vehicles / Equipment Loans	24,406	115,406
(Repayable within year Rs.24,406/- Previous year Rs.91,000/-)		
Working Capital	140,283,996	102,405,876
From Others		
Vehicles / Equipment Loans	11,427,011	15,811,607
(Repayable within year Rs.7,202,090/- Previous year Rs.5,962,779/-)		
	<u>151,735,413</u>	<u>118,332,889</u>
4. UNSECURED LOANS		
From Directors	11,950,000	14,900,000
Intercompany Loans	30,397,900	28,884,667
	<u>42,347,900</u>	<u>43,784,667</u>



TECHNOFAB ENGINEERING LIMITED

5. FIXED ASSETS AS AT 31ST MARCH, 2010

Description	GROSS BLOCK				DEPRECIATION				Net Block	
	As At 1st April 2009	Addition During the year	Sales/Adjust ment during the year	Total upto 31st March 2010	Upto 31st March 2009	For the year	Sale/Adjustm ent during the period	Total upto 31st March 2010	As At 31st March 2010	As A 31st Ma 2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Factory Land	165,532	-	-	165,532	-	-	-	-	165,532	165
Factory Premises	7,521,017	-	-	7,521,017	5,264,954	251,202	-	5,516,156	2,004,861	2,256
Purely Temp. Construction	7,236,791	8,182,354	-	15,419,145	7,236,791	8,182,354	-	15,419,145	-	-
Plant & Machinery	26,619,445	5,947,470	-	32,566,915	3,678,619	1,742,485	-	5,421,104	27,145,811	22,940
Furniture & Fixture	2,985,136	346,703	53,696	3,278,143	1,661,388	202,073	7,844	1,855,617	1,422,526	1,323
Office Equipment	372,213	130,483	34,074	468,622	176,464	26,926	7,432	195,958	272,664	195
Electric Installation	208,300	-	-	208,300	61,084	9,894	-	70,978	137,322	147
Reproduction Machines	76,670	-	-	76,670	73,177	3,492	-	76,669	1	3
Cooling Systems	1,220,267	319,952	-	1,540,219	453,228	65,468	-	518,696	1,021,523	767
Vehicles	9,338,680	7,808,463	476,053	16,671,090	1,444,375	1,791,210	225,505	3,010,080	13,661,010	7,894
Computers	4,931,066	3,235,475	-	8,166,541	1,481,449	997,325	-	2,478,774	5,687,767	3,449
Generator	2,303,292	1,123,903	34,783	3,392,412	146,824	241,793	10,849	377,768	3,014,644	2,156
DIGITAL BUSINESS COMMN SYSTEMS	314,881	-	-	314,881	21,718	14,957	-	36,675	278,206	293
Total	63,293,290	27,094,803	598,606	89,789,487	21,700,071	13,529,179	251,630	34,977,620	54,811,867	41,593
Previous Year	34,445,374	34,109,829	5,261,913	63,293,290	13,336,468	10,187,026	1,823,423	21,700,072	41,593,218	21,108

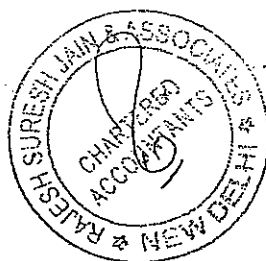


SCHEDULES TO THE ACCOUNTS

INVESTMENTS (Long term) - other than trade

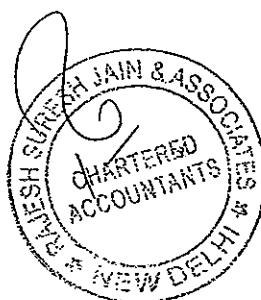
Particulars	Face Value Rs.	Qty Nos.	As at 31st March, 2010 Amount Rs.	Qty Nos.	As at 31st March, 2009 Amount Rs.
A Unquoted, Fully paidup units of mutual fund					
Name of Mutual Fund					
1 JM Agri & Infra Fund	10	200,000	2,000,000	200,000	2,000,000
2 IDFC Monthly Income Plan	10	100,000	1,000,000	-	-
Total A		300,000	3,000,000	200,000	2,000,000
B In wholly owned subsidiary company					
Unquoted, fully paid up equity shares					
Rivu Infrastructural Developers Pvt. Ltd.	10	100,000	501,250	-	-
Total B		100,000	501,250	-	-
Grand Total (A+B)		400,000	3,501,250	200,000	2,000,000

Net Asset value of Investments in mutual Fund Rs.1,607,980 (Previous years 442,900)



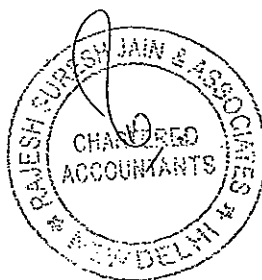
SCHEDULES TO THE ACCOUNTS

	As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
7 CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
Inventories :		
(As taken, valued and certified by the Management)		
Raw Material	4,657,481	29,881,395
Work in Progress	3,760,724	2,742,824
Stores & Spares	26,084,107	12,408,922
Total A	34,502,312	45,033,141
Sundry Debtors		
(Unsecured, considered good)		
Outstanding exceeding six months	37,474,989	31,429,287
Others	526,082,280	287,506,130
Total B	563,557,269	318,935,417
Cash and Bank Balances		
Cash in Hand	550,049	2,234,356
Balance with Banks		
- in Current Account with Scheduled Banks	1,299,301	48,859,677
- in Fixed Deposit A/c with Scheduled Banks	104,517,113	177,461,921
- Interest Accrued but not due on above	2,430,474	4,008,666
- Cheques in Hand		6,436,894
- in Current Account with Foreign Banks	1,405,570	2,055,404
Total C	110,202,507	241,056,918
B. LOANS AND ADVANCES		
(Unsecured, considered good unless stated otherwise)		
Advances recoverable in cash or		
kind or for value to be received	55,913,244	98,591,802
Retention Money	236,023,134	150,462,025
Advances with Income Tax, Sales Tax,		
Excise, Customs etc.	109,239,855	70,590,146
Deposit with Govt. Departments & Others	11,086,607	2,827,045
Total D	412,262,840	322,471,018
Grand Total (A+B+C+D)	1,120,524,928	927,496,494



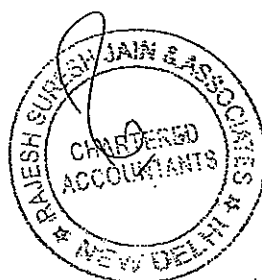
SCHEDULES TO THE ACCOUNTS

	As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
8 CURRENT LIABILITIES & PROVISIONS		
Current Liabilities :		
Sundry Creditors (Other than micro & small enterprises)	222,387,423	122,340,699
Advances from Customers	35,075,305	179,588,348
Other Liabilities	109,096,204	110,052,819
Total A	366,558,932	411,981,866
Provisions :		
For Income Tax	100,000,000	61,000,000
For Fringe Benefit Tax (Net)	-	950,000
For Proposed Dividend	11,250,000	7,500,000
For Tax on Dividend	1,868,465	1,274,625
For Leave Encashment	1,569,212	1,329,523
For Gratuity	1,895,505	2,645,770
For Wealth Tax	90,000	39,500
Total B	116,673,202	74,739,418
Grand Total (A+B)	483,232,134	486,721,284
9 OTHER INCOME		
	For the year ended 31st March 2010	For the year ended 31st March 2009
Dividend Income on Non-trade Investment	-	23,899
Misc Income	1,119,266	2,586,582
Total	1,119,266	2,610,481



SCHEDULES TO THE ACCOUNTS

	For the year ended 31st March 2010 Rs.	For the year ended 31st March 2009 Rs.
10 EXPENDITURE ON CONTRACTS		
Material Consumed	960,693,696	751,812,313
Design, Fabrication, Installation, Machining & Stores Consumed	396,633,694	298,965,667
Power & Fuel	8,836,079	5,737,397
Inspection & Testing	13,219,137	27,916,965
Personnel Expenses	57,507,113	28,000,659
Repairs & Maintenance	5,976,099	9,258,375
Freight, Forwarding & Clearing	41,365,545	24,282,842
Rent, Rates & Taxes	45,248,550	26,087,054
Insurance	10,845,397	5,168,292
	<u>1,540,325,310</u>	<u>1,177,229,364</u>
11 ADMINISTRATIVE AND OTHER EXPENSES		
Salaries, Wages, Gratuity, Bonus, Allowances etc.	54,251,135	39,233,830
Employer's Contributions to Provident Fund, ESI & Others	4,159,842	2,005,974
Staff Welfare	2,124,334	1,900,238
Repair & Maintenance - Plant & Machinery	220,757	191,464
Repair & Maintenance - Others	5,608,706	3,363,167
Rent	2,143,497	252,219
Rates, Fees & Taxes	1,978,507	4,953,117
Insurance	623,418	168,948
Legal & Professional	16,631,497	11,823,467
Miscellaneous	3,756,849	2,552,890
Director's Sitting Fees	780,000	100,000
Travelling & Conveyance	21,588,540	24,060,511
Vehicle Running	2,550,761	1,069,049
Printing & Stationary	5,289,378	3,028,055
Communication	3,724,375	3,809,007
Electricity & Water	1,391,646	1,330,858
Loss on Sale of Investments & Derivatives	-	51,694
	<u>126,823,242</u>	<u>99,894,489</u>
12 INTEREST & FINANCE CHARGES		
Bank Charges	31,102,114	25,937,534
Interest		
To Bank		
On Working Capital	9,088,950	4,888,053
On Hire Purchase	131,438	18,217
To Others		
On Unsecured Loan	2,331,000	736,357
On Hire Purchase	1,889,223	871,193
	<u>44,542,725</u>	<u>32,451,354</u>
LESS:		
Interest Income on FDR's	12,879,280	4,223,744
(Tax Deducted at Source Current Year Rs.1,332,840 Previous Year Rs.870,093)		
Total	<u>31,663,445</u>	<u>28,227,610</u>



TECHNOFAB ENGINEERING LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES
ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE
YEAR ENDED 31.03.2010

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

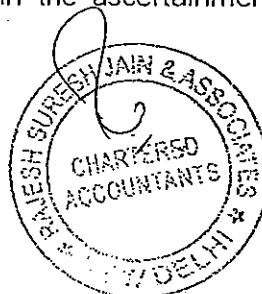
- i) The Financial Statements have been prepared under the Historical Cost Convention method in accordance with the generally accepted Accounting Principles and the Accounting Standard referred to Section 211(3C) of the Companies Act, 1956.
- ii) **USE OF ESTIMATES:** - The preparation of financial statements 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.

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. 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. 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.

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.



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.

4. Inventories

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

5. 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.

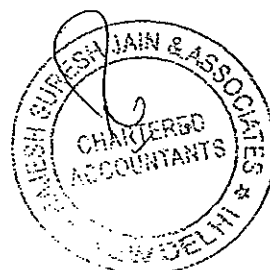
6. Investment

Investments Long Term are stated at cost. Provision for diminution is made which is other than temporary.

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.



However, in contracts for overseas projects where payment has been made in designated foreign currencies, since the exchange rates are prefixed and therefore consistently translated at the contractual rates of exchange, difference, if any, from these contractual rates to the rates existing on the date of the transaction have been accounted as "Exchange Rate fluctuation".

Foreign Currency transactions remaining unsettled at the year end are translated at the year end closing rate.

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.

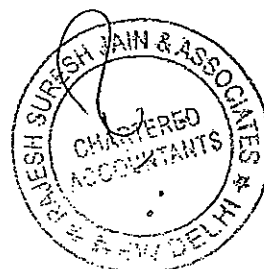
9. Impairment of Fixed Assets

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.

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.

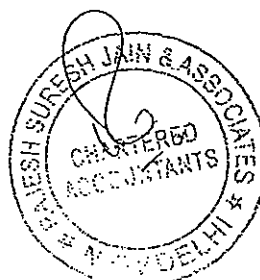


B. NOTES ON ACCOUNTS

1. Contingent Liability

- a. Claims against the Company not acknowledged as debt (net) amount to Rs. 1,491,755 (Previous year Rs. 1,491,755).
 - 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 Rs. 1,226,449,874 (Previous year Rs. 638,465,058).
 - c. In respect of demand against Sales Tax amounting to Rs. 1.355 Million (Previous year Rs. 1.413 Million) raised by the authorities, appeals are pending before the authorities.
2. Fixed Deposits/cash margin with banks amount to Rs. 104,517,113 (Previous year Rs. 67,461,921) are under lien with banks as per banking arrangements.
3. 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.
4. Auditor's Remuneration consist of Audit Fees of Rs. 25,000 (Previous Year Rs. 25,000) and Rs.79,550 (Previous Year Rs. NIL) for other services.
5. 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.
6. Deferred tax asset comprised of the following: -

Particulars	As on 31.03.2010	As on 31.03.2009
Liability		
- Fixed Assets	2,902,155	1,613,851
Assets		
- Expenses allowable under Income Tax Act on payment basis	1,150,979	1,351,202
Net Deferred Tax Asset / (Liability)	(1,751,176)	(262,649)



7. Earning per share

Particulars	As on 31.03.2010	As on 31.03.2009
Profit for the year after Tax	190,901,683	116,868,316
Weighted average No. Of equity Shares of Rs.10/- each for Basic EPS	7,500,000	7,500,000
Basic Earning per Share	25.45	15.58
Weighted average No. Of equity Shares of Rs.10/- each for Diluted EPS	7,500,000	7,500,000
Diluted Earning per Share	25.45	15.58

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

9. Related Party Transactions

(1) Name 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.

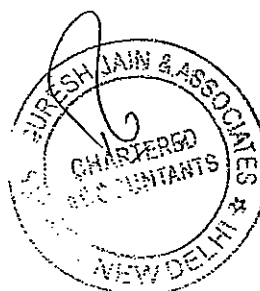
- Techfab International Pvt. Ltd.
- Techfab Systems Pvt. Ltd.

(C) Relatives of Key managerial Person

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

(D) Wholly owned Subsidiary Company

Rivu Infrastructural Developers Pvt. Ltd.



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

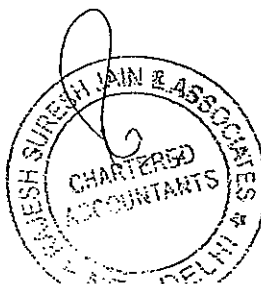
(Amount in Rs.)					
Sr. No.		(A)	(B)	(C)	(D)
1.	Loan / Security / Advance Taken and recovery of advance given	14,500,000 (14,900,000)	7,529,250 (4,200,000)	NIL (NIL)	NIL (NIL)
2.	Loan / Security / Advance given	17,450,000 (NIL)	12,729,250 (4,200,000)	NIL (NIL)	NIL (NIL)
3.	Remuneration Paid	13,820,000 (8,680,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4.	Reimbursement of Expenses	3,654,071 (238,850)	359,240 (99,611)	NIL (NIL)	48,238 (NIL)
5.	Dividend Paid	2,617,892 (1,308,946)	Nil (Nil)	1,057,108 (528,554)	NIL (NIL)
6.	Sales	NIL (NIL)	NIL (4,800,000)	NIL (NIL)	NIL (NIL)
7.	Purchases	NIL (NIL)	NIL (5,852,552)	NIL (NIL)	NIL (NIL)
8.	Fabrication & Installation	NIL (NIL)	NIL (NIL)	NIL (NIL)	5,683,065 (NIL)
9.	Outstanding Balance as on 31.03.2010				
	- Payable in respect of Loan	11,950,000 (14,900,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	- Payable in respect of Sundry Creditors	19,181 (NIL)	NIL (5,200,000)	NIL (NIL)	NIL (NIL)
	- Outstanding Receivable in respect of Current Assets	NIL (NIL)	NIL (NIL)	NIL (NIL)	512,155 (NIL)

Figures in brackets are in respect of previous year.

10. Expenditure and earning in foreign currency:-

	Current Year	Previous Year
Travelling Expenses	3,193,072	1,938,107
Tender Expenses	650,796	164,432
Expenditure on Contract	60,845,147	67,721,188
Material	37,868,607	97,683,932
Service Charges	3,330,000	9,166,964
Purchase of Fixed Assets	2,181,084	101,791
FOB Value of Net Exports	241,346,548	455,089,351

Note: Disclosure requirement related to foreign exchange hedging was not required for earlier year.



11. The nature of business of the company is such that it is not practicable to give quantitative information.
12. Turnover is net of Procurement and other related charges.
13. Balance with Foreign banks:-

Name of Banks	As on 31.03.2010		As on 31.03.2009	
	Outstanding Balance	Maximum balance during the year	Outstanding Balance	Maximum balance during the year
Bank of Kenya	623,712	5,702,879	NIL	NIL
Prudential Bank Ltd.	322,646	4,986,624	1,605,361	15,209,402
Bank of Abyssinia	459,212	17,441,737	450,043	3,486,601

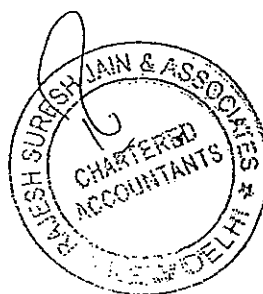
14. (a) Salary wages etc. includes Managerial Remuneration detailed as under:-

	Current Year	Previous Year
Salary	5,880,000	3,120,000
HRA	2,940,000	1,560,000
Commission	5,000,000	4,000,000
	<u>13,820,000</u>	<u>8,680,000</u>

- (b) Computation of net profit in accordance with Section 349 of the Companies Act, 1956 for calculation of commission payable to Directors.

(Amount in Rs.)

Particulars	31 st March, 2010	31 st March, 2009
Profit before tax as per profit & loss account	292,480,210	180,128,634
Add:		
Director's remuneration	13,820,000	8,680,000
Depreciation	13,529,179	10,187,026
Less:		
Depreciation under Section 350 of the Companies Act, 1956	(13,529,179)	(10,187,026)
Net profit as per section 349	306,300,210	188,808,634
Permissible commission to Whole time Directors- 4%	12,252,008	7,552,345
Commission paid or to be paid to Whole time Directors	5,000,000	4,000,000



15. Disclosure pursuant to Accounting Standard – 15

a) Defined Contribution Plan

Amount recognized as expense for defined contribution plans are as under: -

Particulars	Amount (in Rs.)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	2,306,056 (1,529,795)	Contribution to Provident Fund

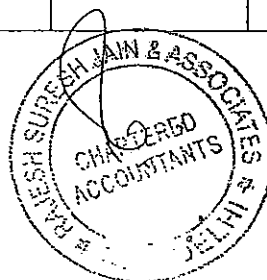
b) Defined Benefit Plan
Movement in net liability

Particulars	Gratuity		Leave Encashment (Unfunded)	
	Current Year (Funded)	Previous Year (Unfunded)	Current Year	Previous Year
Present value of obligations as at the beginning of the year (A)	3,530,220	3,673,073	1,329,523	1,192,233
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	282,418	293,846	106,362	95,379
Past service cost	827,781	NIL	NIL	NIL
Current service cost (D)	727,764	494,810	489,429	484,688
Benefits paid (E)	NIL	249,551	40,432	172,096
Actuarial (gain) / loss on obligation (F)	122,391	(681,958)	(315,670)	(270,481)
Present value of obligations as at the end of year (G=A+B+C+D-E+F)	5,490,574	3,530,220	1,569,212	1,329,523

c) The amounts recognized in the balance sheet and Profit & loss account are as follows:

Particulars	Gratuity		Leave (Unfunded)	
	Current Year (Funded)	Previous Year (Unfunded)	Current Year	Previous Year
Present value of obligation (A)	5,490,574	3,530,220	1,569,212	1,329,523
Estimated fair value of plan assets (B)	3,595,069	884,450	NIL	NIL
Net Liability (C=A-B)	1,895,505	2,645,770	1,569,212	1,329,523

Amounts in the Balance Sheet				
------------------------------	--	--	--	--



Liabilities	1,895,505	2,645,770	1,569,212	1,329,523
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Amount charged to Profit & Loss Account				
Current Service Cost	727,764	494,810	489,429	484,488
Past service cost	827,781	NIL	NIL	NIL
Interest Cost	282,418	293,846	106,362	95,379
Expected return on plan assets	(79,601)	NIL	NIL	NIL
Actuarial (Gain)/Loss	(33,279)	(739,650)	(315,670)	(270,481)
	1,725,083	49,006	280,121	309,386
Head under which shown in the Profit & Loss account	Salaries, Wages, Gratuity, Bonus, Allowances etc.		Salaries, Wages, Gratuity, Bonus, Allowances etc.	

- d) Following are the Principal Actuarial Assumptions used as at the balance sheet date

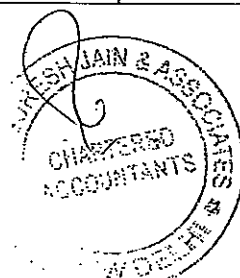
Particulars	Current Year	Previous Year
Discount Rate	8%	8%
Salary Escalation Rate	5%	5%
Expected rate of return on plan asset	9%	9%

Note: Retirement Benefit from the year ended March 31, 2008 the company had accounted for its Gratuity liability based on an actuarial valuation determined on the Projected Unit Credit method, consequent to adoption of AS 15 on Employee Benefits (revised 2005). However, necessary adjustments and disclosures for other periods have not been done due to non availability of relevant data for those periods.

- 16: (a) To the extent information available with the company, Sundry Creditors include Nil, (Previous year Nil) due to Small Scale Industrial Undertaking.
- (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.

17. Un-hedged position of Foreign Exchange:-

Particulars	As At 31.03.2010		As At 31.03.2009	
	Amt (in Foreign Currency)	Amt (In INR)	Amt (in Foreign Currency)	Amt (In INR)
- In Respect of receivables				
USD	1,714,377.80	77,095,569.38	207,386.00	10,176,878.95
EURO	790,748.36	48,077,500.29	1,576,270.80	106,366,753.55
ETB	NIL	NIL	236,866.68	1,062,182.42
GHS	2,855.50	101,982.11	NIL	NIL



KSH	153,869.12	92,692.24	NIL	NIL
	TOTAL	125,367,744.02	TOTAL	117,605,814.92
- In Respect of Payable				
USD	1,758,566.82	79,082,749.90	220,432.30	11,231,025.68
EURO	231,771.18	14,091,687.74	142,982.43	9,648,454.38
GHS	1,902.42	67,943.88	84,219.75	3,007,848.18
ETB	275,951.69	1,237,451.52	NIL	NIL
KSH	6,098,851.28	3,674,006.79	NIL	NIL
	TOTAL	98,153,839.83	TOTAL	23,887,328.24

18. Disclosure as per AS-7

S. No.	Particulars	As At 31.03.2010	As At 31.03.2009
1	Contract Revenue	2,003,702,120	1,493,056,641
2	Cost incurred on Contract	1,540,325,310	1,177,229,364
3	Advance received	35,075,305	179,588,348
4	Amount of Retentions	236,023,134	150,462,025
5	Amount due from Customers	563,557,269	318,935,417
6	Contract Profit / losses recognized	463,376,810	315,827,277

19. Previous year figures have been regrouped / rearranged wherever considered necessary.

20. As on 31st March 2010 no amount was due from directors / related firm & companies in which they are interested. However an advance of Rs. 512,155/- was due from wholly period subsidiary company Rivu Infrastructural Developers Pvt. Ltd. (Previous Year – NIL).

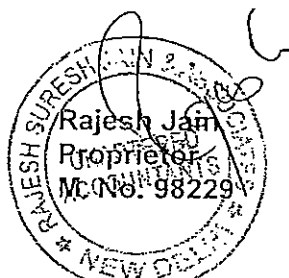
21. Additional information as required under Part-IV of Schedule VI to the Companies Act 1956 has been annexed herewith.

22. Annexure I to 13 form an integral part of the Accounts.

Certified in terms of our report of even date.

For: Rajesh Suresh Jain & Associates
Chartered Accountant

for and on behalf of the Board



Place: New Delhi

Dated: 11.05.2010

[Signature]
Managing Director

[Signature]
Director

[Signature]
Company Secretary

PARTICULARS

(Rs.)
Year Ended on 31st
March, 10(Rs.)
Year Ended on 31st
March, 09

(A) CASH FLOW OPERATION ACTIVITIES

Net Profit Before Tax and Extraordinary Item	292,480,210	180,128,634
Adjustment for :		
Depreciation	13,529,179	10,187,026
Finance charges	31,663,445	28,227,610
Loss on Sale of Fixed Assets	96,428	61,735
Provision for Leave Encashment	239,689	314,331
Provision for Gratuity	1,725,083	49,006
Dividend Received	-	(23,899)
Operating Profit before Working Capital Changes	339,734,034	248,944,443
Adjustment for :		
Trade and other Receivables	(244,621,852)	(42,032,182)
Loans & Advances	(67,660,574)	(141,983,027)
Inventories	10,530,829	(2,024,318)
Trade and Other payables	(45,422,934)	137,800,422
Cash Generated from Operation	(7,440,497)	170,705,338
Direct Taxes Paid	(86,262,922)	(51,104,139)
Cash Flow Before Extraordinary Items	(93,703,419)	119,601,199

Net Cash Flow from Operation Activities

(A)

(93,703,419)

119,601,199

(B) CASH FLOW FROM INVESTMENTS ACTIVITIES

Purchase of Fixed Assets	(27,094,803)	(34,109,829)
Sale of Fixed Assets	(82,626)	5,552
Sale / (Purchase) of Investments	(1,501,250)	5,000,100
Dividend Received	-	23,899
Net Cash from (-used) in Investment Activities	(28,678,679)	(29,080,278)

(B)

(C) CASH FLOW FROM FINANCING ACTIVITIES

Finance charges	(31,663,445)	(28,227,610)
Proceeds / Repayment from / of Long term Borrowings (Net)	33,402,524	76,183,843
Proceeds / Repayment from / of Short term Borrowings (Net)	(1,436,767)	43,784,667
Dividend Paid	(7,500,000)	(3,750,000)
Tax on Dividend	(1,274,625)	(637,313)
Net Cash Flow From Financing Activities	(8,472,313)	87,353,587
Net Increase in Cash & Cash Equivalents	(130,854,411)	177,874,508

(C)

(A+B+C)

Cash & Cash Equivalents

241,056,918

63,182,410

(Opening Balance)

Cash & Cash Equivalents

110,202,507

241,056,918

(Closing Balance)

As per our report of even date.

For Rajesh Surish Jain & Associates

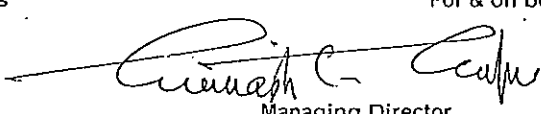
Chartered Accountants



Date

Place: New Delhi


For & on behalf of the Board



Managing Director



Director



Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. U74210DL1971PLC005712 State Code 55

Balance Sheet Date 31.03.2010

II Capital raised during the year (Amount in Rs. thousand)

Public Issue
NIL

Right Issue
NIL

Bonus Issue
NIL

Private Placement
NIL

III Position of mobilization and deployment of funds (Amount in Rs. thousand)

Total Liabilities: 695,606

Total Assets: 695,606

Source of Funds:

Application of Funds:

Paid-up Capital 75,000

Net Fixed Assets 54,812

Reserve & Surplus 424,772

Investments 3,501

Secured Loans 151,735

Net Current Assets 637,293

Unsecured Loans 42,348

Deferred tax Liability 1,751

IV Performance of Company (Amount in Rs. thousand)

Total Income 2,004,821

Total Expenditure 1,712,341

Profit/(Loss) Before Tax 292,480

Profit and Loss After Tax 190,902

Earning per share Basic in Rs. 25.45

Dividend Rate % 15%

Earning per share Diluted in Rs. 25.45

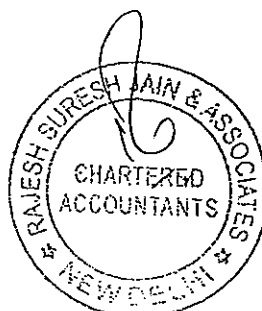
V Generic Name of Principal Products of the Company (as per monetary terms)

Item Code No.

(ITC Code)

Product Description

Turnkey Projects



RAJESH SURESH JAIN & ASSOCIATES

E-3/38 IInd floor, Sector-7, Rohini, Delhi-110085

Ph.: -9811020899, 65819990

AUDITOR'S REPORT

TO THE MEMBERS OF

TECHNOFAB ENGINEERING LIMITED

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

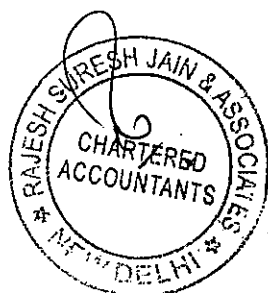
We have audited the attached Consolidated Balance Sheet of TECHNOFAB ENGINEERING LIMITED and its one subsidiary as at 31st March, 2010 and the Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended on that date.

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 the subsidiary whose total assets and total revenue are Rs.28,429,228/- and Rs.17,046,078/- respectively have not been Audited by us and these financial statements have been audited by other auditors and our opinion, in so far as it relates to amount included in respect of this subsidiary is based solely on their reports.

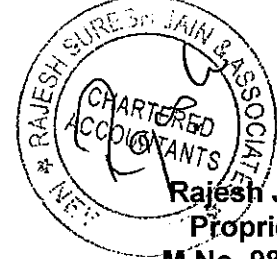
We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard(AS)21, Consolidated Financial Statements notified pursuant to Companies (Accounting Standard) Rules, 2006.

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, 2010 and
- 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.

**For: Rajesh Suresh Jain & Associates
Chartered Accountants**



**Rajesh Jain
Proprietor
M.No. 98229**

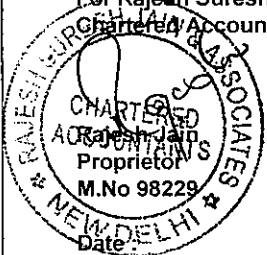
Place: New Delhi

Dated:

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule No.		As At 31st March, 2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	1	75,000,000	
Reserves & Surplus	2	<u>426,767,378</u>	501,767,378
Loan Funds:			
Secured Loans	3	151,735,413	
Unsecured Loans	4	<u>42,347,900</u>	194,083,313
Deferred Tax Liability (Net)			1,751,176
Total			<u><u>697,601,867</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	90,315,405	
Less : Depreciation		<u>35,079,628</u>	
Net Block			55,235,777
Investments	6		3,000,000
Current Assets, Loans & Advances			
Inventories	7	36,268,900	
Sundry Debtors		574,961,804	
Cash & Bank Balances		110,673,867	
Loans & Advances		<u>419,655,418</u>	
Total A		<u>1,141,559,990</u>	
Less : Current Liabilities & Provisions			
A. Current Liabilities	8	385,200,698	
B. Provisions		<u>116,993,202</u>	
Total B		<u>502,193,900</u>	
Net Current Assets (Total A-B)			639,366,090
Total			<u><u>697,601,867</u></u>
Significant Accounting Policies & Notes on Accounts	13		

As per our report of even date.

For Rajesh Suresh Jain & Associates
Chartered Accountants

Place: New Delhi

For & on behalf of the Board

Managing Director
Director
Company Secretary

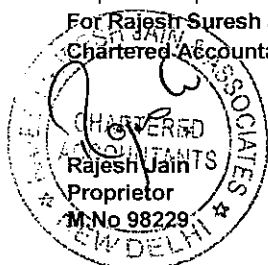
TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010**

	Schedule No	Current Year Rs.
A. INCOME		
Turnover		2,014,882,616
Other Income	9	1,301,783
Total (A)		2,016,184,399
B. EXPENDITURE		
Expenditure on Contracts	10	1,547,769,695
Administrative & Other Expenses	11	129,615,248
Interest & Finance Charges	12	31,684,750
Depreciation		13,631,187
Total (B)		1,722,700,880
Profit for the year before Taxation	(A - B)	293,483,519
Provision for Taxation		
Current		100,320,000
Deferred		1,488,527
Wealth Tax		90,000
Profit after Tax		191,584,992
Profit available for Appropriation		191,584,992
Proposed Dividend		11,250,000
Tax on Dividend		1,868,485
Transfer to General Reserve		150,000,000
Balance Brought Forward from Last Year		106,576,661
Balance Carried to Balance Sheet		135,043,167
Significant Accounting Policies & Notes on Accounts	13	
Earning per share (Rs.)		
Basic		25.54
Diluted		25.54

As per our report of even date.

For **Rajesh Suresh Jain & Associates**
Chartered Accountants

For & on behalf of the Board


Managing Director
Director

Date :

Place: New Delhi

Company Secretary

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**SCHEDULES TO THE ACCOUNTS**

As At
31st March, 2010
Rs.

1. SHARE CAPITAL

Authorised

1,50,00,000 Equity shares of Rs.10/- each

150,000,000

Issued,Subscribed & Paid up

75,00,000 Equity shares
of Rs.10/- each fully paid up

75,000,000

75,000,000**2. RESERVES AND SURPLUS**

i) Share Premium (As per Last year)

60,000,000

ii) Capital Reserve

498,750.00

iii) General Reserve (As per Last year)

81,225,461

Add : Transfer from Profit & Loss A/c

150,000,000

231,225,461

iv) Profit & Loss Account (As per Annexed Account)

135,043,167

426,767,378**3. SECURED LOANS**

From Banks

Vehicles / Equipment Loans

24,406

(Repayable within year Rs.24,406/-)

Working Capital

140,283,996

From Others

Vehicles / Equipment Loans

11,427,011

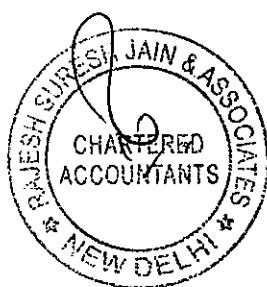
(Repayable within year Rs.7,202,090/-)

151,735,413**4. UNSECURED LOANS**

From Directors

11,950,000

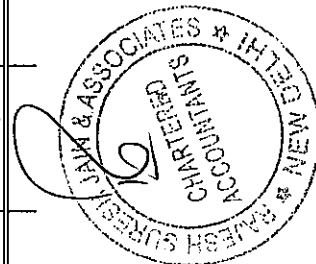
Intercompany Loans

30,397,90042,347,900

TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

5. FIXED ASSETS AS AT 31ST MARCH, 2010

Description	GROSS BLOCK				DEPRECIATION				Net Block	
	As At 1st April 2009 Rs.	Addition During the year Rs.	Sales/Adjust ment during the year Rs.	Total upto 31st March 2010 Rs.	Upto 31st March 2009 Rs.	For the year Rs.	Sale/Adjustm ent during the period Rs.	Total upto 31st March 2010 Rs.	As At 31st March 2010 Rs.	
Factory Land	165,532	-	-	165,532	-	-	-	-	165,532	
Factory Premises	7,521,017	-	-	7,521,017	5,264,954	251,202	-	5,516,156	2,004,861	
Purely Temp. Construction	7,236,791	8,182,354	-	15,419,145	7,236,791	8,182,354	-	15,419,145	-	
Plant & Machinery	26,679,576	5,947,470	-	32,627,046	3,678,619	1,750,321	-	5,428,940	27,198,106	
Furniture & Fixture	3,014,418	346,703	53,696	3,307,425	1,661,388	205,378	7,844	1,858,922	1,448,503	
Office Equipment	491,644	130,483	34,074	588,053	176,464	36,727	7,432	205,759	382,294	
Electric Installation	208,300	-	-	208,300	61,084	9,894	-	70,978	137,322	
Reproduction Machines	76,670	-	-	76,670	73,177	3,492	-	76,669	1	
Cooling Systems	1,220,267	319,952	-	1,540,219	453,228	65,468	-	518,696	1,021,523	
Vehicles	9,625,257	7,808,463	476,053	16,957,667	1,444,375	1,865,405	225,505	3,084,275	13,873,392	
Computers	4,961,563	3,235,475	-	8,197,038	1,481,449	1,004,196	-	2,485,645	5,711,393	
Generator	2,303,292	1,123,903	34,783	3,392,412	146,824	241,793	10,849	377,768	3,014,644	
DIGITAL BUSINESS COMMN SYSTEMS	314,881	-	-	314,881	21,718	14,957	-	36,675	278,206	
Total	63,819,208	27,094,803	598,606	90,315,405	21,700,071	13,631,187	251,630	35,079,628	55,235,777	



TECHNOFAB ENGINEERING LIMITED CONSOLIDATED

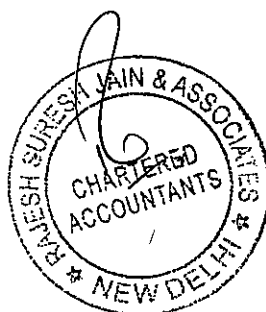
SCHEDULES TO THE ACCOUNTS

6 INVESTMENTS (Long term) - other than trade

**As at
31st March, 2010**

Particulars	Face Value Rs.	Qty Nos.	Amount Rs.
A Unquoted, Fully paidup units of mutual fund			
Name of Mutual Fund			
1 JM Agri & Infra Fund	10	200,000	2,000,000
2 IDFC Monthly Income Plan	10	100,000	1,000,000
Total		300,000	3,000,000

Net Asset value of Inverstmnts in mutual Fund Rs.1,607,980



TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**SCHEDULES TO THE ACCOUNTS**

As At
31st March, 2010
Rs.

7 CURRENT ASSETS, LOANS AND ADVANCES**A. CURRENT ASSETS****Inventories :**

(As taken, valued and certified by the Management)

Raw Material	4,657,481
Work in Progress	5,527,312
Stores & Spares	26,084,107

Total A	36,268,900
----------------	-------------------

Sundry Debtors

(Unsecured, considered good)

Outstanding exceeding six months	37,717,890
Others	537,243,915

Total B	574,961,804
----------------	--------------------

Cash and Bank Balances

Cash in Hand	568,700
Balance with Banks	
- in Current Account with Scheduled Banks	1,390,010
- in Fixed Deposit A/c with Scheduled Banks	104,517,113
- Interest Accrued but not due on above	2,430,474
- Cheques in Hand	362,000
- in Current Account with Foreign Banks	1,405,570

Total C	110,673,867
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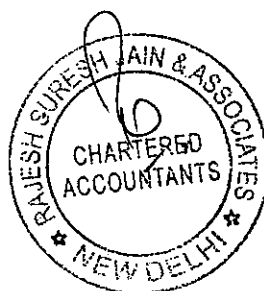
B. LOANS AND ADVANCES

(Unsecured, considered good unless stated otherwise)

Advances recoverable in cash or kind or for value to be received	62,934,394
Retention Money	236,023,134
Advances with Income Tax, Sales Tax, Excise, Customs etc.	109,578,283
Deposit with Govt. Departments & Others	11,119,607

Total D	419,655,418
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Grand Total (A+B+C+D)	1,141,559,990
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TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**SCHEDULES TO THE ACCOUNTS**

As At
31st March, 2010
Rs.

8 CURRENT LIABILITIES & PROVISIONS**Current Liabilities :**

Sundry Creditors (Other than micro & small enterprises)	236,596,743
Advances from Customers	35,075,305
Other Liabilities	113,528,650

Total A	385,200,698
----------------	--------------------

Provisions :

For Income Tax	100,320,000
For Proposed Dividend	11,250,000
For Tax on Dividend	1,868,485
For Leave Encashment	1,569,212
For Gratuity	1,895,505
For Wealth Tax	90,000

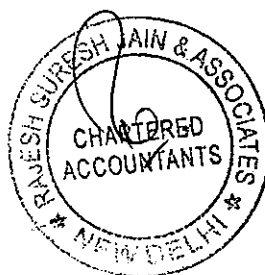
Total B	116,993,202
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Grand Total (A+B)	502,193,900
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9 OTHER INCOME

For the year
ended
31st March 2010

Misc Income	1,301,783
Total	1,301,783



TECHNOFAB ENGINEERING LIMITED CONSOLIDATED**SCHEDULES TO THE ACCOUNTS**

For the year ended
31st March 2010
Rs.

10 EXPENDITURE ON CONTRACTS

Material Consumed	968,527,291
Design, Fabrication, Installation, Machining & Stores Consumed	390,950,628
Power & Fuel	8,836,079
Inspection & Testing	13,219,137
Personnel Expenses	62,799,269
Repairs & Maintenance	5,976,099
Freight, Forwarding & Clearing	41,367,245
Rent, Rates & Taxes	45,248,550
Insurance	10,845,397
	<u>1,547,769,695</u>

11 ADMINISTRATIVE AND OTHER EXPENSES

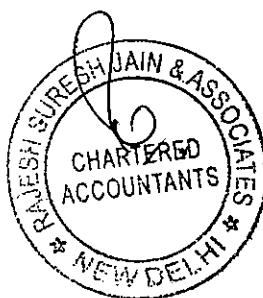
Salaries, Wages, Gratuity, Bonus, Allowances etc.	56,331,499
Employer's Contributions to Provident Fund, ESI & Others	4,223,118
Staff Welfare	2,124,628
Repair & Maintenance - Plant & Machinery	220,757
Repair & Maintenance - Others	5,629,186
Rent	2,191,997
Rates, Fees & Taxes	1,984,107
Insurance	631,959
Legal & Professional	16,693,497
Miscellaneous	3,827,382
Director's Sitting Fees	780,000
Travelling & Conveyance	21,872,538
Vehicle Running	2,550,761
Printing & Stationary	5,314,073
Communication	3,843,530
Electricity & Water	1,396,216
Loss on Sale of Investments & Derivatives	-
	<u>129,615,248</u>

12 INTEREST & FINANCE CHARGES

Bank Charges	31,123,419
Interest	
To Bank	
On Working Capital	9,088,950
On Hire Purchase	131,438
To Others	
On Unsecured Loan	2,331,000
On Hire Purchase	1,889,223
	<u>44,564,030</u>

LESS:

Interest Income on FDR's	12,879,280
(Tax Deducted at Source Rs.1,332,840)	
Total	<u>31,684,750</u>



TECHNOFAB ENGINEERING LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES
ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS FOR THE
YEAR ENDED 31.03.2010

A. SIGNIFICANT ACCOUNTING POLICIES

1. PRINCIPLES OF CONSOLIDATION

The consolidated Financial Statements relate to TECHNOFAB ENGINEERING LIMITED (the company) and its subsidiary company Rivu Infrastructural Developers Pvt. Ltd. The consolidated financial statements have been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" on the following basis :

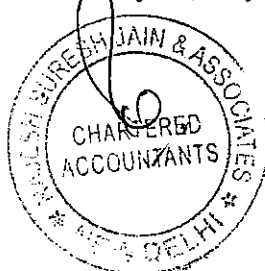
- i) The Financial statements of the Company and the subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized 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, 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.

2. OTHER SIGNIFICANT ACCOUNTING POLICIES

1. 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. 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. Direct costs include all expenses specifically attributable to the contract. Variation is Cost and Profit is recognized by evaluation of the percentage of work completed at the end of the accounting period.

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.

2. **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.

3. **Inventories:**

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

4. **Employee benefits:**

Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under:

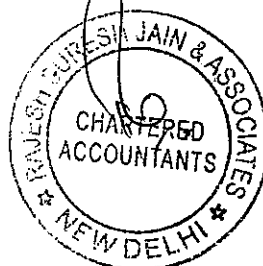
- i) Short Term Employee benefits are recognized as expense at the undiscounted amount in the Profit & Loss account of the year in which they are incurred.
- ii) Employee benefits under defined contribution plans comprise of contribution to Provident Fund. Contributions to Provident Fund are deposited 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.

5. **Investment:**

Investments Long Term are stated at cost. Provision for diminution is made which is other than temporary.

6. **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. However, in contracts for overseas projects where payment has been made in designated foreign currencies, since the exchange rates are prefixed and therefore consistently translated at the contractual rates of exchange, difference, if any, from these contractual rates to the rates existing on the date of the transaction have been accounted as "Exchange Rate fluctuation". Foreign Currency transactions remaining unsettled at the year end are translated at the year end closing rate.

7. 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.

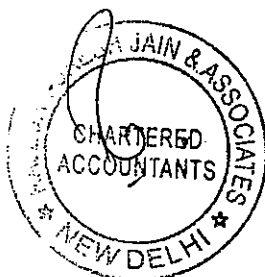
8. Impairment of Fixed Assets

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.

9. 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.



B. NOTES ON ACCOUNTS

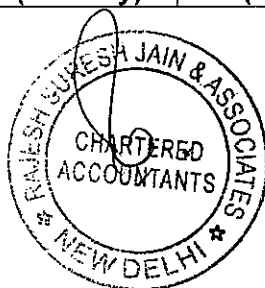
1. The accompanying consolidated financial statement includes the accounts of TECHNOFAB ENGINEERING LIMITED and its following subsidiary :-

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	31.03.2010

2. Contingent Liability

- a. Claims against the Company not acknowledged as debt (net) amount to Rs. 1,491,755.
 - 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 Rs. 1,226,449,874.
 - c. In respect of demand against Sales Tax amounting to Rs. 1.355 Million raised by the authorities, appeals are pending before the authorities.
3. Fixed Deposits/cash margin with banks amount to Rs. 104,517,113 are under lien with banks as per banking arrangements.
4. 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.
5. 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.
6. Deferred tax asset comprised of the following: -

Particulars	As on 31.03.2010
Liability	
- Fixed Assets	2,902,155
Assets	
- Expenses allowable under Income Tax Act on payment basis	1,150,979
Net Deferred Tax Asset / (Liability)	(1,751,176)



7. Earning per share

Particulars	As on 31.03.2010
Profit for the year after Tax	191,584,992
Weighted average No. Of equity Shares of Rs.10/- each for Basic EPS	7,500,000
Basic Earning per Share	25.54
Weighted average No. Of equity Shares of Rs.10/- each for Diluted EPS	7,500,000
Diluted Earning per Share	25.54

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

9. Related Party Transactions

(1) Name of Related Parties

(A) Key Management Person / Control

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

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

- Techfab International Pvt. Ltd.
- Techfab Systems Pvt. Ltd.

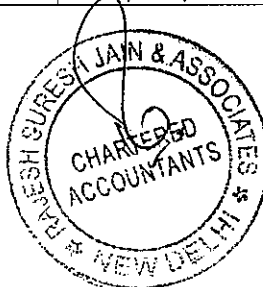
(C) Relatives of Key managerial Person

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

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

(Amount in Rs.)

Sr. No.		(A)	(B)	(C)
1.	Loan / Security / Advance Taken and recovery of advance given	14,500,000	7,529,250	NIL
2.	Loan / Security / Advance given	17,450,000	12,729,250	NIL
3.	Remuneration Paid	14,207,000	NIL	NIL
4.	Reimbursement of	3,654,071	359,240	NIL



	Expenses			
5.	Dividend Paid	2,617,892	NIL	1,057,108
6.	Sales	NIL	10,400,000	NIL
7.	Outstanding Balance as on 31.03.2010			
	- Payable in respect of Loan	11,950,000	NIL	NIL
	- Payable in respect of Sundry Creditors	135,014	NIL	NIL
	- Receivable in respect of Sundry Debtors	NIL	11,241,776	NIL

10. Turnover is net of Procurement and other related charges.

11. Disclosure pursuant to Accounting Standard – 15

a) Defined Contribution Plan

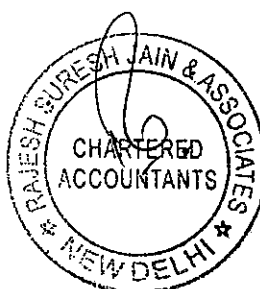
Amount recognized as expense for defined contribution plans are as under: -

Particulars	Amount (in Rs.)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	2,306,056	Contribution to Provident Fund

b) Defined Benefit Plan

Movement in net liability

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of obligations as at the beginning of the year (A)	3,530,220	1,329,523
Adjustment for increase (decrease) in opening obligation (B)	NIL	NIL
Interest Cost (C)	282,418	106,362
Past service cost	827,781	NIL
Current service cost (D)	727,764	489,429
Benefits paid (E)	NIL	40,432
Actuarial (gain) / loss on obligation (F)	122,391	(315,670)
Present value of obligations as at the end of year (G=A+B+C+D-E+F)	5,490,574	1,569,212



- c) The amounts recognized in the balance sheet and Profit & loss account are as follows:

Particulars	Gratuity (Funded)	Leave (Unfunded)
Present value of obligation (A)	5,490,574	1,569,212
Estimated fair value of plan assets (B)	3,595,069	NIL
Net Liability (C=A-B)	1,895,505	1,569,212

Amounts in the Balance Sheet		
Liabilities	1,895,505	1,569,212

Amount charged to Profit & Loss Account		
Current Service Cost	727,764	484,488
Past service cost	827,781	NIL
Interest Cost	282,418	95,379
Expected return on plan assets	(79,601)	NIL
Actuarial (Gain)/Loss	(33,279)	(270,481)
	1,725,083	309,386
Head under which shown in the Profit & Loss account	Salaries, Wages, Gratuity, Bonus, Allowances etc.	

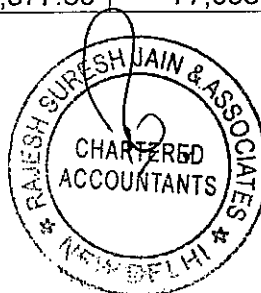
- d) Following are the Principal Actuarial Assumptions used as at the balance sheet date

Particulars	Current Year
Discount Rate	8%
Salary Escalation Rate	5%
Expected rate of return on plan asset	9%

Note: Retirement Benefit from the year ended March 31, 2008 the company had accounted for its Gratuity liability based on an actuarial valuation determined on the Projected Unit Credit method, consequent to adoption of AS 15 on Employee Benefits (revised 2005). However, necessary adjustments and disclosures for other periods have not been done due to non availability of relevant data for those periods

12. Un-hedged position of Foreign Exchange:-

Particulars	As At 31.03.2010	
	Amt (in Foreign Currency)	Amt (In INR)
- In Respect of receivables		
USD	1,714,377.80	77,095,569.38



EURO	790,748.36	48,077,500.29
ETB	NIL	NIL
GHS	2,855.50	101,982.11
KSH	153,869.12	92,692.24
	TOTAL	125,367,744.02
- In Respect of Payable		
USD	1,758,566.82	79,082,749.90
EURO	231,771.18	14,091,687.74
GHS	1,902.42	67,943.88
ETB	275,951.69	1,237,451.52
KSH	6,098,851.28	3,674,006.79
	TOTAL	98,153,839.83

Note: Disclosure requirement related to foreign exchange hedging was not required for earlier year.

13 Disclosure as per AS-7 (Amount in INR)

S. No.	Particulars	As At 31.03.2010
1	Contract Revenue	2,014,882,616
2	Cost incurred on Contract	1,547,769,695
3	Advance received	35,075,305
4	Amount of Retentions	236,023,134
5	Amount due from Customers	575,473,960
6	Contract Profit / losses recognized	467,112,921

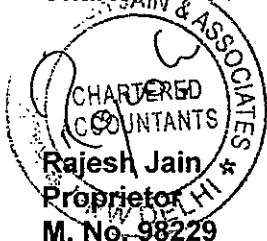
14. Since this is 1st year of applicability for preparation of consolidated financial statements, previous year figures have not been given.

15. Annexure I to 13 form an integral part of the Accounts.

Certified in terms of our report of even date.

For: **Rajesh Suresh Jain & Associates**
Chartered Accountant

for and on behalf of the Board



[Signature]
Managing Director

[Signature]
Director

Place: New Delhi
Dated:

[Signature]
Company Secretary

TECHNOFAB ENGINEERING LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010

(Rs.)

PARTICULARS

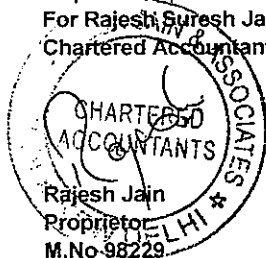
**Year Ended on 31st
March, 10**

(A) CASH FLOW OPERATION ACTIVITIES		
Net Profit Before Tax and Extraordinary Item		293,483,519
Adjustment for :		
Depreciation		13,631,187
Finance charges		31,684,750
Loss on Sale of Fixed Assets		96,428
Provision for Leave Encashment		239,689
Provision for Gratuity		1,725,083
Dividend Received		-
Operating Profit before Working Capital Changes		340,860,656
Adjustment for :		
Trade and other Receivables		(247,649,589)
Loans & Advances		(75,479,318)
Inventories		8,978,541
Trade and Other payables		(33,748,469)
Cash Generated from Operation		(7,038,180)
Direct Taxes Paid		(86,510,716)
Cash Flow Before Extraordinary Items		(93,548,896)
Net Cash Flow from Operation Activities	(A)	(93,548,896)
(B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of Fixed Assets		(27,249,076)
Sale of Fixed Assets		(82,626)
Sale / (Purchase) of Investments		(1,501,250)
Dividend Received		-
Net Cash from (-used) in Investment Activities	(B)	(28,832,952)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance charges		(31,684,750)
Proceeds / Repayment from / of Long term Borrowings (Net)		33,402,524
Proceeds / Repayment from / of Short term Borrowings (Net)		(4,845,088)
Dividend Paid		(7,500,000)
Tax on Dividend		(1,274,625)
Net Cash Flow From Financing Activities	(C)	(11,901,939)
Net Increase in Cash & Cash Equivalents	(A+B+C)	(134,283,787)
Cash & Cash Equivalents (Opening Balance)		244,957,653
Cash & Cash Equivalents (Closing Balance)		110,673,866

As per our report of even date.

For Rajesh Suresh Jain & Associates
Chartered Accountants

For & on behalf of the Board



Rajesh Suresh Jain
Managing Director

[Signature]
Director

[Signature]
Company Secretary

Date :

Place: New Delhi

TECHNOFAB ENGINEERING LIMITED

Reg. Off. 507, Eros Apartments, 56, Nehru Place, New Delhi-110019

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

FOR THE YEAR ENDED 31ST MARCH 2010

Name of the Subsidiary	Rivu Infrastructural Developers Private Limited
Financial year of the subsidiary company ended on	31 st March, 2010
Holding Company's interest	
Number of Equity Shares	100000
Extent of Holding	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 in the holding Company's account	Nil
Net aggregate amount of the profits of the subsidiary dealt with in the Company's accounts	683,309.37
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 in the holding Company's account	N.A.
Net aggregate amount of the profits of the subsidiary dealt with in the Company's accounts	N.A.
Material changes, if any, between the end of the financial year of the subsidiary and that of the holding company.	N.A.

For and on behalf of the Board

**Sd/-
(Arjun Gupta)
Director**

For and on behalf of the Board

**Sd/-
(Avinash C Gupta)
Managing Director**

**Sd/-
(Paresh Kumar Singh)
Company Secretary**