REGISTERED OFFICE
913, Hemkunt Chambers, 89 Nehru Place
New Delhi – 110019, India
Tel : +91-11-26411931, 26415961
Fax : +91-11-26221521
Email : info@technofabengineering.com
CIN : L74210DL1971PLC005712

TECHNOFAB ENGINEERING LIMITED

September 06, 2022

The National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051
Symbol: TECHNOFAB

The BSE Limited
15th Floor, Phiroze Jeejeeboy Towers
Dalal Street
Mumbai – 400001

Security Code: 533216

Sub: Book Closure Notice, E-Voting, copy of Notice calling the Fifty First Annual General Meeting and Annual Report for the Financial Year 2021-22

Dear Sir,

In continuation of our earlier intimation dated 13 August 2022 regarding, inter alia, convening the Fifty First Annual General Meeting of the Company ("AGM") on Friday, 30 September 2022 at 2:30 P.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means facility ("OAVM") in due compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), the Rules made thereunder read with the MCA's General Circulars numbered 2/2022 dated May 5, 2022 read with 20/2020 dated May 5, 2020 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with the relevant SEBI Circular, the copies of the Notice calling Fifty First AGM including Annual Report for the Financial Year 2021-22, being dispatched to the Shareholders, today i.e. 06 September 2022, are also attached herewith.

The instruction for joining the AGM, E-Voting etc. are provided in the Notice of AGM and attendance of shareholders attending the AGM through VC/OAVM will be counted for the purpose of Section 103 of the Act.

This is to inform further that in compliance with the provisions of Section 108 of the Companies Act, 2013 (the 'Act') read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the 'Rules') and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the Company is providing electronic voting ('Remote e-Voting') facility to the members to enable them to cast their votes electronically. Accordingly, the items of business given in the Notice of the AGM may be transacted through electronic voting facilities provided by Link Intime India Private Limited ("Link Intime"), through https://instavote.linkintime.co.in/ The members holding shares either in physical form or in dematerialized form, as on the cut-off date of 23 September 2022, may cast their vote electronically on the Ordinary and Special Business as set out in the Notice of AGM through electronic voting system of Link Intime through its e-voting platform viz. https://instavote.linkintime.co.in/ from a place other than venue of AGM ("remote e-voting"). The remote e-voting shall commence on Tuesday, 27 September 2022 at 09:00 A.M. and shall end on Thursday, 29 September 2022 at 05:00 P.M.

Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM. The procedure

for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting. However the members who have voted through Remote e-Voting will be eligible to attend the AGM but they will not be eligible to vote at the AGM.

In terms of Regulation 42 of the Listing Regulations read with Section 91 of the Companies Act, 2013 including rules made there under, the Register of Members / Share Transfer Books of the Company will remain closed from Saturday, 24 September 2022 to Friday, 30 September 2022 (both days inclusive), for the purpose of AGM.

You are requested to kindly acknowledge the aforementioned information and oblige.

Thanking you,
Yours Faithfully
For Technofab Engineering Limited



Arun Singh
Company Secretary

REGISTERED OFFICE
913, Hemkunt Chambers, 89 Nehru Place
New Delhi – 110019, India
Tel : +91-11-26411931, 26415961
Fax : +91-11-26221521
Email : info@technofabengineering.com
CIN : L74210DL1971PLC005712

TECHNOFAB ENGINEERING LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty First Annual General Meeting of the members of Technofab Engineering Limited will be held on Friday, the 30th day of September 2022 at 2:30 P.M. through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") facility to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt: (a) the audited financial statement of the Company for the financial year ended 31 March 2022 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended 31 March 2022 and the report of Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:**

   (a) **"RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31 March 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are received, considered and adopted."

   (b) **"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31 March 2022 and the report of Auditors thereon laid before this meeting, be and are hereby received, considered and adopted."

2. **To re-appoint Mr. Ashutosh Jagga (DIN: 02253004) as a Director liable to retire by rotation, who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to pass the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ashutosh Jagga (DIN: 02253004), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. **To re-appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the Fifty Sixth consecutive Annual General Meeting & to fix their remuneration and in this regard, to pass the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 (the "Said Act") and other applicable provisions, if any, of the Said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the Said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. G C Agarwal & Associates, Chartered Accountants (Registration No. 017851N), be and is hereby re-appointed as the Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of 51st Annual General Meeting till the conclusion of 56th Annual General Meeting in respect of the financial years beginning April 1, 2023 and ending March 31, 2027, and that the Board of Directors of the Company be and are hereby requested to fix such remuneration as may be determined in

consultation with the auditors, and that such remuneration may be paid on a progressive billing basis to be agreed upon between the auditors and the Board of Directors."

SPECIAL BUSINESS

4. **Rectification/Revision in professional fee to Mr. Ashutosh Jagga, Non-Executive Professional Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution**

"RESOLVED THAT having confirmation received from the Nomination and Remuneration Committee in terms of Section 197(4)(a) & (b) of the Companies Act, 2013 (the "Act"), and approval under Regulation 23 of SEBI (LODR) Regulations (the "Listing Regulations") read with other applicable provisions of the Act and pursuant to the provisions of Regulation 17(6)(a) & Regulation 17(6)(ca) of the Listing Regulations, approval be and is hereby granted to pay rectified/revised professional fee in the form of periodical payment or otherwise aggregating to Rs. 72,00,000/- (Rupees Seventy Two Lakh Only) for the professional services availed/ to be availed from Mr. Ashutosh Jagga, Non Executive Professional Director during the financial year ended 31st March 2023 and at such further terms & conditions as may be finalized by the Board of Directors in consultation with Mr. Jagga.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, and execute all such deeds, documents, instruments and writings, and take all such steps as it may in its sole and absolute discretion deem necessary including of filing of return, documents and forms as may be required and to settle all questions, difficulties and doubts that may arise in relation thereto."

Registered office:
913, Hemkunt Chambers
89, Nehru Place
New Delhi – 110019, India

CIN: L74210DL1971PLC005712
Email: info@technofabengineering.com
Place: New Delhi
Date: 22 August 2022

By order of the Board of Directors
For Technofab Engineering Limited

Arun Singh
Company Secretary
M.N. A35806

IMPORTANT NOTES:

1. An Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this AGM and the relevant details pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015 ('Listing Regulations') and Secretarial Standards on General Meeting in respect of Director seeking re-appointment at the AGM are annexed hereto and forms part of this notice.

2. GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE 51st AGM THROUGH VC/OAVM FACILITY AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE E-VOTING

    1. In accordance with General Circular No.2/2022 dated May 5, 2022 read with Circular No.20/2020 dated May 5, 2020 and other applicable circulars issued by the Ministry of Corporate Affairs from time to time ("MCA Circulars"), and pursuant to the relevant provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations'), the Annual General Meeting ('AGM') of the Company for the year 2022 is being held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"). Hence physical attendance of the members at the AGM is not required and the members can attend/participate and vote in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. The MCA Circulars read with the Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 ("SEBI Circular") also dispense with the requirement of sending the physical copies of the AGM Notice and Annual Report to the members. Accordingly, this Notice of the AGM along with the Annual Report 2021-22 are being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / Depositories. Members may note that the Notice of AGM and Annual Report FY22 will also be available on the Company's website www.technofabengineering.com, websites of the stock exchanges i.e. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') at www.bseindia.com and www.nseindia.com respectively and on the website of Linkintime India Private Limited.

3. Since this AGM will be held through VC/OAVM, Members will not be able to appoint proxies for the meeting, and (b) Attendance Slip & Route Map are not being annexed to this Notice.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited (LINK INTIME) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by LINK INTIME.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.technofabengineering.com The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of LINK INTIME (agency for providing the Remote e-Voting facility).

8. In the event of unclaimed dividend to IEPF, members are entitled to claim the same from the IEPF Authority by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5.

9. The status of dividends remaining unpaid/ unclaimed along with the respective due dates of transfer to IEPF is provided in the Annual Report.

10. In terms of provisions of Regulation 40 of the Listing Regulations as amended from time to time, requests for effecting transfer of securities (including transmission/transposition) cannot be processed by the listed companies unless the securities are held in dematerialized form. Further in terms of SEBI circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal/ Exchange of securities certificate; (d) Endorsement; (e) Sub-division/ Splitting of securities certificate; (f) Consolidation of securities certificates/folios. The Company/RTA shall verify and process the service requests for the aforesaid purposes and thereafter issue a 'Letter of Confirmation' in lieu of physical securities certificate(s), to the securities holder/ claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/ claimant shall make a request to the Depository Participant for dematerializing the said securities, failing which the RTA/Company shall credit the securities to the Suspense Escrow Demat Account of the Company. Necessary Form ISR-4 for the aforesaid service requests is made available to the members. Accordingly, members are requested to make service requests for aforesaid purposes by submitting a duly filled up and signed Form ISR – 4 directly to the Company's RTA along with the documents / details specified therein for processing. SEBI has also, vide its Circular dated November 3, 2021, made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. Folios wherein any one of these details are not registered by April 1, 2023 shall be frozen. The concerned members are therefore urged to furnish PAN, KYC and Nomination/ OPT out of Nomination by submitting the prescribed forms, duly filled up and signed, by email from their

registered email id of the RTA or by sending a physical copy of the prescribed form duly filled up and signed by all the registered holders to the Company's RTA at the address stated above. The forms for updating the aforesaid details are available on the website of the Company. Members who are holding shares in demat form are requested to approach their respective Depository Participants ('DPs') for change of address, registration of e-mail address, nomination and updation of bank account details etc.

11. In order to timely receive Notice, Annual Report and dividend, members holding equity shares in physical form are requested to register/update their email address and bank mandates by emailing a scan copy of signed request letter quoting their folio number and providing details of their email address and bank mandates along with scan copies of self attested copy of PAN card and cancelled cheque leaf bearing the name of the member, to the Company/RTA. Members holding equity shares in dematerialized form are requested to register/update the aforesaid details directly to their respective Depository Participant(s) ("DP").

12. The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested under Section 189 of the Act will remain available electronically for inspection during the AGM. All other material documents referred to in this Notice will also be available for inspection in an electronic mode by the members from the date of circulation of this Notice till the date of the AGM, for which purpose Members are required to send an e-mail to the Company Secretary at cs@technofabengineering.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, 27 September 2022 at 9:00 A.M. and ends on Thursday, 29 September 2022 at 5:00 P.M. The remote e-voting module shall be disabled for voting thereafter except on the date of Annual General Meeting for certain period.

Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL
    1. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL
    1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
    2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
    3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.
    4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants
4. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details:

   A. User ID:
   Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
   C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
   D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

   Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*
   Shareholders holding shares in **NSDL form, shall provide 'D' above*

   ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
   ▶ Click "confirm" (Your password is now generated).

3. Click on 'Login' under **'SHARE HOLDER'** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon**.**
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc.

together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:
Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22- 23058542-43.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

▶ Select the **"Company"** and **'Event Date'** and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

• Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

• Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

• Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/
Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

▶ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

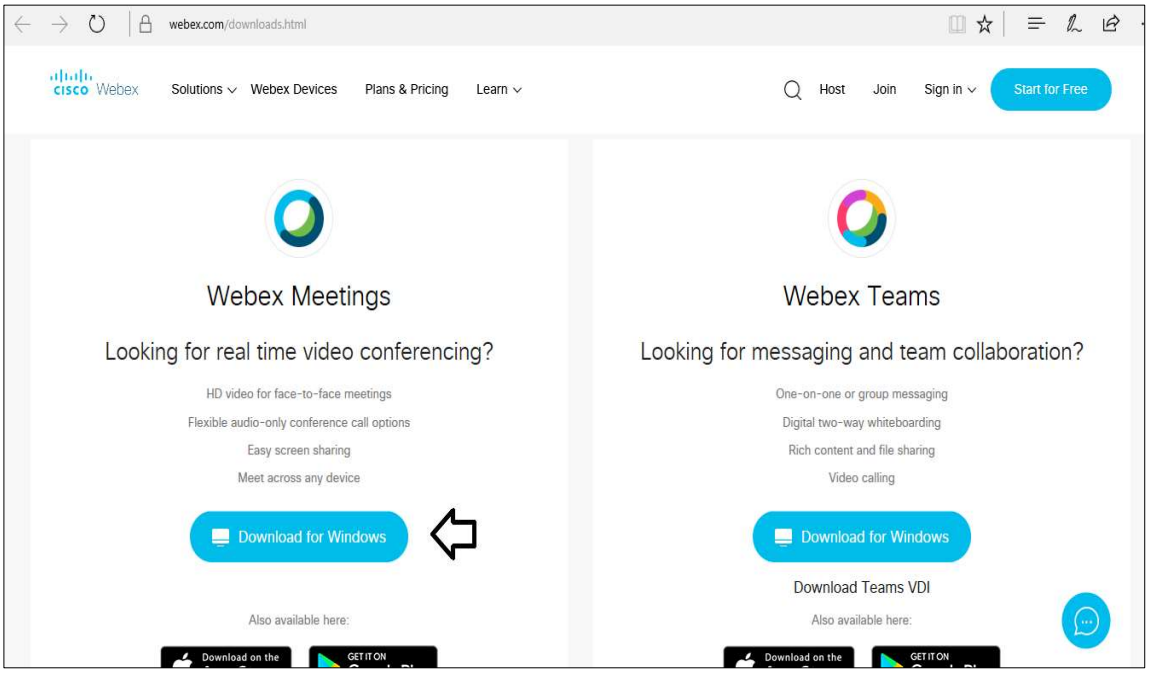
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

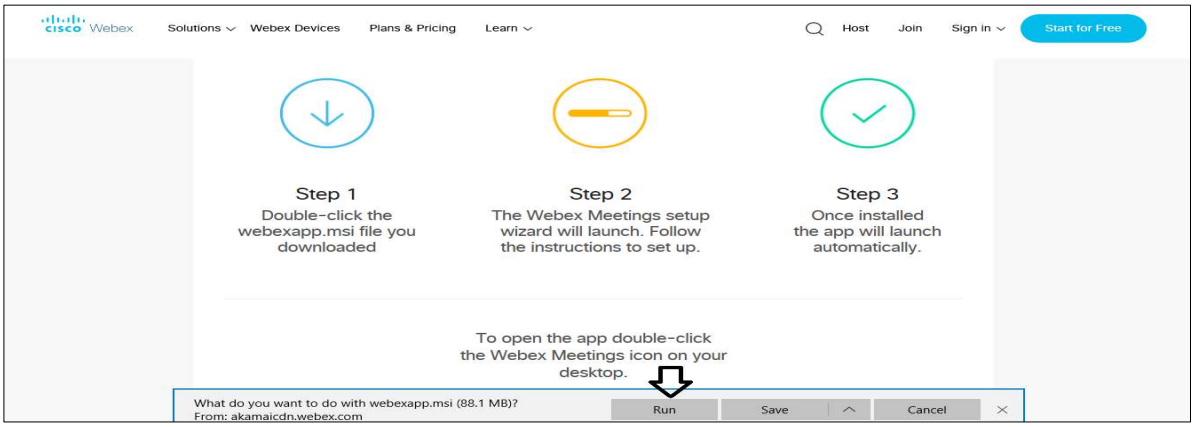
Annexure

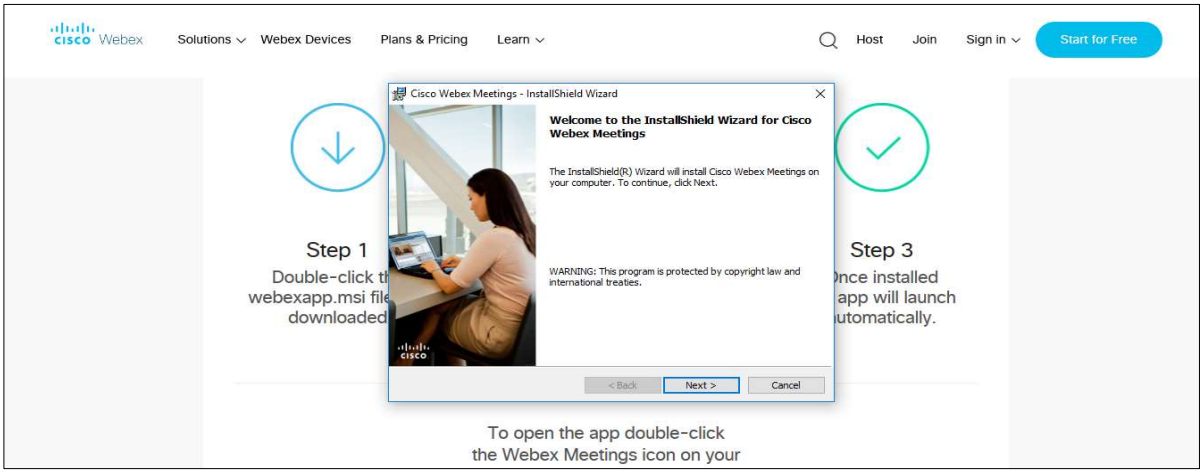
Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

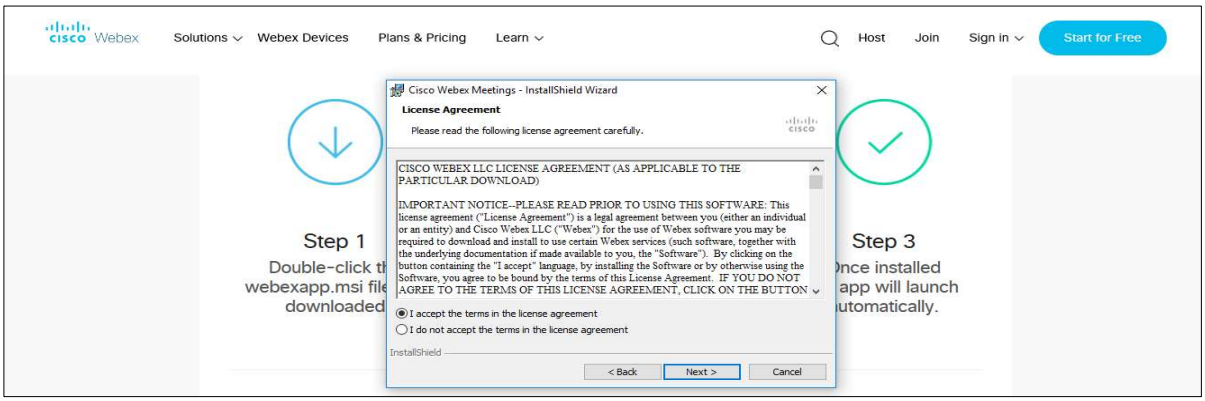
For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

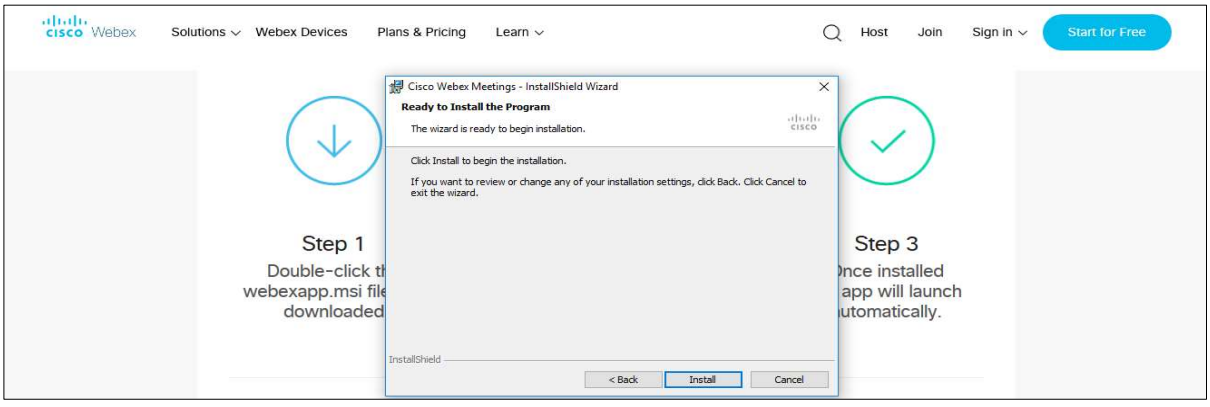
a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/




Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Step 1
Double-click the webexapp.msi file you downloaded
Step 2
The Webex Meetings setup wizard will launch. Follow the instructions to set up.
Step 3
Once installed the app will launch automatically.
To open the app double-click the Webex Meetings icon on your desktop.
What do you want to do with webexapp.msi (88.1 MB)?
From: akamaicdn.webex.com
Run
Save
Cancel


Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Welcome to the InstallShield Wizard for Cisco Webex Meetings
The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.
WARNING: This program is protected by copyright law and international treaties.
< Back
Next >
Cancel
Step 1
Step 3
To open the app double-click the Webex Meetings icon on your


Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
License Agreement
Please read the following license agreement carefully.
CISCO WEBEX LLC LICENSE AGREEMENT (AS APPLICABLE TO THE PARTICULAR DOWNLOAD)
IMPORTANT NOTICE--PLEASE READ PRIOR TO USING THIS SOFTWARE: This license agreement ("License Agreement") is a legal agreement between you (either an individual or an entity) and Cisco Webex LLC ("Webex") for the use of Webex software you may be required to download and install to use certain Webex services (such software, together with the underlying documentation if made available to you, the "Software"). By clicking on the button containing the "I accept" language, by installing the Software or by otherwise using the Software, you agree to be bound by the terms of this License Agreement. IF YOU DO NOT AGREE TO THE TERMS OF THIS LICENSE AGREEMENT, CLICK ON THE BUTTON
I accept the terms in the license agreement
I do not accept the terms in the license agreement
InstallShield
< Back
Next >
Cancel
Step 1
Step 3


Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Ready to Install the Program
The wizard is ready to begin installation.
Click Install to begin the installation.
If you want to review or change any of your installation settings, click Back. Click Cancel to exit the wizard.
InstallShield
< Back
Install
Cancel
Step 1
Step 3

or

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share transfer books of the Company shall remain closed from 24 September 2022 to 30 September 2022 (both days inclusive).
5. In terms of Section 152 of the Act, Mr. Ashutosh Jagga, Director retire by rotation at the meeting and being eligible offer himself for re-appointment.
6. As a part of Green Initiative, soft copy of the Annual Report 2021-22 is being sent to all the members whose email address(es) are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agent, Link Intime India Pvt. Ltd (RTA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
8. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA.

9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or a RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
10. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF): Pursuant to provisions of Sections 124 and 125 of the Act and other applicable provisions, if any, of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') all unclaimed / unpaid dividend remaining unclaimed / unpaid for a period of seven years from the date the date of transfer to Unpaid Dividend Account, were required to be transferred to the IEPF. Accordingly, the Company has transferred Unpaid Dividend including interest etc. with respect to Dividend declared upto the financial year 2012-13 to IEPF after completion of seven years from the date of transfer to Unpaid Dividend Account.
11. In case you have any query relating to the Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of AGM so as to enable the management to keep the information ready for replying at the meeting
12. Members may note that the Notice of Fifty First Annual General Meeting, along with other attachments and the Annual Report for the year 2021-22 will also be available on the Company's Website www.technofabengineering.com for their download.
13. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of the Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same, by post for free of cost. For any communication, the shareholders may also send request to the Company's investor email id cs@technofabengineering.com
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Pvt. Ltd.
15. Members are requested:
    a. To notify the change of address, if any, to the Company immediately.
    b. Members who have not registered their e-mail addresses so far as are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
19. **Voting through electronic means**

    I. Pursuant to the provisions of Section 108 and other applicable Provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS2), issued by the Institute of Companies Secretaries of India, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the General meeting ('remote e-voting').
    II. The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of LINK INTIME as the Authorized Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from

a place other than the venue of the general meeting).

III. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 23 September 2022 only shall be entitled to avail the facility of remote e-voting as well as the voting at the Annual General Meeting.
IV. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
V. The Board of Directors have appointed Mr. Rupak Kumar Sinha, Practising Company Secretary, (Membership No. FCS 7947), as the Scrutinizer to scrutinize the e-voting process.
VI. Members are requested to carefully read the instructions for remote e-voting before casting their vote.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (the "Act")

Mr. Ashutosh Jagga (DIN: 02253004) was appointed as Additional Director (Category: Non Executive Professional) by the Board w.e.f. 10th June 2021 and subsequently re-designated as Non-Executive Professional Director in the Annual General Meeting held on 30th September 2021.

Brief profile of Mr. Ashutosh Jagga is already mentioned in the disclosure under regulation 36(3) of SEBI (LODR) Regulations, 2015

In view of his expertise, the Company had taken approval from shareholders to avail professional services from Mr. Jagga vide resolution dated 18th July 2022 by way of postal ballot notice dated 15 June 2022 so that the Company may be benefited in terms of various kind of value addition, which among other things includes the activity of business development, relationship management to effectively enhance the reputation/ image of the company, market development, timely delivery of project & timely recovery of revenue, negotiation with the client, framing turn-around strategies etc. In this connection, it was noticed that Rs. 60,00,000 was mentioned in the Resolution in lieu of Rs. 72,00,000 in the postal ballot notice dated 15 June 2022 for taking approval from Shareholders for payment of professional fee for Financial Year ended 31 March 2023. This was an inadvertent mistake and needs to be rectified. In this connection, it was decided to take approval for rectified/revised professional fee of Rs. 72,00,000 for the financial year ended 31 March 2022 in the 51st Annual General Meeting. In view of the same, fresh approval of shareholders by way of Special Resolution as required under below mentioned provisions is recommended by the Board:

In accordance with the provisions of Section 197 (4) of the Companies Act, 2013, the remuneration for services rendered by any director in other capacity shall not be so included in the managerial remuneration to be paid to the Director in accordance with Section 197 of the Companies Act, 2013, if—

(a) the services rendered are of a professional nature; and
(b) in the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

In view of above, it is proposed to pay professional fee to Mr. Ashutosh Jagga in consideration of his professional services rendered/being rendered by him and that the Nomination and Remuneration Committee has:

(i) Examined & confirmed that the condition (a) & (b) mentioned under Section 197(4) of the Act are satisfied viz. the services to be rendered by Mr. Ashutosh Jagga pursuant to the enclosed professional services agreement are professional in nature and he possesses the requisite qualification for the practice of the profession; and
(ii) Recommended to avail the professional services from Mr. Jagga.

In this connection, the Audit Committee has also:

(i) Examined and approved the above related party transaction in accordance with Regulation 23 of SEBI (LODR) Regulations & Section 188 of the Companies Act, 2013;
(ii) Confirmed that the above related party transaction is in the ordinary course of business on arm's length basis.

As per Regulation 17 (6) (a) of SEBI (LODR) Regulations, the board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting. Further as per Regulation (6) (ca) of SEBI (LODR) Regulations, the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

In view of Regulation 17 (6) (a) & Regulation 17 (6) (ca) of SEBI (LODR), the Board hereby recommends the passing of special resolution as mentioned in the draft resolution forming part of this notice.

None of the Directors, KMP and their relatives except Mr. Ashutosh Jagga himself and his relatives is concerned or interested in the resolution.

Information about the appointee (Including information pursuant to Regulation 36(3) of SEBI(LODR) regulations, 2015 with respect to Directors seeking re-appointment)

Name	**Ashutosh Jagga**
Background details	Mr. Ashutosh Jagga aged about 53 years had been associated with the Company during 2010 to 2018 with main responsibilities in the International Business segment. He joined the Company as Additional Director with effect from 10 June 2021 in the category of Non Executive Promoter Director. His appointment is proposed to be regularised in the forthcoming Annual General Meeting in accordance with Section 152 of the Act.
Date of Birth	06/04/1968
Qualification	B.A. & Diploma in Hotel Management

Nature of Expertise	Mr. Jagga is a graduate in public administration apart from holding a degree/diploma in management & other streams and has vast business / service experience of 30 years in the field in which the Company operates. He has established himself as a "turn-around specialist" and having managed situations that arose across the spectrum of geographies in which he has operated in Africa and India. Some of the services had already been availed from him by the Company before taking him on Board which included recovery of Bank Guarantees, pending payments, closure of time barred contracts and renewal of contracts, waiver of delay damages for the jobs in hand that were under threat of termination as well as re-establishing relationship with existing clients both in Sub -Saharan Africa and India. He has been active in leading Industry Chambers & Bodies and has played a pivotal role in reviving the fortunes of Project Exports Promotion Council of India (PEPC) and at the same time forcefully raised industry issues with respect to project exports. He had been a "Working Committee" and "Screening Committee" member of PEPC under Govt. of India for many years. He has been consulting several renowned infrastructure/EPC contracting companies for Business Development primarily in Africa for last many years. These are mainly multilateral funded projects by World Bank, AfDB (African Development Bank), AfD (French Development Bank), KfW (German Development Bank), EIB (European Investment Bank), EXIM Bank of India, etc. His involvement in these companies has been in the activity of tendering, Business Development, relationship management to effectively enhance the reputation/ image of such companies. The projects were mainly in the field of infrastructural development like roads, bridges, oils & gas, water supply, Irrigation, Power, Ports, Airports etc.
Disclosure of relationships between directors inter-se	NIL
Directorship in other listed companies	NIL
No. of Shares held in the Company	9,000 Equity Shares of Rs. 10/- each

REGISTERED OFFICE
913, Hemkunt Chambers, 89 Nehru Place
New Delhi – 110019, India
Tel : +91-11-26411931, 26415961
Fax : +91-11-26221521
Email : info@technofabengineering.com
CIN : L74210DL1971PLC005712

TECHNOFAB ENGINEERING LIMITED

DIRECTORS' REPORT

Dear Members,

The Directors of your Company take pleasure in presenting the Fifty First Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended 31st March 2022.

FINANCIAL HIGHLIGHTS

The standalone & consolidated financial performance of the Company for the year ended 31st March 2022 are summarized below:

(Rs. In Lakhs)

Particulars	Consolidate		Standalone	
	2021-22	2020-21	2021-22	2020-21
Revenue From Operations	11,294.32	2,662.90	11,294.32	2,662.90
Other Income	195.14	1,136.75	195.10	1,136.75
Total revenue	11,489.46	3,799.65	11,489.42	3,799.65
Earnings Before Interest (Finance Costs), Tax, Depreciation and Amortization -EBITDA (Before Exceptional item)	(3197.60)	(6994.12)	(3197.21)	(6891.27)
Less: Exceptional item	3231.86	4371.40	3231.86	4371.40
Earnings Before Interest (Finance Costs), Tax, Depreciation and Amortization -EBITDA (After Exceptional item)	(6429	(11366.67)	(6429.07)	(11262.67)
Less: Finance costs	1341.84	1106.64	1341.84	1238.08
Profit/ (Loss) before tax, depreciation and amortization	(7771)	(12472)	(7770.91)	(12500.74)
Less: Depreciation and amortization expenses	228.01	300.58	228.01	300.58
Profit/ (Loss) before tax (PBT)	(7999)	(12775)	(7998.92)	(12800.33)
Less: Tax expenses [net of deferred tax effect and Tax adjustment for Earlier years (net)]	(1.41)	(9.98)	(0.63)	--

Profit/ (Loss) after taxation (PAT)	(7979.52)	(12,779)	(7999.55)	(12800)
Other Comprehensive Income for the year	21.19	5.88	21.19	5.88
Total Comprehensive Income for the year	(7978.36)	(12794.45)	(7978.36)	(12794.45)
EPS (Basic & Diluted)	(76.27)	(121.88)	(76.26)	(122.02)

Overview of Performance Results & State of the Company's Affairs

During the current financial year, the Company has achieved the revenue of Rs. 115 Crore as compared to that of Rs. 38 Crore in the previous year with an increase of 202.63%. The Company has incurred a loss of Rs. 79.78 Crore in comparison to the loss of Rs. 127.94 Crore incurred in the previous financial year with a decrease of 37.64%. It is commendable as the Company has improved its performance as compared to its previous year despite multiple challenges like COVID-19, Economic Slowdown, Financial Issues etc.

The net worth of the Company is negative on reporting date. The Company is having substantial orders in hand for project execution and the Management does not have an intention to liquidate or close the operations of the Company.

The Company is currently banking with the consortium of six Banks with documented working capital fund based and non-fund-based limits of Rs. 907 Crores.

The Company could not achieve the requisite project progress commensurate with its targets / plans and therefore some projects were terminated and Performance Guarantees were invoked. Since the overdrawn position in the bank accounts remained beyond the stipulated guidelines therefore the bank accounts of the Company were classified as Non-Performing Asset (NPA).

In view of this, as per the applicable guidelines issued by the Reserve Bank of India, the Company had submitted its Restructuring Proposal which is under due consideration by the Consortium Member Banks.

More discussion on the financial performance of the Company is mentioned in the Management Discussion and Analysis report forming part of the Annual Report 2022.

COVID-19 Policy

The outbreak of Corona Virus (COVID-19) pandemic globally and in India has significantly impacted the normal business operation by way of supply chain disruption, unavailability of personnel, closure/lock down etc. during the lock down period. The company's operations and revenue during the period / year were impacted due to COVID-19. The company has assessed the possible impacts of COVID-19 on its financial statements based on internal and external factors up to the date of approval of the Audited Financial Results. Based on its review and current economic condition, there is no impact on the accounting policies of the company on account of COVID-19, the pandemic. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Dividend & Appropriations

In view of loss incurred by the Company during the current financial year, the Board did not recommend dividend to be paid to the Shareholders of the Company. In view of the same there is no transfer to reserve as well.

UNPAID / UNCLAIMED DIVIDEND AND TRANSFER TO IEPF

Pursuant to the circular issued by Ministry of Corporate Affairs (MCA) with respect to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012 vide G.S.R. 342 (E) dated May 10, 2012, your Company has uploaded on its website www.technofabengineering.com under the "Investors" page/tab as well as on the Ministry's website the information regarding Unpaid / Unclaimed Dividend amount lying with the Company as on the date of last Annual General Meeting. In terms of the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, an amount of Rs. 3,04,982/- of unpaid /unclaimed dividend which were approved in the Annual General Meeting held in the year 2018 if remain unpaid/unclaimed shall be transferred to IEPF in 2025.

SUBSIDIARIES

The Company has three subsidiaries viz. Arihant Flour Mills Private Limited, Woodlands Instruments Private Limited and Rivu Infrastructural Developers Private Limited which are wholly owned by the Company. There has not been any material business activities in these Companies during the financial year.

The financial statements of the subsidiaries and related information are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of the Company www.technofabengineering.com under the "Financials" page/tab.

None of the subsidiaries of this Company is a material unlisted subsidiary. The Company has formulated a policy for determining material subsidiaries in accordance with the Regulation 16 of the Listing Regulations. The policy has been uploaded on the website of the Company at www.technofabengineering.com.

As required under the provisions of Section 129 of the Companies Act, 2013, a statement containing the salient features of financial statements of all subsidiaries in Form AOC-1 is annexed with the financial statements as **"Annexure [A]"** and forms part of this Report which covers the performance and financial position of the subsidiary companies.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the financial year ended 31 March 2022 have been prepared on the basis of audited financial statements of the Company and its subsidiaries, as approved by their respective Board of Directors keeping in view the provisions of Section 129 of the Companies Act, 2013, applicable Accounting Standards and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE DATE OF END OF FINANCIAL YEAR AND THE DATE OF REPORT

The shareholders are aware that the Company had started incurring loss since FY 19. The reason for the loss was due to substantially low turnover as the Company was unable to achieve its targeted turnover as it had been achieving since last several years due to various factors already mentioned in "**Overview of Performance Results & State of the Company's Affairs".**

The impact of COVID-19 on the business of the Company is already mentioned in Notes to Accounts annexed with the current Balance Sheet of the Company. However, the COVID situation had severely impacted the Company's operations as the offices and several project sites both in India and Overseas remained closed during the lockdowns, some of which continue up until the date of this report.

CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of the Company.

SHARE CAPITAL

During the year under review, there was no change in the total share capital of the Company. As on March 31, 2022, the paid-up equity share capital of the Company stands at Rs. 10,49,00,000/- comprising of 1,04,90,000 equity shares of Rs. 10/- each fully paid up. As on March 31, 2022, all the shares of the Company are in dematerialized form except 7 shares.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors and its composition

As on the date of this report, the total number of the Board Members as on the date of this report is four (4) comprising of one executive Director, two Independent Directors and one Non-Executive Professional Director.

Mr. Ashutosh Jagga was appointed as Additional Director in the category of Non-Executive – Non-Independent - Professional Director w.e.f. 10 June 2021 and subsequently, re-designated as Director under the same category liable to retire by rotation in accordance with Section 152 of the Companies Act, 2013 on the 50th AGM held on 30 September 2021.

Ms. Shipra Tripathi was appointed as Additional Director in the category of Non-Executive – Independent - Woman Director w.e.f. 25th June 2022 and subsequently ratified as Independent Director on the 50th AGM held on 30 September 2021 as Director under the same category in accordance with Section 149 of the Companies Act, 2013.

The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including all amendments thereto. However as per Regulation 17 of SEBI (LODR) Regulations, there should be minimum six Directors on the Board of the Company falling under top 2,000 in the list as per market capitalization published by Stock Exchanges where the shares of the Company are Listed viz. BSE and NSE (in case of Technofab). The Company is in complete compliance with Regulation 17 as per the list published by BSE. However, since the NSE had less than 2,000 listed companies at listed with it at the time the amended provisions became applicable to Technofab. However the number of Companies listed with NSE has now crossed 2,000 but the number of Companies whose shares are available for trading is again less than 2,000. The Company was automatically falling in the top 2,000 category. In view of the same, the Company has requested NSE to waive this requirement in consultation with SEBI. Meanwhile, the Company is in the process of searching for competent persons who may be appointed as Directors of the Company so that the total number of Directors may be increased to at least six.

None of the Directors on the Board is a Director in more than 7 Public/ Listed Companies or is a Member of more than 10 Committees or a Chairman of more than 5 Committees across all listed companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on 31st March, 2022 have been made by all the Directors of the Company.

None of the Company's Directors are disqualified from being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013.

Directors liable to retire by rotation

As per the provisions of the Companies Act, 2013, Mr. Ashutosh Jagga retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment in the ensuing Annual General Meeting.

The details of Director being recommended for re-appointment as required under Regulation 36 of Listing Regulations is contained in the accompanying Notice convening ensuing Annual General Meeting of the Company. Appropriate Resolution seeking shareholders' approval is also included in the Notice.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 and the Listing Regulations, adopted by the Board, is available on the website of the Company.

Key Managerial Persons (KMPs)

During the financial year ended 31 March 2022, there is no change in the Key Managerial Personnel (KMP) except the change in Company Secretary. The Company had accepted the resignation of Mr. Suman Kumar Verma, Company Secretary and Compliance Officer ("CS") w.e.f. 9 September 2021 and subsequently fill the casual vacancy so caused by way of appointment of Mr. Arun Singh as CS w.e.f. 09 September 2021.

The Key Managerial Persons as per Section 203 of the Companies Act, 2013 comprises of Mr. Arjun Gupta, Managing Director, Mr. Shiam Narain Tandon, CFO and Mr. Arun Singh, Company Secretary. Details relating to remuneration of the Directors and KMPs during the financial year ended 31 March 2022 are mentioned in **"Annexure B"** of this Report.

None of the Whole-time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.

Further, none of the Directors / KMP of the Company is disqualified under any of the provisions of the Companies Act, 2013 and relevant Regulations of Listing Regulations.

Declaration by Independent Directors

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Act confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with Regulation 25 of the Listing Regulations.

QUALITY (QMS), HEALTH, SAFETY AND ENVIRONMENT (HSE)

The Company believes that "Quality is a state of mind" and is committed to a continuous ongoing initiative in this direction and is committed "To provide and maintain safe and healthy work environment for all personnel within the organization and to continually improve in safe working conditions to make incident free work zone." Your Company is adequately maintaining the system to ensure customer satisfaction in terms of quality and services, protection of Environment, safeguarding the occupational health, safety of all our employees and compliance to applicable legal and other non-regulatory requirements pertaining to environment, health and safety along with continual improvements to the system.

The Company is committed towards ensuring safe working and eliminating hazards and in protecting the environment including reduction in paper & power consumption and proper disposal of construction & electronic waste.

MANAGEMENT DISCUSSION AND ANALYSIS INCLUDING BUSINESS REVIEW

As stipulated under Regulation 34 of the Listing Regulations, the Management Discussion and Analysis for the period under review has been given separately and forms an integral part of this Report which includes a detailed business review of the Company.

PUBLIC DEPOSITS

During the financial year 2021-22, the Company has not accepted any deposit within the meaning of Chapter V of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE GOVERNANCE REPORT

In compliance with the provisions specified in the Listing Regulations, a separate report on Corporate Governance along with the requisite certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid regulations forms an integral part of this Report. The Auditors' Certificate does not contain any qualification, reservation and adverse remark.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued there under and Part D of Schedule II as specified in the Listing Regulations, the Board of Directors has formulated the Nomination and Remuneration Policy of the Company on the recommendations of the Nomination and Remuneration Committee. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a Director and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

The Managing Director of the Company does not receive remuneration from any of the subsidiaries of the Company.

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of the Company is set out in **"Annexure [B]"**.

ANNUAL PERFORMANCE EVALUATION OF BOARD AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, that of individual directors as well as evaluation of its committees. The evaluation criteria, as defined in the Nomination and Remuneration Policy of the Company, covered various aspects of the Board, such as composition, performance of specific duties, obligations and governance. The performance of individual directors was evaluated on parameters such as: number of meetings attended; contributions made in the discussions; contribution towards formulation of the growth strategy of the Company; independence of judgement; safeguarding the interests of the Company and minority shareholders; additional time devoted besides attending Board/Committee meetings. The directors have expressed their satisfaction with the evaluation process.

MEETINGS OF THE BOARD AND AUDIT COMMITTEE

During the year, five (5) Board Meetings, five (5) Audit Committee meetings were held, the details of which are provided in the Corporate Governance Report which forms part of this Annual Report. The maximum interval between the two Board meetings did not exceed 120 days as prescribed under the Companies Act, 2013 and the Listing Regulations.

The Board of Directors have accepted all the recommendations made by the Audit Committee.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

The Internal Complaint Committee ("ICC") has been set up to redress complaints received regarding sexual harassment. During the period under review, no complaint was received by the ICC.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

The Company is in absolute compliance with all notified Secretarial Standards as issued by the Institute of Company Secretaries of India (including amendment(s) and subsequent modification(s) therein).

COMPLIANCE WITH THE LISTING AGREEMENT

The Company has listed its securities on both Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE"). The Company is in compliance with all applicable Clauses of the listing agreement entered with both respective Stock Exchanges except covered under Secretarial Audit Report annexed with this report. In this connection, the Company has also received notice(s) under SOP from Stock Exchanges and the Company has applied for the waiver penalties under SOP.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

a) in the preparation of the annual accounts for the financial year ended 31 March 2022, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
b) the Directors have selected such accounting policies and applied them consistently and 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 as at 31 March 2022 and of the profit and loss of the Company for the financial year ended 31 March 2022;
c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) the annual accounts have been prepared on a 'going concern' basis;
e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT:

I. Statutory Auditors

At the 46th AGM, M/s G.C. Agarwal & Associates (GCA), Chartered Accountants (FRN: 017851N) were appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of that AGM until the conclusion of the 51st AGM. GCA will be completing their current term of five years at the conclusion of the ensuing AGM. GCA, being eligible, offered themselves for re-appointment. Accordingly, in terms of Section 139 of the Act and the Rules made thereunder, the Board had, on the recommendations of the Audit Committee, recommended the re-appointment of GCA for a second term of five consecutive years, to hold office from the conclusion of 51st AGM till the conclusion of 56th AGM of the Company for shareholders' approval at the ensuing AGM.

Comments on the Auditors Report

The qualification, reservation, adverse remark or disclaimer in the Auditors' Report for the financial year 2021-22 along with management response is mentioned below:

The audit qualifications inter alia includes that the Company has defaulted in repayment of loan and interest payments. Due to fund constraints and other reasons the company has not been able to complete projects as expected, resulting in invocation of bank guarantees / performance guarantees. These events or conditions, along with other matters, indicates that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern.

Qualifications:

- *Attention has been drawn to certain notes to the standalone / Consolidated financial statements with regard to multiple significant uncertainties faced by the Company such as:*

(a) *Non availability of funds from banks, declaration of loans as NPA and uncharged interest due to NPA.*
(b) *Poor recovery and litigation with debtors.*
(c) *Invocation of performance guarantees / bank guarantees.*
(d) *Litigation with debtors.*
(e) *Balance of Trade Receivables being subject to confirmation*

The impact of the above matters, if any on the standalone / consolidated financial statements is presently not ascertainable.

The Notes comprises of the following:

1. *The Company was unable to complete various projects in time, performance bank guarantees of the Company were also invoked by other parties, and non-recovery of its funds due to various reasons and hence defaulted on repayment of dues to lenders, consequently the lenders have classified the loan balances of the Company as non-performing assets.*
2. *Consequently, upon the account become NPA, the banks have stopped charging interest from July-2019. As per our calculation unprovided/uncharged interest for the quarter ended 31.03.2022 is Rs. 998.77 Lakhs and total unprovided/uncharged interest from July-2019 to March 2022 is Rs.10299.59 Lakhs.*
3. *The Company has incurred significant losses during the period ended 31st March 2022 and also in the previous periods/years further the net worth of the company is Negative as at 31st March 2022. The Company has delayed/defaulted in payment of loans and interest and loan accounts have been classified as non-performing assets by banks. Due to fund constraints and other reasons the company has not been able to complete projects as expected, resulting to invocation of bank guarantees / performance guarantees. The Company has received the notices from IDBI Bank and State Bank of India u/s 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act.2002, for recovery of defaulted payment of loan and interest. Notwithstanding the above, the Standalone financial statements of the Company have been prepared on going concern basis as management believes that the Company would be able to ultimately establish profitable operations, meet its commitments and reduce debt.*

Management Response:

The Board / Audit Committee has following explanations on the above mentioned qualification(s):

1. In view of the management, in F.Y. 2019, the Company was unable to secure growth capital from its lenders which directly led to delay in supply of materials to site and was unable to send site funds to its project sites directly impacting requisite project progress which led to termination of several Contracts and invocation of Bank Guarantees which led the accounts turning NPA. Since then, the Company has been operating as a "Going Concern" through a "Holding on Operations" facility extended by its Lenders.

2. Thereafter, the Company has submitted a Restructuring Proposal (RP) to its lenders in accordance with the guidelines issued by the Reserve Bank of India. The RP is under consideration by the consortium member banks and the Company is hopeful of restructuring its lending faciliteis with the Lenders.

3. Further the Company has extended credit to customers in normal course of business as per the terms and condition of the Contracts entered into with its customers. Outstanding customer receivables are regularly monitored as per the terms of payment defined in the various contracts / projects under execution. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly Government PSU Customers and that most of its projects are funded by multi-lateral funding agencies such as the World Bank, Asian Development Bank, etc. The Company has also taken advances and security deposits from its customers to mitigate the credit risk to an extent.

4. The Company during the course of project executing regularly follows-ups with the customers for the recovery of the debtors based on payment terms defined in the various Contracts entered into with respective Customers.

5. Since the Contracts entered into by the Company are for EPC Infrastructure Projects in the water and electrical sectors, they are generally executed over a period of 2 years to 5 years. As per management observation, several of these projects get delayed for various reasons that are beyond the control of the Company such as non-availability of working fronts, non-availability of unincumbered sites, land acquisition issues, forest clearances, changes in local / state / central taxes, health pandemics due to which certain sites remain closed for extended period of times, etc. all of which result in eventual delay in receipt of funds and / or reduction in debtors.

   In some case, wherein the Company believes that the Customer has wrongly terminated a Contract or invoked the bank guarantee or illegally applied liquidated damages, the Company has filed litigation / entered into arbitration with those Customers.

- **Clause No. vii (a) of Companies (Auditor's Report) Order, 2020:** The Company has not been regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, customs duty, cess, goods and service tax and other material statutory dues applicable to it with the appropriate authorities.

  Management Response to the above:

The management response is already mentioned in Note no. 53 of the attached Financial Statements for the financial year ended 31 March 2022.

- **Clause No. vii (b) of Companies (Auditor's Report) Order, 2020:** , The particular of statutory dues which have not been deposited as at 31st March 2022 on account of pending disputes.

Management Response to the above:

The matters are pending with respective forums and the same are already detailed in the table given in clause no. vii (b) of the Auditors' Report.

II. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Sinha R K & Company, Company Secretaries to conduct the Secretarial Audit of the Company. The Secretarial Audit Report as per Section 204 of the Companies Act, 2013 read with Regulation 24A of Listing Regulations is annexed herewith as "**Annexure [C]**" to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except the following:

Financial results for the quarter and period ended 31 March 2021, 30 June 2021 and 30 September 2021 were declared to the Stock Exchanges with delay on 26 August 2021, 29 September 2021 and 22 December 2021 respectively.

Explanation to above: The offices of the Company were under complete lockdown due to Covid-19 pandemic (health emergency), the staff were not able to attend the office due to various reasons related to Covid-19.

The No. of Board members are less than 6 (Six). Top 2000 Companies as per market capitalization should have minimum 6 Directors on the Board. As per List of BSE, the Company is not coming under top 2000 Companies. However National Stock Exchange of India Limited (NSE) had only 1700 Companies in its list at that time. Therefore every company whether it is large cap, mid cap or small cap are considered as top 2000 Companies. The No. of Board members were reduced from 6 (Six) due to sudden demise of the Chairman and resignation of one Whole-time Director.

The Company also received notice from NSE for not having minimum 6 Directors on its Board of Directors as the Company is coming under top 2000 companies as per market capitalization in the list of NSE only. The Company has taken up the matter with NSE.

The Stock Exchanges have imposed fines for the violation of Listing provisions in terms of Standard Operating Procedures.

The Company has requested for waiver of such fines.

Explanation to above: The Company has already taken up this matter with NSE.

The trading in the shares of the Company were suspended from NSE & BSE and the holding of its promoters were freezed by the Stock Exchanges on account of continuing defaults.

Explanation to above: This is the step(s) taken under the Standard Operating Procedure (SOP) by NSE. The Company is in contact with the NSE to regularize the same.

III. Cost Auditors

The Company is not engaged in the production of such goods or services which are prescribed by the Central Government, for this reason the Company is not required to maintain cost records specified under sub section (1) of section 148 of the Companies Act, 2013 and to appoint Cost Auditors.

REPORTING OF FRAUDS

There have been no instances of fraud reported by the Statutory Auditor and/or Secretarial Auditor of the Company under Section 143(12) of the Companies Act, 2013 and the rules framed thereunder either to the Company or to the Central Government.

DISCLOSURES BY SENIOR MANAGEMENT

Senior Management have made disclosures of interest to the Board relating to all material Financial & Commercial transactions entered between Company and third parties. None of the Senior Managers have been found to be interested in such transactions.

WEB ADDRESS OF THE ANNUAL RETURN OF THE COMPANY

In accordance with Section 92(3) of the Act, the Annual Return of the Company for the financial year ended 31 March 2022 can be viewed on at www.technofabengineering.com in the "Investors" page/tab.

RELATED PARTY TRANSACTIONS

The Company has formulated a Related Party Transactions Policy, which has been uploaded on its website at (www.technofabengineering.com) under the "Investors" page/tab. It has been the endeavor of the Company to enter into related party transaction on commercial and arms' length basis with a view to optimize the overall resources of the group. All transaction entered into with Related Parties during the year were in the ordinary course of business of the Company and at arms' length basis. The Company has not entered into any contract/arrangement/transactions with related parties which could be considered material in accordance with the Policy of the Company on the materiality of related party transactions.

The details of the related party transactions as required under IND AS-24 read with the provisions of Listing Regulations, are set out in Note 45 to the standalone financial statements forming part of this Annual Report.

In accordance with Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 the particulars of contract or arrangements with related parties, referred to in Section 188 of the Act, if any, in the prescribed Form AOC-2 are attached with this report as **"Annexure-[D]"**.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

In accordance with Section 134(3)(g) of the Companies Act, 2013, the particulars of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the notes to the Financial Statements.

RISK MANAGEMENT

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

The Company, through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors. The Board of Directors have already approved and periodically reviews the risk management policy and the risk appetite for the Company. There are no risks which in the opinion of the Board threaten the existence of the Company.

INTERNAL FINANCIAL CONTROLS

In order to align with the requirement of Section 134(5)(e) of the Companies Act, 2013, the Company has in place adequate internal financial controls which provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. In particular, it ensures adequate operating controls, clear policies and detailed procedures of operations, delegation of authorities, safeguarding of assets, prevention and detection of frauds and errors, financial controls on financial reporting and timely preparation of reliable financial information. Upon review, no material reportable weaknesses were observed during the financial year 2021-22.

Nonetheless your Company recognizes that any Internal control framework, no matter how well designed has inherent limitations and accordingly it is ensured that systems are reinforced on ongoing basis.

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy (Vigil Mechanism) which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and the Listing Regulations. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the Vigil Mechanism and the Whistle Blower Policy of the Company have been outlined in the Corporate Governance Report which forms part of this Annual Report. It is practice of Company to ensure that no employee is victimized for bringing such incident to attention of Management. Directors have not received any complaint regarding harassment, discrimination, violation of Company's Code of Conduct or any other unfair practice during the period under review.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVE

The provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out hereunder:

I. Conservation of energy

Though the operations of the 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. The Company is on a constant look out for newer and efficient energy conservation technologies and introduces them appropriately. As the cost of energy consumed by the Company forms a very small portion of the total cost, the impact of change in energy cost on total cost is insignificant.

II. Technology absorption

The Company being engaged in the business of providing complete engineering, procurement and construction services for auxiliary / balance of plant systems on a complete turnkey basis, constant efforts are made to develop new products/systems to give trouble free service in its line of activities.

III. Foreign exchange earnings and outgo

Foreign Exchange Earnings - **₹ 12,89,11,436/-**
Foreign Exchange Outgo - **₹ 19,66,65,389**/-

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

GENERAL

a) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and
b) The Company does not have any ESOP scheme for its employees/Directors.

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.

APPRECIATION

The Directors wish to express their sincere appreciation to the Banks, Central and State Governments, Customers in India and abroad, Vendors & Sub-Contractors and the Company's valued shareholders for their continued co-operation and support. The 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.

For and on behalf of Board of Directors

Place : Faridabad **Arjun Gupta**
Dated : 13 August 2022 **Chairman**

Form AOC-1
(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part-A: Subsidiary

(Amount in Rs.)

1.	**Name of the subsidiary**	**Arihant Flour Mills Private Limited**	**Woodlands Instruments Private Limited**	**Rivu Infrastructural Developers Private Limited**
2.	The date since when subsidiary was Acquired	19 Sep' 2011	18 Sep' 2010	10 Feb' 2010
3.	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	1 April to 31 March	1 April to 31 March	1 April to 31 March
4.	Reporting currency and Exchange rate as on the last date of relevant financial year in the case of foreign Subsidiaries	₹	₹	₹
5.	Share capital:			
	Authorised share capital	60,00,000	50,00,000	10,00,000
	Paid up share capital	58,22,800	47,30,000	10,00,000
6.	Other Equity	15,06,07,213	1,83,17,469	(34,01,332)
7.	Non-Current Liabilities	0	0	99,03,602
8.	Current Liabilities	97,68,553	38,380	1,34,518
9.	Total Liabilities	97,68,552	38,380	10,038,120
10.	Non-Current Assets	14,24,88,369	2,25,48,883	0
11.	Current Assets	2,37,10,196	5,36,966	76,36,788
12.	Total assets	16,61,98,565	2,30,85,849	76,36,788
13.	Investments	0	0	0
14.	Turnover	0	0	0
15.	Revenue from Operations	0	0	0
16.	Other Income	0	3,240	0
17.	Profit/(Loss) before taxation	(9,476)	(6,235)	(24,440)
18.	Tax Expenses	0	(77,694)	0
19.	Profit/(Loss) after taxation	(9,476)	(83,929)	(24,440)
20.	Proposed Dividend	0	0	0
21.	Extent of shareholding (in percentage)	100%	100%	100%

Notes:

1. Names of subsidiary which are yet to commence operations: **N.A.**
2. Names of subsidiaries which have been liquidated or sold during the year: **N.A.**

Part-B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate or Joint Ventures	
1. Latest audited Balance Sheet Date	
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate or Joint Ventures held by the company on the year end	
3 (i) Number	
3(ii) Amount of Investment in Associate or Joint Venture	
3(iii) Extent of Holding (in percentage)	**N.A.**
4. Description of how there is significant influence	
5. Reason why the associate/ joint venture is not consolidated	
6. Net worth attributable to shareholding as per latest audited Balance Sheet	
7. Profit or Loss for the year	
7(i) Considered in Consolidation	
7(ii) Not Considered in Consolidation	

Notes

1. Names of associates or joint ventures which are yet to commence operations: **N.A.**
2. Names of associates or joint ventures which have been liquidated or sold during the year: **N.A.**

Annexure [B] to Directors' Report

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(Rs. In Lakh)

Rule	Particulars			
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a	Mr. Arjun Gupta, Managing Director	0.00
		b	Mr. Ashutosh Jagga, Non-Independent Non-Executive Professional Director (w.e.f. 10 June 2021)	30.00
		c	Mr. Arun Mitter, Independent Director	4.40
		d	Ms. Shipra Tripathi, Independent Director (w.e.f. 25 June 2021)	4.40
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	b	Mr. Arjun Gupta, Managing Director	N.A.
		c	Mr. Ashutosh Jagga, Non-Independent Non-Executive Professional Director (w.e.f. 10 June 2021)	N.A.
		d	Mr. Arun Mitter, Independent Director	N.A.
		e	Ms. Shipra Tripathi, Independent Director (w.e.f. 25 June 2021)	N.A.
		f	Mr. Shiam Narain Tandon, Chief Financial Officer	Not Relevant
		g	Mr. Arun Singh, Company Secretary (w.e.f. 09 September 2021)	N.A.
(iii)	The percentage increase in the median remuneration of employees in the financial year.			NIL
(iv)	The number of employees (All employees whether they are on Permanent roll or on retainer-ship basis or on contractual basis or on part-time basis etc.) on the rolls of the Company.			70

(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The Company has not paid any managerial remuneration except sitting fees to the Independent Directors. However, there has been decrease in 10% - 30% in remuneration paid to KMPs due to COVID 19. There was no increment in the remunerations paid to other employees (excluding Directors and KMPs) during FY22. However, the remuneration of certain employees were slashed by 10% to 30% during COVID-19. The Company has not paid any Managerial Remuneration to the executive Director due to the stipulations provided under the Companies Act, 2013. Increase/decrease in remuneration, if any, is based on Remuneration Policy of the Company that rewards people differentially based on their contribution to the success of the Company and also ensures that external market competitiveness and internal relativities are taken care of.
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.	

Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

List of employees of the Company employed throughout the financial year 2021-22 and were paid remuneration not less than Rs. 1.02 Crore per annum or Rs. 8.50 Lakh per month if employed for the part of the years:

-N.A.-

Notes: No employee was employed for the part of the year and was paid remuneration during the financial year 2021-22 at a rate which in aggregate was not less than Rs. 8.50 lakhs per month.

FORM MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(For the Financial year ended on 31st March, 2022)

To,
The Members,
TECHNOFAB ENGINEERING LIMITED
CIN: L74210DL1971PLC005712
913, Hemkund Chambers 89,
Nehru Place, South Delhi
New Delhi-110019,
India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **TECHNOFAB ENGINEERING LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2022, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011*;*

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 *;*

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018 - ***Not Applicable as there was no reportable event during the financial year under review;***

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India

(Share Based Employee Benefits) Regulations, 2014 - ***Not Applicable as there was no reportable event during the financial year under review;***

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - ***Not Applicable as there was no reportable event during the financial year under review;***

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;- ***Not Applicable as there was no reportable event during the financial year under review;***

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **–** ***Not Applicable as there was no reportable event during the financial year under review;***

(h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **-** ***Not Applicable as there was no reportable event during the financial year under review.***

6. As per Management, there are no specific laws applicable to the Company, as stated in ICSI guidance note on secretarial audit.

We have also examined compliance with the applicable provisions / clauses of the following:-

(i) Secretarial Standards issued by "The Institute of Company Secretaries of India";

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments thereto and Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.

We report that during the year under review, the Company has **generally** complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent stated hereunder:-

Observations:

Financial results for the quarter and period ended 31 March 2021, 30 June 2021 and 30 September 2021 were declared to the Stock Exchanges with delay on 26 August 2021, 29 September 2021 and 22 December 2021 respectively.

The No. of Board members are less than 6 (Six). Top 2000 Companies as per market capitalization should have minimum 6 Directors on the Board. As per List of BSE, the Company is not coming under top 2000 Companies. However National Stock Exchange of India Limited (NSE) had only 1700 Companies in its list at that time. Therefore every company whether it is large cap, mid cap or small cap are considered as top 2000 Companies. The No. of Board members were reduced from 6 (Six) due to sudden demise of the Chairman and resignation of one Whole-time Director.

The Company also received notice from NSE for not having minimum 6 Directors on its Board of Directors as the Company is coming under top 2000 companies as per market capitalization in the list of NSE only. The Company has taken up the matter with NSE.

The Stock Exchanges have imposed fines for the violation of Listing provisions in terms of Standard Operating Procedures.

The Company has requested for waiver of such fines.

The trading in the shares of the Company were suspended from NSE & BSE and the holding of its promoters were freezed by the Stock Exchanges on account of continuing defaults.

We further report that, the compliance by the company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of account has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

We further report that the Board of Directors of the Company is duly constituted in terms of the provisions of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 *except the compliance of the provisions relating to minimum 6 Directors on Board for top 2000 Companies in the list of NSE having less than 2000 companies in its list*. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance (except when the meetings were called at shorter notice), in terms of the provisions of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the Audit period, all the decisions were taken by the Board of Directors unanimously without any dissent by any of the Directors of the Company as recorded in the signed minutes of the meetings of the Board of Directors of the Company.

We further report that, as per the explanations given to us and the representations made by the Management and relied upon by us, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the event (s) that have occurred and which may have major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc, among others, may be primarily attributable to suspension/restriction of Trading as detailed in this report, lockdown due to COVID-19, etc.

We further state that this report is to be read with our letter of even date which is annexed as **"Annexure – A"**and forms an integral part of this report.

For **SINHA R K &COMPANY**
Company Secretaries,

Rupak Kumar Sinha
(Proprietor)
M. No-F7947
C P No-16795
UDIN: F007947D000730944

Date: 03rd August, 2022
Place: Faridabad

"Annexure – A"

To,

The Members,
TECHNOFAB ENGINEERING LIMITED
CIN: L74210DL1971PLC005712
913, Hemkund Chambers 89,
Nehru Place, South Delhi
New Delhi-110019,
India

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and the practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SINHA R K & COMPANY**
Company Secretaries,

Rupak Kumar Sinha
(Proprietor)
M. No-F7947
C P No-16795
UDIN: F007947D000730944

Date: 03rd August, 2022

Place: Faridabad

Annexure [D] to Directors' Report

FORM AOC – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed	
(i)	Amount paid as advances, if any	
(j)	Date on which (a) the special resolution was passed in general meeting as required under first Section 188 of the Companies Act, 2013	

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/ arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
-As per Note No. 45 attached with the Financial Statements-					

For and on behalf of the Board

Place: Faridabad
Date : 13 August 2022

Arjun Gupta
Chairman

REPORT ON CORPORATE GOVERNANCE

In Compliance with the requirements of Regulation 34(3) read with Clause C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments thereto (the "Listing Regulations"), the Company hereby submits the report on matters as mentioned in the Listing Regulations and Corporate Governance practices followed by the Company. The information provided in the report on Corporate Governance for the purpose of uniformity is as on 31st March 2022 and same forms part of the Director's Report. However the report is updated as on the date of the report wherever deemed necessary.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Technofab Engineering firmly believes that Corporate Governance is a culture under which an organization is nurtured and flourishes by using its core values and the means by which it fulfills the public trust. It is not just a compliance with laws and ethical standards, instead it is an important business investment which is not only necessary to preserve the Company's reputation but also crucial for obtaining and retaining the business. The Company recognizes the rights of its shareholders and encouragement of co-operation between listed entity and shareholder participation. It also endeavors to enhance an effective shareholder participation in key corporate governance decisions.

In line with the above Philosophy, Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all. At Technofab Engineering, it is believed that transparent, ethical and responsible corporate governance practices are essential in enhancing and retaining stakeholder trust. Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue the highest standards of Corporate Governance in the overall interest of all its stakeholders.

II. BOARD OF DIRECTORS

Composition of the Board

During the financial year covered under this report, there were appointment of two Directors on the Board viz. appointment of Mr. Ashutosh Jagga, Non-Executive-Non Independent-Professional Director w.e.f. 10 June 2022 and Ms. Shipra Tripathi, Independent Director w.e.f. 25 June 2022, the composition of the Board was in conformity with the Listing Regulations enjoining specified combination of Executive, Non-Executive and Independent Directors, with not less than 50 percent of the Board comprising of Non-Executive Directors and at least one-half comprising of Independent Directors for a Board chaired by Executive Director. Independent directors constitute 75 % of the Board's strength – which fulfils the requirements of the Companies Act, 2013.

As on the date of this report, Technofab Engineering's Board consists of 4 (Four) Directors, which comprises of 1(one) Executive Promoter Director, 2(two) Non-Executive Independent Directors and 1(one) Non-Executive-Non Independent-Professional Director. Among two Non-Executive Independent Directors 1 (one) is Woman Director. The Board is chaired by an Executive Director. As on the date of this report, the composition of the Board is in conformity with the Listing Regulations enjoining specified combination of Executive, Non-Executive and Independent Directors, with not less than 50 percent of the Board comprising of Non-Executive Directors and

at least one-half comprising of Independent Directors for a Board chaired by Executive Director. Independent directors constitute 50 % of the Board's strength – which fulfils the requirements of the Companies Act, 2013 and the Listing Regulations as shown in the table below:

Category	**As on 31st March 2022**
Non-Executive-Independent Director	2
Non-Executive-Non-Independent Director-Professional	1
Executive Director	1
Total	4

As per Regulation 17 of Listing Regulations, top 2,000 companies as per market cap should have atleast 6 Directors on the Board. The Company was falling under top 2,000 companies in the list published by NSE due to the fact that the NSE had less than 2000 companies whose securities are available for trading. ****** The Company, without prejudice to its right to seek exemption in prescribed manner, is also in search of suitable persons who may be appointed on the Board.

The Board periodically evaluates the need for change in its size and composition.

Director's Attendance Record

As mandated by Regulation 26 of the Listing Regulations, none of the Director is a member of more than 10(ten) Board level Committees or Chairman of more than 5(five) Committees across companies in which he/she is a Director.

Relevant details of the Board during the year ended 31ST March 2022 are given below:

Name of Director	**Category#**	**Attendance Particulars**		
		No. of Board Meetings		**Last AGM held on 30.09.2021**
		Held/Entitled	**Attended**	
Mr. Arjun Gupta	ED	5	5	Yes
Mr. Arun Mitter	NEID	5	5	Yes
Ms. Shipra Tripathi	NEID	5	5	Yes
Mr. Ashutosh Jagga	NENIPD	5	5	Yes

NEID – Non-Executive Independent Director; ED – Executive Director
^NENIPD- Non-Executive Non Independent-Professional Director
None of the Directors is inter-se related.

The responsibilities and authority of Chairman and Managing Director are as follows:

The Chairman is the leader of the Board. As Chairman, he is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring that the Board provides effective governance to the Company. In doing so, the Chairman will preside over meetings of the Board and of the shareholders of the Company.

Managing Director is responsible for corporate strategy, planning, external contacts and all matters related to the management of the Company. He is also responsible for achieving annual and long-term business targets, maintaining awareness of both the external and the internal competitive landscape, opportunities for expansion, customers, markets, new industry developments and standards, and acquisitions for enhancing shareholder value and implementing the organization's vision, mission, and overall direction.

Other Directorships/ Committee Memberships

No. of other Directorships and Committee Memberships/ Chairmanships held*					
Name of Director	**No. of Directorships held in Public Companies**	**Committee Memberships**	**Committee Chairmanships**	**Name of Listed Company %**	**Category of directorship**
Mr. Arjun Gupta	1	1	Nil	Nil	N.A.
Mr. Arun Mitter	6	4	Nil	Jayabharat Credit Limited	Director
				Bahubali Services Limited	Director
				The Motor and General Finance Limited	Whole Time Director
Mr. Ashutosh Jagga	1	1	0	Nil	N.A.
Ms. Shipra Tripathi	1	2	1	Nil	N.A.

*1. Excluding directorships in Private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013. These include Directorship and Committee Membership of Technofab Engineering Limited.
2. Only two Committees viz. the Audit Committee and the Stakeholders Relationship Committee are considered.

% Other than Technofab Engineering Limited

Number of Board Meetings:

During the financial year ended 31 March 2022, five (5) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings during financial year did not exceed one hundred and twenty days. The dates on which the Board Meetings were held are 30 June 2021, 26 August 2021, 29 September 2021, 22 December 2021 and 11 February 2022.

Independent Directors:

Definition

The Companies Act, 2013 and the Listing Regulations define an 'independent director' as a person who is not a promoter or employee or one of the key managerial personnel of the company or its subsidiaries. They also state that the person should not have a material pecuniary relationship or transactions with the company or its subsidiaries, apart from receiving remuneration as an independent director.

Composition

The Company has two Independent Directors on its Board viz. Mr. Arun Mitter and Ms. Shipra Tripathi. All the Independent Directors meet the criteria prescribed under Sections 149 (6) including other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued there under and those under Listing Regulations. The Independent Directors have also submitted declarations to the effect that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and those provided under Listing Regulations. Further, the Independent Directors have confirmed that they do not hold directorship in more than such maximum number of listed/public companies as are prescribed under Regulation 25(1) of the Listing Regulations. The Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and Listing Regulations. The terms & conditions of the letter of appointment of Independent Directors is available on the website of the Company viz. www.technofabengineering.com

However the Company is yet to increase its number to six (6) to comply with the requirement of Regulation 17 as the Company is falling under top 2,000 Companies as per the list published by NSE.

The shareholding of the Non-Executive Directors of the Company as on the date of this report is as follows:

Name of Director	Nature of Directorship	No. of Shares held	% of the paid up share capital
Mr. Arun Mitter	Non-Executive Independent Director	NIL	NIL
Ms. Shipra Tripathi	Non-Executive Independent Director	Nil	Nil
Mr. Ashutosh Jagga	Non-Executive Non-Independent Professional Director	9,000	0.08

Key Board qualifications, expertise and attributes

The Board recognizes various core skills, expertise and competence as required in the context of Company's business and sector(s) for it to function effectively. The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. The Board members are committed to ensuring that the Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills, and attributes which are identified by the Board as required.

Key Board qualifications, expertise and attributes	**Definition**
Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions
Gender, ethnic, national, or other diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide
Global business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities
Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth
Technology	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models
Board service and governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices
Sales and marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

KEY BOARD QUALIFICATIONS

Name of Director	Financial	Diversity	Global business	Leadership	Technology	Board service and governance	Sales and marketing
Mr. Arjun Gupta	✓	✓	✓	✓	✓	✓	✓
Mr. Arun Mitter	✓	✓	✓	✓		✓	
Ms. Anju Banerjee (Upto 31 March 2021)	✓	✓		✓		✓	
Mr. Ashutosh Jagga	✓	✓	✓	✓		✓	✓
Ms. Shipra Tripathi	✓	✓	✓	✓		✓	✓

Board Procedures:

The Board meets at least once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of the Company. The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the Board.

The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and informed decision making. The Board has complete access to any information within the Company which includes the information as specified in Regulation 17(7) of the Listing Regulations and they are updated about their roles and responsibilities in the Company.

Familiarization Program for the Independent Directors:

The Independent Directors are briefed both to provide them an opportunity to familiarize with the Company, its management and its operations as well as on the development in Company Law including other related laws so as to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents

required & sought by them for enabling them to have a good understanding of the Company, its various operations & the industry of which it is a part.

The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company viz. www.technofabengineering.com

Evaluation of Board Effectiveness:

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Regulation 17(10) of the Listing Regulations including any amendment thereto, the performance evaluation of Independent Directors, entire Board of Directors including Committee thereof, on the basis of the evaluation criteria laid down by the Nomination and Remuneration Committee as per the Circular issued by SEBI, are carried out regularly. The aforementioned performance evaluations were carried out on the basis of the various criteria which are mentioned briefly in the Nomination and Remuneration Policy of this Report.

III. COMMITTEES OF THE BOARD

The Board of Directors has constituted Committees of Directors with adequate delegation of powers to discharge urgent business of the Company. Committee members are appointed by the Board. The Committees meet as often as required.

Each Committee has its own charter. The Charters of Committees set forth the purposes, goals and responsibilities of the Committees.

The various Committees are:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship Committee
4. CSR Committee

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

A. AUDIT COMMITTEE

Composition:

The composition of the Audit Committee is in line with the provision of Section 177 of the Companies Act, 2013 and those of the Listing Regulations. The Members of the Audit Committee are financially literate. The Chairman of the Audit Committee is having accounting and financial management expertise. The Committee invites among others, Statutory Auditors, Internal Auditors and the Chief Financial Officer of the Company to attend its meetings. The Audit Committee comprises of the following Directors.

The Composition of Audit Committee is as under:

1.	Mr. Arun Mitter	:	Chairman, Independent, Non-Executive
2.	Mr. Arjun Gupta	:	Member, Executive Director
3.	Ms. Shipra Tripathi	:	Member, Independent, Non-Executive

The Company Secretary of the Company acts as the Secretary to the Committee.

Meetings and Attendance:-

During the financial year covered under this report, five (5) Audit Committee meetings were held viz., 30 June 2021, 26 August 2021, 29 September 2021, 22 December 2021 and 11 February 2022. During FY 2022, the Gap between 2 meetings of Audit Committee was not more than 120 days.

The attendance details are as under: -

Name of the Member	Meeting details	
	Held/Entitled	Attended
Mr. Arun Mitter	5	5
Ms. Shipra Tripathi	5	5
Mr. Arjun Gupta	5	5

The Audit Committee monitors and effectively supervises the Company's financial reporting process with a view to provide accurate, timely and proper disclosure and maintain the integrity and quality of financial reporting. The Audit Committee also reviews from time to time, the audit and internal control procedures, the accounting policies of the Company, oversight of the Company's financial reporting process so as to ensure that the financial statements are correct, sufficient and credible. The scope of activities and terms of reference of the Audit Committee is governed by a Charter which is in line with the provisions of Section 177 of the Companies Act, 2013 and those of the Listing Regulations.

(a) The role of the Audit Committee, inter alia, includes the following:

(1) oversight of the listed entity‘s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the Director‘s responsibility statement to be included in the board‘s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
(b) changes, if any, in accounting policies and practices and reasons for the same;
(c) major accounting entries involving estimates based on the exercise of judgment by management;
(d) significant adjustments made in the financial statements arising out of audit findings;
(e) compliance with listing and other legal requirements relating to financial statements;
(f) disclosure of any related party transactions; and
(g) modified opinion(s) in the draft audit report.

(5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) Approval or any subsequent modification of transactions of the Company with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with internal auditors of any significant findings and follow up there on;

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(19A) review compliance with the provisions of SEBI (Prohibition Of Insider Trading) Regulations, 2018 including amendment thereto at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;

(20) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the

subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision; and

(21) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

(b) The audit committee shall mandatorily review the following information:

(1) Management discussion and analysis of financial condition and results of operations;

(2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) Internal audit reports relating to internal control weaknesses;

(5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

(6) Statement of deviations:
   (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
   (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

B. NOMINATION & REMUNERATION COMMITTEE

Composition:

In Compliance with the provisions Section 178 of the Companies Act, 2013 and those of Regulation 19 of the Listing Regulations, the Board of Directors has constituted a Nomination and Remuneration Committee consisting of following Members

1.	Mr. Arun Mitter	:	Chairman, Independent, Non-Executive
2.	Mr. Ashutosh Jagga	:	Member, Non-Executive, Professional
3.	Ms. Shipra Tripathi	:	Member, Independent, Non-Executive

The Company Secretary of the Company acts as the Secretary to the Committee.

Terms of reference:

The role of the Nomination and Remuneration committee, inter-alia, includes the following:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;

(2) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

(3) devising a policy on diversity of Board of Directors;

(4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

(5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors: and

(6) recommend to the board, all remuneration, in whatever form, payable to senior management.

Policy of the Nomination and Remuneration Committee:

Section 178 of the Companies Act, 2013 read with the Listing Regulations have made it mandatory for all listed companies to appoint a Nomination and Remuneration Committee, inter alia for the purpose of identifying persons who are qualified to be appointed as Directors or be appointed in key management/ senior management of the Company. In line with the aforementioned provisions, the Nomination and Remuneration Committee of the Company has also a Nomination and Remuneration policy in place.

Objective of the Policy:

The objective of the Policy inter alia includes ensuring *Board Diversity* and *Independence* in order to help provide the maximum experience and access to knowledge that can be derived from the Board. The objective of the Policy is also to keep it in alignment with the existing HR Policy of the Company in so far as any appointment of key managerial personnel and senior management is concerned.

Board Diversity

In order to meet this objective, the Company appoints on its Board requisite number of persons having diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.

Board Independence

In order to meet this objective, the Company appoints on its Board requisite number of Independent Directors, who meet the criteria of Independence prescribed under Companies Act, 2013 as well as under the Listing Regulations as amended from time to time.

Criteria for Determination of Remuneration

The Remuneration policy aims at encouraging and rewarding good performance/contribution for the Company's objective. The remuneration payable should be fair and reasonable and be determined after taking into account, level of skill, knowledge and core competence of individual, functions, duties and responsibilities.

The remuneration payable to executive Directors are recommended by the Nomination and Remuneration Committee after taking into consideration the stipulation made under Section 197 and Schedule V of the Companies Act, 2013 read with the HR Policy of Company, wherever applicable. The recommendations so made are subsequently approved by the Board and the Shareholders in accordance with the Companies Act, 2013.

Criteria of making payments to Non-executive Directors

The Company considers the time and efforts put in by the Non-Executive Independent Directors in deliberations at Board/Committee meetings. They are compensated through sitting fees which are within the limits prescribed under the Companies Act. 2013, as per table below, for attending the meetings and are not entitled to any other payments.

Sl. No.	Nature of Meeting	Sitting Fees Payable (Rs.)
1.	Board	40,000
2.	Audit Committee	40,000
3.	Nomination & Remuneration Committee	40,000
4.	Stakeholders' Relationship Committee	40,000

Criteria for Performance Evaluation

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

The process of the annual performance evaluation broadly comprises:

Board and Committee Evaluation:

For evaluation of the entire Board and its Committees a structured questionnaire, covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board`s focus, regulatory compliances and Corporate Governance, etc., is in place. Evaluation of Board as a whole and the Committees is done by the individual Directors, followed by submission of collation to the NRC and feedback to the Board.

Independent / Non-Executive Directors Evaluation:

The criteria for e*valuation of independent directors done by the entire board of directors includes (a) performance of the directors:* For evaluation of individual Director's performance, the questionnaire covers various parameters like his/her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc. Additional criteria for evaluation of Independent Directors include effective deployment of knowledge and expertise, commitment to his/her role towards the Company and various stakeholders, willingness to devote time and efforts towards his/her role, high ethical standards, adherence to applicable codes and policies, effective participation and application of objective independent judgment during meetings, etc.
(b) fulfillment of the independence criteria as specified in these regulations and their independence from the management: Evaluation by every Board Members are carried out besides taking declaration from each of the Independent Directors.

Evaluation done by Board members excluding the Director being evaluated is submitted to the Chairman of your Company and individual feedback provided to each Director.

Chairman/Executive Director Evaluation:

The performance of Chairman and Executive Directors are evaluated on certain additional parameters depending upon their roles and responsibilities. For the Chairman the criteria includes leadership, relationship with stakeholders etc., for the Executive Directors the criteria includes execution of business plans, risk management, achievement of business targets, development of plans and policies aligned to the vision and mission of the Company, etc. Evaluation as done by the individual Directors is submitted to the Chairperson of the NRC and subsequently to the Board.

The Independent Directors met separately on 11 February 2022 during the financial year ended 31 March 2022.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it determines whether to extend or continue their term of appointment, whenever the respective term expires.

The Directors expressed their satisfaction with the evaluation process.

Succession Plan:

The Board of Directors continuously reviews the plans for orderly succession for appointment to the Board of Directors and Senior Management.

DETAILS OF THE REMUNERATION PAID TO THE DIRECTORS FOR THE YEAR COVERED UNDER THIS REPORT

Remuneration to Directors:

The Remuneration/Sitting fees paid to the Directors during the financial year ended 31 March 2022 are mentioned below:

(Rs. In Lakh)

Sl. No.	Name of Director	Salary& Allowance/Commission	Professional Fee	Sitting Fees	Total
1.	Mr. Arjun Gupta	-	-	-	Nil
2.	Mr. Arun Mitter	-	-	4.40	4.40
3.	Mr. Ashutosh Jagga	-	30.00	-	30
4.	Ms. Shipra Tripathi	-	-	4.40	4.40

C. STAKEHOLDER RELATIONSHIP COMMITTEE

Composition:

In Compliance with the provisions Section 178(5) of the Companies Act, 2013 and those of Regulation 20 of the Listing Regulations, the Board of Directors has Stakeholder Relationship Committee comprising of following Members:

1.	Ms. Shipra Tripathi	: Chairperson, Independent, Non-Executive Director
2.	Mr. Arun Mitter	: Member, Independent, Non-Executive Director
3.	Mr. Ashutosh Jagga	: Member, Non Independent, Non-Executive Professional

The Company Secretary of the Company acts as Secretary to the Committee.

Brief Description of Terms of Reference of Stakeholder Relationship Committee:-

The Committee performs various functions covered under Section 178 of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations which inter alia covers following:

(1)Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non - receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2)Review of measures taken for effective exercise of voting rights by shareholders.

(3)Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4)Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company."

The Company Secretary cum Compliance Officer of the Company has been delegated the power to approve transfer and transmission of physical shares and other matters like consolidation of certificates, issue of duplicate share certificates, dematerialization/ re-materialization of shares in stipulated period of time.

Meetings and Attendance:

During the financial year covered under this report, no meeting of Stakeholders Relationship Committee meetings was held.

OTHER COMMITTEES

Corporate Social Responsibility Committee (CSR Committee):

In accordance with the provisions of the Companies Act, 2013, the Board of Directors had constituted CSR Committee to formulate and recommend the Board a CSR Policy in indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. However the provisions are now not applicable to the Company in view of losses incurred by the Company.

Compliance Officer:

The Company Secretary of the Company is designated as Compliance Officer of the Company by the Board and his contact details are as follows:

Technofab Engineering Limited
Plot No. 5, Sector-27C

Mathura Road, Faridabad-121003
Ph : +91-129-2270202
Fax : +91-129-2270201
E-mail : investors@technofabengineering.com

The Company welcomes the members to make more effective use of the electronic means to communicate with their Company for quicker redressal of their grievances. The Company has appointed a Share Transfer Agent, whose particulars are given elsewhere in this report. The members may address their queries / complaints to the above address / phone / fax / e-mail id or to those of the Registrar's. The Company also redresses shareholders complaint coming through SEBI-SCORES mail id.

Details of Investor's Complaint

There were no complaints received from investors/shareholders during financial year 2020-2021 except few relating to technical glitches etc. during conduct of AGM through which had been resolved immediately. There were no pending complaints at the end of financial year.

III. GENERAL BODY MEETINGS

Details of last three Annual General Meetings are as under:

Year	Date	Time	Venue	No. of Special Resolutions passed or proposed to be passed at the AGM
2019-2020	18 March 2021	11:00 AM	Through Video Conferencing/ Other Audio Visual Means	Nil
2020-2021	30 September 2021	02:00 PM	Through Video Conferencing/ Other Audio Visual Means	2
2021-22	30 September 2022	02:30 PM	Through Video Conferencing/ Other Audio Visual Means	1

Postal Ballot:

During the year, a Postal Ballot process was initiated vide Postal Ballot Notice dated 9th March 2022 for passing following resolutions:

SPECIAL BUSINESS

1. Reclassification of shareholding of Mr. Nakul Gupta from the Status of Promoters Shareholding into Public Shareholding (Ordinary Resolution)
2. Reclassification of shareholding of M/s Bakool Venture Private Limited from the Status of Promoters Shareholding into Public Shareholding (Ordinary Resolution)
3. Reclassification of shareholding of M/s Techfab International Private Limited from the Status of Promoters Shareholding into Public Shareholding (Ordinary Resolution)
4. Reclassification of shareholding of Ms Sucheta Sarvadaman Nakul from the Status of Promoters Shareholding into Public Shareholding (Ordinary Resolution)

The e-Voting Facility was available during the following period (both days inclusive):

Commencement of Remote e-Voting	Friday, March 11, 2022 at 9:00 A.M.

	(IST)
End of Remote e-Voting	Sunday, April 10, 2022 at 5:00 P.M. (IST)

In this regard, Mr. Rupak Kumar Sinha, Practicing Company Secretary, who was appointed as the Scrutinizer for the aforesaid Postal Ballot process had submitted his Report on Monday, 11th April 2022. In accordance with the said Report, the members of the Company had approved the Ordinary Resolutions (4 Nos. i.e. Item No. 1 to 4) as embodied in the Postal Ballot Notice, with requisite majority by remote e-voting process. The results of the Postal Ballot were announced on 11th April 2022. The resolution embodied in the Postal Ballot Notice was deemed to be passed on Monday, 11th April 2022. The details of the voting results of Postal Ballot have already been announced to the Stock Exchanges and the same is also available on the website of the Company.

V. DISCLOSURES

a. Related Party Transactions:

The Company has not entered into any materially significant transactions with the related parties during the year covered under this report. Transactions with related parties are being disclosed in the Notes to Accounts forming part of the Annual Report and are transacted after obtaining applicable approval(s), wherever required. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with Related Party Transactions and a Policy on materiality of Related Party Transactions is available on the website of the Company viz. www.technofabengineering.com

b. Subsidiary Companies:

The Company has three unlisted Indian Subsidiary Companies viz. Arihant Flour Mills Private Limited, Woodlands Instruments Private Limited and Rivu Infrastructural Developers Private Limited. None of them is material subsidiary company in terms of Regulation 16(1)(c) of the Listing Regulations. The Board of Directors of the Company formulated a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company viz. www.technofabengineering.com

c. Re-appointment of Directors liable to retire by rotation:

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Listing Regulations is annexed to the Notice convening Annual General Meeting and forms part of this Annual Report.

d. Non-Compliances by the Company:

During the last three financial years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any other statutory authority for non-compliance of any matter related to capital markets except those in accordance with SOP circular for delayed submission of financial results etc. already detailed under Secretarial Audit Report and the reasons are given in the Directors' Report.

e. Vigil Mechanism and Whistle Blower Policy:

The Company is committed to develop a culture of highest standards of ethical, moral and legal business conduct wherein it is open for communication regarding the Company's business practices, avenues for employees to raise concerns about any poor or unacceptable practice and to protect employees from unlawful victimization, retaliation or discrimination for their having disclosed or reported fraud, unethical behavior, violation of Code of Conduct, questionable accounting practices, grave misconduct etc.

To enforce the above, the Company has put in place a Whistle Blower Policy with a view to provide opportunity to employees to raise a concern about the serious irregularities within the company and to provide the necessary safeguards to these employees from unlawful victimization. The Company has amended the Policy in accordance with the recent amendment in SEBI(Prohibition of Insider Trading) Regulations.

A complaint under the policy may be made to the designated officials and to the Audit Committee in terms of the Policy. During the year, no employee of the Company has been denied access to the Audit Committee.

f. Details of compliance with mandatory requirements of the Listing Agreement:

The Company has complied with all the mandatory requirements of all applicable regulations of the listing agreement and submits on quarterly/half yearly/yearly basis the quarterly/ half yearly/yearly reports to the concerned Stock Exchanges.

VI. MEANS OF COMMUNICATION

The quarterly / half-yearly results are forthwith communicated to the BSE Limited and the National Stock Exchange of India Limited, with whom the Company has listing arrangements, as soon as these are approved and taken on record by the Board of Directors of the Company. The results along with quarterly Information updates/release, announcement are published normally in leading newspapers, namely, Pioneer, Financial Express, Jansatta, Business Standard both English and Hindi, Business Line in English, Financial Express in English, Jansatta in Hindi etc., along with the official news releases in accordance with the guidelines of the Stock Exchanges.

The results along with quarterly Information updates/release, announcement are also put up on Company's website www.technofabengineering.com and the information with respect to Investor Con Call are also informed to the Stock Exchange. The website also hosts official news releases.

For investors, the Company has created a separate e-mail ID investors@technofabengineering.com. During the financial year, the Company organized conference Calls after announcement of Quarterly Results, which were very well attended by the analysts, fund managers and investors.

VII. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting:

The 51st Annual General Meeting of the Company shall be held through Video conferencing including other Audio Visual means as under :-

Date and Time : 30 September 2022 at 2:30 PM

b. Payment of Dividend

The Board has not recommended any dividend for the financial year 2021-22.

c. Financial Calendar (Tentative):

The Company follows financial year from April 1 to March 31. The Current financial year of the Company is April 1, 2022 to March 31, 2023.

The Quarterly/Annual results will be taken on record by the Board of Directors as per the following schedule:

First Quarter Results	: 13 August 2022
Half Yearly / Second quarter Results	: On or before 14 November 2022
Third Quarter Results	: On or before 14 February 2023
Audited Annual results for the year	: On or before 30 May 2023

d. Date of Book Closure: 24 September 2022 to 30 September 2022 (both days inclusive)

e. Listing on Stock Exchanges:

The equity shares of the Company are listed at the following Stock Exchanges:

Name of Stock Exchange	**Stock Code**
BSE Limited	533216
National Stock Exchange of India Limited	TECHNOFAB

f. Listing Fee

The Company has paid annual listing fee for the financial year up to 2022-23 to National Stock Exchange of India Limited. However Listing Fee to BSE Limited is yet to be paid for want of Invoice.

g. Depository Fee

Annual Custody/ Issuer Fee for the financial year upto 2022-23 have been paid to CDSL and NSDL.

h. ISIN Number: INE509K01011

i. Market Price Data & Share price performance:

Monthly High, Low during each month, in last financial year, is as below:

Month	**Bombay Stock Exchange (BSE)(In Rs. Per Share)**		**National Stock Exchange (NSE)(In Rs. Per Share)**	
	Month's High Price	**Month's Low Price**	**Month's High Price**	**Month's Low Price**

April 2021	7.57	6.84	7.05	6.70
May 2021	6.50	5.90	5.80	4.85
June 2021	6.53	5.38	6.40	5.30
July 2021	7.19	6.21	6.25	5.90
August 2021	-	-	6.60	6.15
September 2021	-	-	-	-
October 2021	-	-	-	-
November 2021	-	-	-	-
December 2021	-	-	-	-
January 2022	-	-	-	-
February 2022	-	-	-	-
March 2022	-	-	-	-

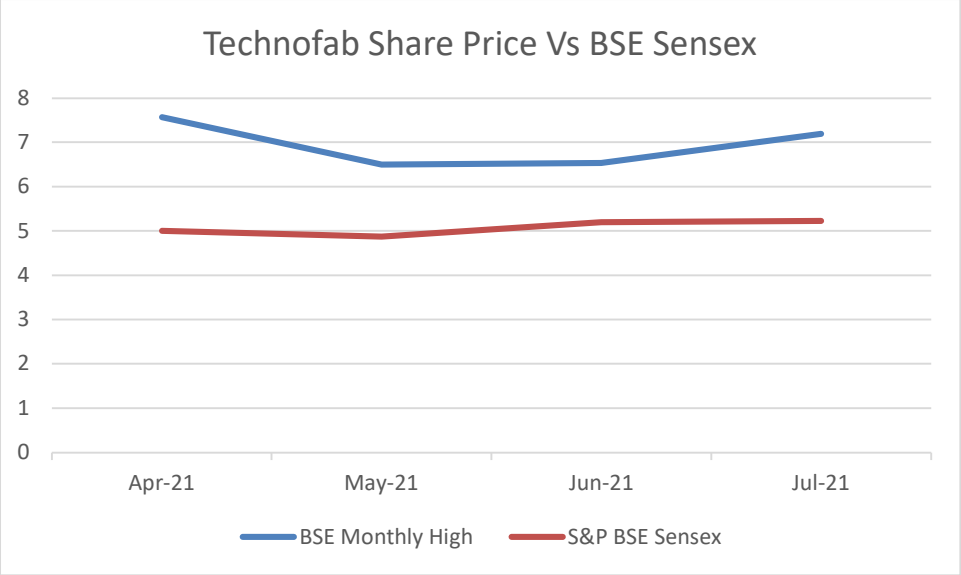
There was no trading of shares on BSE & NSE platforms w.e.f. 26 July 2021 & 2 August 2021 respectively as the trading was suspended due to penal reasons.

j. Foreign Exchange Risk and Hedging Activities

The Foreign Exchange Exposures and risks involved in it are periodically reviewed by the Board of Directors of the Company. Substantial part of the Foreign Exchange Risk is covered by natural hedging

.

k. Stock Performance



l. Registrar and Share Transfer Agent:

Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company to whom communications regarding change of address, transfer of shares, change of mandate etc. can be addressed as per the details mentioned below:

Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block
Near Savitri Market, Janakpuri, New Delhi-110058
+91 11 4141 0592 |Fax: +91 11 4141 0591

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

m. Share Transfer System:

The Company's shares are traded in the Stock Exchange compulsorily in dematerialized mode. Physical Shares which are lodged with the Registrar and Share Transfer Agent and / or Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under the Listing Agreement subject to documents being found valid and complete in all respects. The dematerialized shares are transferred directly to the beneficiaries by the depositories.

n. shareholding:

a) Distribution of Shareholding as on 31 March 2022:

Sl. No.	SHAREHOLDING OF SHARES			SHAREHOLDER	PERCENTAGE OF TOTAL	TOTALSHARES	PERCENTAGE OF TOTAL.
1	1	to	500	5501	87.74	530427	5.0565
2	501	to	1000	345	5.50	272405	2.5968
3	1001	to	2000	200	3.19	295743	2.8193
4	2001	to	3000	81	1.29	204205	1.9467
5	3001	to	4000	33	0.53	115761	1.1035
6	4001	to	5000	30	0.48	139181	1.3268
7	5001	to	10000	31	0.49	223251	2.1282
8	10001	to	****	49	0.78	8709027	83.0222
			Total	6270	100	10490000	100

b) Categories of Equity Shareholding as on 31 March, 2022

S. No.	CATEGORY	No of Shares held	% of Share holding
1	Promoters & Promoter Group	50,58,026	48.22%
2	FIIs/FPIs	5,19,255	4.95%
3	Corporate Bodies	25,05,793	23.89%
4	Clearing Members	254	0.00%
5	General Public & Trusts etc.	22,15,442	21.12%
6	NRIs	1,91,230	1.82%
	GRAND TOTAL	**1,04,90,000**	100.00%

o. Dematerialisation of Shares and Liquidity:

The shares of the Company are compulsorily traded in dematerialized form. All equity shares except 7 (Seven) have been dematerialized as on date. The equity shares of the Company are actively traded at BSE & NSE.

p. Outstanding GDRs/ ADRs/ Warrants or Convertible Bonds:

No GDRs/ ADRs/Warrants or Convertible Bonds has been issued by the Company.

q. Unclaimed Dividend

In compliance with the requirements laid down in Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred equity shares of all such shareholders whose dividends had remained unpaid or unclaimed for seven consecutive years or more, to the Demat Account of IEPF. However, the shareholders are entitled to claim their equity shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in prescribed Form IEPF-5 and sending a physical copy of the said Form duly signed by all the joint shareholders, if any, as per the specimen signatures recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's Registrar & Transfer Agent, M/s Link Intime India Pvt. Ltd. The Rules and Form IEPF-5 for claiming back the equity shares are available on the website of IEPF www.iepf.gov.in. It may please be noted that no claim shall lie against the Company in respect of equity shares transferred to IEPF pursuant to the said Rules. The details of the shareholders whose equity shares had been transferred to the Demat Account of the IEPF and the details of unclaimed dividends lying with the Company as on the date of last AGM (i.e. September 30, 2022) are available on the website of the Company at www.technofabengineering.com. Further, shares in respect of which dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the IEPF as required by law. In the interest of shareholders, the Company send prior intimation to the concerned shareholders to claim their unclaimed dividends in order to avoid transfer of dividend/shares to IEPF and publish a notice to this effect in the newspapers.

r. Equity shares of the Company lying in IEPF suspense account

There is no such case.

s. Disclosures of Accounting Treatment

In the financial statements for the year ended 31 March 2022, the Company has followed the treatment as prescribed in the applicable Accounting Standards.

t. Modified opinion(s) in audit report

The opinion expressed by the Auditor in the audit report on the financial statements for the year ended 31 March 2022 is unmodified. The comments of the Board on the qualification made by the statutory auditors are mentioned in the Directors' Report.

VIII. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management of the Company. The Code has also been posted on the website of the Company.

All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct.

The declaration signed by the Chairman & Managing Director affirming compliance to the Code by the Board of Directors and the Senior Management has been placed at the end of Report.

IX. PREVENTION OF INSIDER TRADING

As per SEBI (Prohibition of Insider Trading) Regulations, 2015 which became effective from 15 May 2015, the Company has inter alia devised and adopted Code of Conduct to regulate, monitor and report trading in Company' s securities by persons having access to unpublished price sensitive information of the Company. Company had amended the Code of conduct (Insider Trading) and Code of fair disclosure (Insider Trading), Inserted by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (w.e.f. April 01, 2019) which was subsequently amended at various dates. Company Secretary is the Compliance Officer for the purpose of this code. During the year there has been due compliance of the code.

X. LISTING AGREEMENT

During the period covered under this report, the Company has duly complied with the provisions of the Securities and Exchange Board of India on 2nd September 2015 issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement(s) with the Stock Exchanges.

XI. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

XII. MD/ CFO CERTIFICATION

In compliance with Regulation 17(8) of the Listing Agreement, a declaration by Managing Director & Chief Financial Officer has been attached which, inter-alia, certifies to the Board, the accuracy of Financial Statements and the adequacy of internal controls pertaining to Financial Reporting.

XIII. AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

The certificate dated 26 August 2022 from Statutory Auditors of the Company (M/s GC Agarwal & Associates) confirming compliance with the Corporate Governance requirements as stipulated under the Listing Regulations is annexed hereto.

The above report has been adopted by the Board of Directors of the Company at their meeting held on 13 August 2022.

XIV. Certificate from Practicing Company Secretary on compliance of Corporate Governance conditions

The Company has obtained the Certificate from a Practicing Company Secretary regarding compliance with the provisions relating to corporate governance laid down in Part E of Schedule V to the SEBI LODR Regulations along with Certificate to the effect that none of the Directors of the Company have been debarred or disqualified from being appointed or

continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

For Technofab Engineering Limited

Place: Faridabad
Date: 13.08.2022

Arjun Gupta
Chairman

AUDITORS' CERTIFICATE FOR CORPORATE GOVERNANCE

THE MEMBERS OF
TECHNIFAB ENGINEERING LIMITED
NEW DELHI

1. We have examined the compliance of conditions of Corporate Governance by **TECHNOFAB ENGINEERING LIMITED** ("the Company"), for the financial year ended on **31st March, 2022**, as stipulated in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement entered into by the Company with the Stock Exchange.

2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the period under review.

5. We state that such Compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR G C AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 017851N

G C AGARWAL
(PROPRIETOR)
Membership No: 083820
UDIN: 22083820AKFMAH6716

Place: New Delhi
Date: 24 May 2022

MD AND CFO CERTIFICATION

The Board of Directors,
Technofab Engineering Limited
New Delhi

Dear Members of the Board

We, Arjun Gupta, Managing Director and Shiam Narain Tandon, Chief Financial Officer, of the Company to the best of our knowledge and belief, certify that:

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

1) There have been no significant changes in the internal control over financial reporting during this year.

2) There have been no significant changes in the accounting policies this year and that the same have been disclosed in the notes to the financial statements.

a) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Arjun Gupta
Chairman & Managing Director

Shiam Narain Tandon
Chief Financial Officer

Date: 13 August 2022
Place: Faridabad

DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Mr. Arjun Gupta, Managing Director of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31 March 2022.

For Technofab Engineering Limited

Arjun Gupta
Chairman & Managing Director

Place : Faridabad
Date : 13 August 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
TECHNOFAB ENGINEERING LIMITED
913, Hemkunt Chambers 89, Nehru Place,
New Delhi -110019

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Technofab Engineering Limited having CIN: 74210DL1971PLC005712 and having registered office at 913, Hemkunt Chambers 89, Nehru Place, New Delhi -110019 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Rupak Kumar Sinha
Proprietor Sinha R K & Company
Membership No.: F7947
CP No. 16795
UDIN: **F007947D000630360**

Place: Faridabad
Dated: 15th July, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE INDUSTRY

The Indian Construction Market is expected to register a record CAGR during the forecast period (2022 - 2027). As COVID-19 expanded across the country in April 2020, the face of the Indian construction industry, which was already battling with inadequate management and a lack of tracking of its labour force, lost its central grip completely, bringing the industry to a halt. Availability of construction materials and price inflation became important concerns. Cost overruns, severe delays, and even project cancellations resulted from the lack of timely implementation owing to lockdowns. The cancellation and postponing of projects had a direct impact on the business entities, with many being forced to close their doors or reduce their operations. This was particularly concerning because the construction industry consists mostly of small-scale specialty construction firms.

OVERVIEW OF BUSINESS

Currently, the Indian EPC sector, with its rising prominence and changing dynamics, has more than 150 participants and a multitude of stakeholders. Players have carved out a niche for themselves and have developed their reputation, based on their sector focus.

Growth of the EPC Industry in developing countries is driven by increasing infrastructure development expenditure by governments in order to sustain economic growth in future. Increasing urbanisation due to growing population globally with rise in disposable income is expected to drive global construction market revenue growth.

However, the scenario in this industry has changed in the last few years. This sector is facing a significant liquidity crunch. The recent financial turmoil and the rupee depreciation have added to the uncertainty faced by the industry. The sector is also facing difficulties in relation to issues pertaining to project take-off, particularly those relating to land acquisition and environmental clearances, delay due to regulatory changes etc. With such delays and uncertainty in the construction commencement, EPC pricing loses its validity. Furthermore, cash stress situation, weakening financial strength of both contractors and developers along with volatility in material price has made project execution difficult. Other problem is unrealistic bids by new entrants in the industry and also by the established players due to which several projects gets stuck off in between.

Technofab Engineering with a track record of 51 years has been one of India's premier engineering and construction companies specialized in providing complete engineering, procurement and construction (EPC) services in various sectors like electricity water infrastructure, oil handling systems etc. on a turnkey, supply or erection basis.

It has completed more than 150 Projects on turnkey EPC basis out of which 82 Projects involve 40000MW installed power where we have done various Balance-of-Plant Systems in fuel oil, fire protection, piping and water/waste water.

It has a diversified blue chip customer list and is recognised by virtually all leading consultants. Since 1993 it has extended its operations to the African continent having successfully executed several turnkey assignments in Seychelles, Bhutan, Kenya, Zambia, Ghana, Zimbabwe, Liberia and Ethiopia.

BUSINESS STRUCTURE

The Company serves customers, domestic as well as overseas, who operate in diverse sectors like Power, Industrial, Oil & Gas, Electrical, Water and Infrastructure Sectors in India, Africa & Asia Pacific Regions through Turnkey EPC Contracts for a wide spectrum of packages. The business opportunities are linked with investments taking place in these sectors.

Company's success has been built around its core competence of providing turnkey composite EPC services covering all aspect of Civil Engineering, Electrical Engineering, Mechanical Engineering and Instrumentation Engineering. All recent diversification has been achieved around this core competence and no unrelated diversification is planned unless there is a strong strategic fit. Due to the multifaceted services being offered by the company, the company is able to provide EPC services to virtually all infrastructure industrial sector and it is no longer dependent on the thermal power sector as was the case a few years ago. In order to spread the company geographically, company targeted the overseas market and the success of these endeavours have enabled the company to grow in a profitable manner.

The Company intends to continue with this market diversification strategy as it is an effective antidote to the business cycle in some geography. In order to sustain a singular objective of profitable growth the Company has made imperative to redouble our marketing efforts as the strike rate is expected to go down.

POWER SECTOR

The previous year has seen India's power sector move further along the path of meeting and inspiring the aspirations of our rapidly developing nation. Universal access to affordable power in a sustainable manner has been the guiding principle for the Power sector. The sector is fully geared to address the challenges related to climate change through energy transition initiatives which aligns itself with the commitments made by the nation on the global stage. Now the Country has been transformed from Power Deficit to power surplus nation. The Government has taken so many initiatives in this direction like 24X7 supply, Universal access, affordable power, strengthening the distribution sector etc.

WATER SECTOR

This sector encompasses several elements viz. pumping and distribution, treatment of raw and waste water including recycling and desalination. It covers urban and rural water supply, industrial water, sewage treatment and industrial waste water treatment.

The Jal Shakti Ministry with the allocation of Rs 86,189 crore in the Union Budget 2022-23, saw an increase of 24 per cent from Rs 69,052 crore given in 2021-22.

In the Union Budget, the Drinking Water and Sanitation Department under the ministry has been allocated Rs 67,221 crore, while 18,967.88 crore has been earmarked for the Department of Water Resources, River Development and Ganga Rejuvenation.

The Jal Jeevan Mission, a flagship programme of the government, aims to provide tap water connections to rural households by 2024. So far, tap water connections have been given to 8.7 crore rural households. In 2021-22, Rs 50,000 crore was allocated for the Jal Jeevan Mission.

ELECTRICAL SECTOR

This sector provides multiple opportunities. The most important ones are those emerging from rural electrification which aims at getting grid electricity to all except those villages which are too remote to be connected to the grid. This is already the source of the Company's major business and will amply provide further opportunities. Apart from above, the Government has come out with certain schemes which provides ample opportunities to the Company like Deen Dayal Upadhyaya Gram Jyoti Yojana, The DDUGJY scheme, The Saubhagya Scheme or Pradhan Mantri

Sahaj Bijli Har Ghar Yojana, Integrated Power Development Scheme. Further the Company is also exploring opportunities in the AIS/GIS Substation Space.

The modernization and expansion of the Indian Railways opens up an entirely new, though related, sector. While opportunities will emerge in many types of project work, the Company will mainly target the railway electrification business. Industrial electrification is another area, though largely a small niche covering those customers who seek a single turnkey EPC solution for their electrification needs.

The Union Budget 2022-23 has provided a budgetary allocation of ₹3365 crore for the solar power sector, including both grid-interactive and off-grid projects. This is a 29 per cent increase over the previous year budget of ₹2606 crore. Solar energy is going to be a major source of energy needs not only today but in the 21st century, because solar energy is Sure, Pure and Secure.

INDUSTRIAL SECTOR

A sector where the Company has traditionally secured and executed a fairly large volume of business in last 10 years, lately it has not been providing any significant opportunities, on account of the economic slowdown.

INTERNATIONAL BUSINESS

Internationally, the Company continues to focus on Sub-Saharan Africa and South Asia and mainly pursues projects funded by multilateral funding bodies like World Bank, African Development Bank, Asian Bank, EXIM Bank, etc. By their very nature, such projects are in the social sector and cover areas like Water and Sanitation, Electricity Distribution, etc. Such projects are largely in Africa and to an extent in South Asia and Asia Pacific Region. So far the Company is executing/has executed projects in 12 countries in Africa, Viz. Kenya, Seychelles, Tanzania, Ethiopia, Malawi, Zambia, Ghana, Zimbabwe, Mozambique, Rwanda, Uganda, Liberia, etc. apart from two countries in Asia Pacific Region i.e., Fiji & Bhutan. Sub-Saharan Africa alone provides good opportunities not only in the countries that Company has already worked in but also in the remaining over two dozen countries.

COMPARISON OF PERFORMANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 VIS-À-VIS FINANCIAL YEAR ENDED MARCH 31, 2021

The Company has performed better as compared to previous year in terms of income with an increase by 56.99%. The Company has incurred a loss of Rs. 80.00 Crore as against the previous year loss of Rs. 128 Crore. The net worth of the Company continues to be negative. The Company is having substantial orders in hand for project execution and the Management does not have an intention to liquidate or close the operations of the Company.

The Company could not achieve the requisite project progress commensurate with its targets / plans and therefore some projects were terminated and Performance Guarantees were invoked. Since the overdrawn position in the bank accounts remained beyond the stipulated guidelines therefore the bank accounts of the Company were classified as Non-Performing Asset (NPA).

In view of this, as per the applicable guidelines issued by the Reserve Bank of India, the Company had submitted its Restructuring Proposal which is under due consideration by the Consortium Member Banks.

(Rs. In Crore)

Particulars	FY 21-22	FY 20-21	% Variation
Total Income	115	38	202.63%

PBDIT (After Exceptional Items, if any)	-64.3	-112.62	-42.91%
Interest and Financial Charges	13.41	12.38	8.32%
Depreciation	2.28	3	-24.00%
Profit Before Tax	-80	-128	-37.50%
Profit After Tax	-80	-128	-37.50%
EPS	-76.26	-122.02	-37.50%

PERFORMANCE: SEGMENTWISE –GEOGRAPHICAL BREAKUP

While considering the revenue from different verticals, the Company treats all its operations as a single vertical. However, for the benefit of investors, the contribution of individual sectors to revenue and its comparison with previous years is given below:

SECTOR	FY 2019-20	FY2020-21	FY 2021-22
Conventional Power	11.91%	-	0.99%
Water & Waste Water Treatment	45.18%	38.95%	1.38%
Industrial & Infrastructure Sectors	-	-	-
Electrical sub-stations & Distribution	42.91%	37.25%	89.47%
Agricultural	-	23.80%	8.16%
TOTAL	**100%**	**100%**	**100%**

ORDER BOOK AND THE YEAR AHEAD

The Company's Order backlog position on March 31, 2022 is approximately INR 430 Cr. Further, due to the fact that the Company is undergoing a loan restructuring process from various consortium member banks, it is not currently bidding for any new projects till such time the restructuring process is complete. The Company's focus in the coming year will be to close existing projects, collect outstanding payments from Customers, reduce Bank's exposure by returning various Bank Guarantees after closure of various projects and at the same time reduce its operational costs by reducing manpower and other overhead costs.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company management recognises the necessity, and has had in place adequate systems of internal controls. It is firmly believed that a strong internal control system with flexibility is imperative to realize Company's vision. Accordingly the company always gives priority to it to achieve the following objectives:-

1. Efficiency of operation
2. Accuracy and promptness of financial reporting
3. Safeguard of Company assets
4. Compliance with laid down policies and procedures.
5. Compliance with rule and regulations.

The Company has a reasonably robust Internal audit team which reports to the Audit Committee of the Board and a formal Risk Management Policy is in place.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

As on 31 March 2022, the company had 81 employees in its family excluding the employees of its Contractors and suppliers.

The Company follows a philosophy whereby employee empowerment is a key area of focus. The Company strongly values the individuality of its employees, which ultimately results in a management, operations and training philosophy distinct from that of our competitors. The Company has a number of ongoing initiatives related to employee development. Apart from various training programmes relating to the needs of the Company, there are initiatives to identify and groom future leaders.

Industrial and employee relations with the Company remain cordial throughout the year. It has been with the fulfilment of our market commitments, prompt communication, and participation in social activities and to provide challenging and safe working atmosphere in the company, wherein every employee can develop his own strength and deliver his expertise in the interest of the Company.

The Board of Directors on record thanks to all of the employees for their valuable contribution towards the growth of the company. Technofab Engineering encourages its team members to go beyond the scope of their work, undertake voluntary projects that enable to learn and contribute innovative ideas in meeting goals of the company.

CONTINGENT LIABILITY

The Contingent Liability is primarily on account of Bank Guarantees given by the Company to its Clients at the time of award of the project which continue to remain valid till completion of the project as per the terms of the agreement with the Client.

FORWARD LOOKING STATEMENTS

Statements in this Management Discussion and Analysis of Financial Conditions and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of the future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statements. Important factors that could influence the Company's operations include interconnect usage charges, determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Accounting Standards notified under Section 133 of the Act. The management of Technofab Engineering Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect, in a true and fair manner, the state of affairs for the year.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TECHNOFAB ENGINEERING LIMITED

Report on the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **TECHNOFAB ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required, except for the indeterminate effects of the matter referred to in Basis for Qualified Opinion section below, give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion
We draw attention to note 48, 49 & 50 to the standalone financial statements with regard to multiple significant uncertainties faced by the Company such as (a) Non availability of funds from banks and also declaration of loans as NPA (b) Poor recovery from debtors (c) Invocation of performance guarantees / bank guarantees (d) Litigation with debtors (e) Balance of Trade Receivables being subject to confirmation. The impact of the above matters, if any, on the standalone financial statements is presently not ascertainable.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rule there under, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our qualified opinion.

Material Uncertainty Related to Going Concern
We draw attention to note 48, 49 & 50 to the standalone financial statements, which describe the company's financial condition and its debt as at March 31, 2022. The Company's financial performance has

impacted its ability to generate the cash flow that it needs to settle its liabilities as they fall due. The Company has defaulted in repayment of loan and interest payments. Due to fund constraints and other reasons the company has not been able to complete projects as expected, resulting in invocation of bank guarantees/performance guarantees. These events or conditions, along with other matters as set forth in aforesaid note, indicate that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern if the company is not able to raise funds, renegotiate/restructure liabilities monetize its certain assets including but not limited to realization of stated amount of debtors and generate cash flow from operations that it needs to settle its liabilities as they fall due.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to note 48, 49 & 50 to the standalone financial statements, which states that the company has defaulted on repayments to various banks due to invocation of various bank guarantees / performance guarantees and poor recovery and litigations with debtors.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matters described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Directors report to be included in the Company's Annual report, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this Auditors' Report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds

and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2020', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report to the extent applicable that:

(a) We have sought and 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, except for the indeterminate effects of the matter referred to Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) Except for the indeterminate effects of the matter referred to Basis for Qualified Opinion paragraph above in our opinion, the aforesaid Standalone financial statements comply with the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

(e) The matter described in Basis for Qualified Opinion, Material Uncertainty Relation to Going Concern Section above, in our opinion, may have an adverse effect on the functioning of the Company.

(f) On the basis of written representation received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) The qualification relating to the maintenance of accounts and other matters connected therewith are stated in the Basis of Qualified Opinion paragraph above.

(h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

(i) The Company has disclosed the impact of pending litigations as at 31st March, 2022 on its financial position in its financial statements – Refer Note 44

(ii) The Company did not have any long-term contracts including derivative contracts as at 31st March, 2022

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever or on the behalf of company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement

(v) The company has neither proposed nor declared any dividend during the year.

(j) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section197(16) of the act, as amended no remuneration has been paid/provided by the company to its directors during the year.

For G C Agarwal & Associates
Chartered Accountants
Firm Registration No: 017851N

G. C. Agarwal
Prop.
M.No.083820

Place: New Delhi
Date: **24.05.2022**

Annexure A to Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of TECHNOFAB ENGINEERING LIMITED ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal

financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G C Agarwal & Associates
Chartered Accountants
Firm Registration No: 017851N

G. C. Agarwal
Prop.
M.No.083820

Place: New Delhi
Date: **24.05.2022**

Annexure B to Independent Auditors' Report

The annexure referred to in Independent Auditors' Report to the members of TECHNOFAB ENGINEERING LIMITED on the Standalone financial statements for the year ended 31st March, 2022 we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant & Equipment and relevant details of right of use assets.

(B) The company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant & Equipment and right of use assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee), as disclosed in the financial statements included under Property, Plant & Equipment are held in the name of company as at the balance sheet date.

(d) The company has not revalued any of its Property, Plant and Equipment (including right of use assets) and intangible assets during the year.

(e) There are no proceedings initiated or are pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and has been properly dealt with in the books of accounts.

(b) According to the information and explanation given to us and based on our examination of the records, the company has been sanctioned working capital limit in excess of five crore rupees in aggregate from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the company with the banks are in agreement with the books of accounts of the company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured, nor made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
Since the company has not granted any loans, secured or unsecured, nor made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured,

to companies, firms, limited liability partnerships or any other parties during the year, the reporting requirement of para 3(iii)(a) to 3(iii)(f) of the order are not applicable.

iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

v. The Company has neither accepted any deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its products, the reporting requirement of para 3(vi) of the order is not applicable.

vii. a) According to the records of the Company examined by us and according to the information and explanations given to us, the Company has not been regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, customs duty, cess, goods and service tax and other material statutory dues applicable to it with the appropriate authorities.The details of material delays are as under:

Name of the Statute	Nature of Due	Period of Due	Amount (Rs.)	Period of Delay (In days)
Income Tax Act, 1961	Tax Deducted at Source	April, 21	6,08,650	153
Income Tax Act, 1961	Tax Deducted at Source	May, 21	5,81,400	122
Income Tax Act, 1961	Tax Deducted at Source	June, 21	10,44,566	92
Income Tax Act, 1961	Tax Deducted at Source	July, 21	9,27,204	129
Income Tax Act, 1961	Tax Deducted at Source	August, 21	11,29,200	98
Income Tax Act, 1961	Tax Deducted at Source	September, 21	16,93,010	68
Income Tax Act, 1961	Tax Deducted at Source	October, 21	8,60,015	144
Income Tax Act, 1961	Tax Deducted at Source	November, 21	10,21,741	114
Income Tax Act, 1961	Tax Deducted at Source	December, 21	14,24,226	83
Income Tax Act, 1961	Tax Deducted at Source	January, 22	14,27,311	52
Employee's Provident Fund	Employee's Contribution	April, 21	2,47,025	139

Organisation				
Employee's Provident Fund Organisation	Employee's Contribution	May, 21	2,20,150	108
Employee's Provident Fund Organisation	Employee's Contribution	June, 21	2,44,776	78
Employee's Provident Fund Organisation	Employee's Contribution	July, 21	2,45,744	111
Employee's Provident Fund Organisation	Employee's Contribution	August, 21	2,39,247	80
Employee's Provident Fund Organisation	Employee's Contribution	November, 21	2,05,541	106
Employee's Provident Fund Organisation	Employee's Contribution	December, 21	1,61,469	75

(Also Refer to Note No. 53)

There were no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, Investor education and protection fund, customs duty, cess, goods and service tax tax and other material statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and according the records of the Company examined by us, the particular of statutory dues which have not been deposited as at 31st March 2022 on account of pending disputes are as follows:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Orissa Sales Tax	Works Contract Tax	1,355,000	2002-03	Before Sales Tax Tribunal - Orissa
Maharashtra VAT Act 2002 (Maharashtra)	Local Sales Tax	3,357,732	2010-11	Before Jt. Commissioner (Appeals), Mumbai
Maharashtra VAT Act 2002 (Maharashtra)	Central Sales Tax	6,130,542	2011-12	Before Jt. Commissioner (Appeals), Mumbai
Maharashtra VAT Act 2002 (Maharashtra)	Local	3,734,774	2012-13	Before Jt. Commissioner (Appeals), Mumbai
	Central	60,833		
West Bengal Value added Tax Rules, 2005	Local (VAT)	5,557,892	2015-16	Before President West Bengal Sales Tax Appellate Revision Board
West Bengal Sales Tax Act, 1994	Local Sales Tax	8,768,960	2016-17	Before Dy. Commissioner Durgapur (WB)
Goods & Service Tax Act, 2017, Tripura	SGST	417,818	2017-18	Before Addl. Commissioner of State Tax, Agartala
	CGST	417,818		
	PENALTY	835,636		
	INTEREST	267,404		
Goods & Service Tax Act, 2017, Tripura	SGST	1,553,767	2018-19	Before Addl. Commissioner of State Tax, Agartala
	CGST	1,553,767		
	PENALTY	3,107,534		
	INTEREST	621,506		

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, the para 3(viii) of the order is not applicable to the Company.

ix. a) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of loan/ dues to banks which have been declared NPA details of which is as under:

Nature of Borrowing	Name of Lender	Amount not paid on due date	Whether Principal or Interest	No of Days delay
CC Limits	Bank of India	1,163,949,886	Both Principal & Interest	1028
	Bank of Baroda	592,610,693		997
	State Bank of India	329,477,730		1008
	Punjab National Bank (United Bank)	126,589,886		1009
	Axis Bank Ltd.	68,166,823		1005
	IDBI Bank	100,523,331		918

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) According to the records of the Company examined by us and the information and explanation given to us terms loans taken by the company were applied for the purpose for which the loan were obtained.

d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

e) On the basis of books and records examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary. The Company does not have any associate or joint venture.

f) On the basis of books and records examined by us and as explained to us, the Company has not raised any loan during the year on the pledge of securities held in its subsidiary.

x. a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Hence, the para 3(x)(a) of the order is not applicable to the Company.

b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or convertible debentures (fully, partly or optionally convertible) during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.

xi. a) In our opinion and according to the information and explanation given to us, no fraud by the company or on the Company has been noticed or reported during the course of our audit.

b) During the year no report under sub-section 12 of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) No whistle blower complaints were received by the Company during the year. Hence, the reporting para 3(xi)(c) of the order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

xiii. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with its director. Accordingly, paragraph 3(xv) of the order is not applicable.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Hence reporting under clause 3(xvi)(a) to clause 3(xvi)(c) of the order is not applicable. In our opinion there is no Core Investment Company (CIC) within the group (as defined in the regulations made by the Reserve Bank of India) and accordingly, clause 3(xvi)(d) of the Order is not applicable.

xvii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has incurred cash losses of Rs. 7,771.53 Lacs in current year and Rs. 12,499.74 Lacs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditor during the year. Hence, the reporting para 3(xviii) of the order is not applicable to the Company.

xix. On the basis of financial ratios disclosed in Note 52 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the our knowledge of the Board of Directors and Management plans and based on our examination of evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date to the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company and when they fall due.

xx. In our opinion and according to the information and explanations given to us, the provisions of sub-section (5) of Section 135 of the Companies Act, 2013 are not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For G C Agarwal & Associates
Chartered Accountants
Firm Registration No: 017851N

G. C. Agarwal

Prop.
M.No.083820

Place: New Delhi
Date: **24.05.2022**

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

BALANCE SHEET AS ON 31ST MARCH, 2022

Amount in Lakhs

Particulars	Note no.	As at 31-Mar-22	As at 31-Mar-21
ASSETS			
(1) Non-Current Assets			
Property, Plant and Equipment	5	3,908.06	4,168.84
Investment in Property	6	52.27	53.19
Intangible assets	7	4.62	8.20
Financial Assets			
(i) Investments	8	1,071.74	1,071.04
(ii) Loans	9	201.53	187.64
Other Non Current Assets	10	-	17.55
		5,238.22	5,506.46
(2) Current Assets			
Inventories	11	14.21	201.55
Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	12	23,312.02	26,593.70
(iii) Cash and Cash Equivalents	13	2,192.83	92.74
(iv) Other Bank balances other than (iii) above	14	3.27	3.26
(v) Other Financial Assets	15	1.20	15.24
Current Tax Assets (Net)	16	68.50	19.48
Other Current Assets	17	6,512.20	7,399.96
		32,104.23	34,325.93
Total		**37,342.45**	**39,832.39**
EQUITY AND LIABILITIES			
(1) Shareholder's Funds:			
Equity Share Capital	18	1,049.00	1,049.00
Other Equity	19	(21,254.13)	(13,275.79)
		(20,205.13)	(12,226.79)
(2) Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	1,656.95	1,669.35
(ii) Other Financial Liabilities		-	-
Provisions	21	95.82	126.67
Other non current liabilities	22	6,070.52	5,890.73
		7,823.29	7,686.75
(3) Current Liabilities			
Financial Liabilities			
(i) Borrowings	23	36,961.95	32,520.43
(ii) Trade Payables			
(a) Total outstanding dues of Micro enterprises and small enterprises; and	24	59.65	65.85
(b) Total outstanding dues of creditors other than Micro enterprises and small	24	8,578.80	7,073.05
(iii) Other Financial Liabilities	25	3.05	3.05
Other Current Liabilities	26	4,091.54	4,651.19
Provisions	27	29.30	58.86
		49,724.29	44,372.43
Total		**37,342.45**	**39,832.39**

See accompanying notes forming part of the Standalone financial statements 1 to 54

In term of our report attached

As per our report attached
For G C Agarwal & Associates
Chartered Accountants
Firm Reg. No.017851N

For and on behalf of Board of Directors

Arjun Gupta
Chairman & Managing Director
DIN-00012092

G. C. Agarwal
Proprietor
Mem. No.083820

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

Arun Singh
Company Secretary
Mem. No. A35806

Date : 24-05-2022
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

Amount in Lakhs

Particulars	Note no.	Year Ended 31-Mar-22	Year Ended 31-Mar-21
REVENUE :			
Revenue from Operations	28	11,294.32	2,662.90
Other Income	29	195.10	1,136.75
Total Revenue		**11,489.42**	**3,799.64**
EXPENSES :			
Cost of Materials Consumed	30	1,215.21	1,243.38
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31	183.94	696.12
Expenditure on Contracts	32	9,431.02	1,047.08
Employee Benefit Expense	33	677.84	1,091.98
Finance Costs	34	1,341.84	1,238.08
Depreciation and Amortization Expense	5, 6 & 7	228.01	300.58
Other Expenses	35	3,178.62	6,611.35
Total Expenses		**16,256.48**	**12,229.57**
Profit / (Loss) before Exceptional items and Tax		**(4,767.06)**	**(8,429.93)**
Exceptional Items	36	3,231.86	4,371.40
Profit / (Loss) after Exceptional items but Before Tax		**(7,998.92)**	**(12,800.33)**
Tax Expense :			
- Current Tax		-	-
- Deferred Tax		-	-
- Tax Adjustment for Earlier Years		0.63	-
Total Tax Expenses		**0.63**	**-**
Profit / (Loss) for the period from continuing operations		**(7,999.55)**	**(12,800)**
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(a) Re-measurement Gains / (Losses) of defined benefit plans		20.49	4.76
Income tax effect on above		-	-
(b) Equity Instruments through Other Comprehensive Income			
Gains / (Losses) on Fair valuation of Long Term Investment		0.70	1.12
Income tax effect on above		-	-
Total Other Comprehensive Income		**21.19**	**5.88**
Total Comprehensive Income for the year		**(7,978.36)**	**(12,794.45)**
Earning per share (₹)			
Basic		**(76.26)**	**(122.02)**
Diluted		**(76.26)**	**(122.02)**
Face Value of Share (₹)		**10.00**	**10.00**

See accompanying notes forming part of the Standalone financial statements 1 to 54

In term of our report attached

As per our report attached.
For G C Agarwal & Associates
Chartered Accountants
Firm Reg. No.017851N

For and on behalf of Board of Directors

G. C. Agarwal
Proprietor
Mem. No.083820

Arjun Gupta
Chairman & Managing Director
DIN-00012092

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

Arun Singh
Company Secretary
Mem. No. A35806

Date : 24-05-2022
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

Amount in Lakhs

A. Equity Share Capital	Balance as at 31st March, 2020	Changes in equity share capital during the period 2020-21	Balance as at 31st March, 2021	Changes in equity share capital during the period 2021-22	Balance as at 31st March, 2022
	1,049.00	-	1,049.00	-	1,049.00

Amount in Lakhs

B. Other Equity	Reserves & Surplus			Items of Other Comprehensive Income		Total
	B	General Reserve	Retained Earnings	Items that will not be reclassified to Profit and Loss		
Particulars				Remeasurement of Defined Benefit Plans	Equity Instruments through Other Comprehensive Income	
Balance as at March 31, 2020	**7,019.42**	**8,107.94**	**(15,635.71)**	**28.38**	**(1.39)**	**(481.35)**
Profit/(Loss) for the year ended 31st March 2021			(12,800.32)			**(12,800.32)**
Re-measurement gains (losses) on defined benefit plans				4.76		**4.76**
Gain (losses) on Fair valuation of Long Term Investment					1.12	**1.12**
Balance as at March 31, 2021	**7,019.42**	**8,107.94**	**(28,436.02)**	**33.14**	**(0.26)**	**(13,275.79)**
Profit/(Loss) for the year ended 31st March 2022			(7,999.55)			**(7,999.55)**
Re-measurement gains (losses) on defined benefit plans				20.49		**20.49**
Gain (losses) on Fair valuation of Long Term Investment					0.70	**0.70**
Balance as at March 31, 2022	**7,019.42**	**8,107.94**	**(36,435.57)**	**53.63**	**0.44**	**(21,254.13)**

See accompanying notes forming part of the Standalone financial statements 1 to 54

In term of our report attached

For and on behalf of Board of Directors

As per our report attached
For G C Agarwal & Associates
Chartered Accountants
Firm Reg. No.017851N

Arjun Gupta
Chairman & Managing Director
DIN-00012092

G. C. Agarwal
Proprietor
Mem. No.083820

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

Arun Singh
Company Secretary
Mem. No. A35806

Date : 24-05-2022
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

Amount in Lakhs

Particulars		Year Ended 31-Mar-22	Year Ended 31-Mar-21
(A) CASH FLOW OPERATING ACTIVITIES			
Net Profit Before Tax and Extraordinary Item		**(7,998.92)**	**(12,800.32)**
Adjustment for :			
Depreciation		228.01	300.58
Interest Expenses		753.97	628.37
Interest Income		7.28	51.76
Loss on Sale of Property, Plant and Equipments (Net)		9.74	233.29
Dividend Income		(0.04)	(0.05)
Bad Debts Recovered (Net)		(1,484.68)	(5,830.53)
Liability No Longer Required		150.99	1,058.85
Operating Profit before Working Capital Changes		**(8,333.65)**	**(16,358.04)**
Adjustment for :			
Trade receivables		4,766.36	12,423.04
Loans and Advances and other assets		924.25	1,088.06
Inventories		187.34	954.37
Trade and Other payables		929.46	(1,798.81)
Cash Generated from Operation		**(1,526.24)**	**(3,691.38)**
Direct Taxes Paid		(69.13)	92.06
Net Cash Flow from Operating Activities	**(A)**	**(1,595.37)**	**(3,599.32)**
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(0.37)	-
Sale of Fixed Assets		27.90	102.22
Interest Income		(7.28)	(51.76)
Sale / (Purchase) of Investments (Net)		-	-
Dividend Received		0.04	0.05
Net Cash from (-used) in Investing Activities	**(B)**	**20.29**	**50.51**
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid		(753.98)	(628.37)
Proceeds / (Repayment) from / of Long term Borrowings (Net)		(12.40)	382.71
Proceeds / (Repayment) from / of Short term Borrowings (Net)		1,209.67	(911.51)
Increase in Borrowings due to Invocation of Bank Guarantees		3,231.86	4,371.40
Net Cash Flow From Financing Activities	**(C)**	**3,675.16**	**3,214.23**
Net Increase in Cash and Cash Equivalents	**(A+B+C)**	**2,100.08**	**(334.58)**
Cash & Cash Equivalents (Opening Balance)		**92.74**	**427.32**
Cash & Cash Equivalents (Closing Balance)		**2,192.82**	**92.74**

See accompanying notes forming part of the Standalone financial statements 1 to 54
In term of our report attached

For and on behalf of Board of Directors

For G C Agarwal & Associates
Chartered Accountants
Firm Reg. No.017851N

Arjun Gupta
Chairman & Managing Director
DIN-00012092

G. C. Agarwal
Proprietor
Mem. No.083820

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

Arun Singh
Company Secretary
Mem. No. A35806

Date : 24-05-2022
Place : New Delhi

Technofab Engineering Limited
Significant Accounting Policies and Notes to Standalone Financial Statements

1. Corporate and General Information

a) Technofab Engineering Limited (the Company) is domiciled and incorporated in India on 20th July, 1971. The registered office of the company is situated at 913, Hemkunt Chambers, 89, Nehru Place, New Delhi – 110 019, India.

The Company is engaged in the business of engineering, procurement and construction (EPC) contracts for electricity, water infrastructure, oil handling systems etc. on a turnkey, supply or erection basis.

The equity shares of the company are listed at National Stock Exchange and Bombay Stock Exchange.

The accounts of the Company have been prepared on going concern basis as management believes that the Company would be able to be in operation and expected to be able to operate for the following 12 months with no threat of liquidation or closure.

Further the Company has the resources and requisite technical qualification for executing the existing business and with its inherent strength to continue its operations for the foreseeable future. Under these circumstances, assets and liabilities are recorded in the financial statements assuming that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

Further the net worth of the Company is Negative on the reporting date. The Company is having substantial orders in hand for project execution and the Management does not have an intention to liquidate or close the operations of the Company.

The Company is currently banking with the consortium of six Banks for documented working capital fund based and non-fund-based limits of Rs. 907 Crores**.**

The Company could not achieve the requisite project progress commensurate with its targets / plans and therefore some projects were terminated and Performance Guarantees were invoked. Since the overdrawn position in the bank accounts remained beyond the stipulated guidelines therefore the bank accounts of the Company were classified as Non-Performing Asset (NPA).
In view of this, as per the applicable guidelines issued by the Reserve Bank of India, the Company had submitted its Restructuring Proposal which is under due consideration by the Consortium Member Banks.

2. Basis of preparation

The financial statements have been prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015 (as amended). The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.
The significant accounting policies used in preparing the financial statements are set out in Note No.3 of the Notes to the Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (Refer Note No. 4 on critical accounting estimates, assumptions and judgements).

3. Significant Accounting Policies

3.1 Basis of Measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention except the following which have been measured at fair value:

- Financial assets and liabilities, (carried at amortised cost),
- Defined benefit plans – plan assets measured at fair value,

3.2 Property, Plant and equipment

a) Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

b) Depreciation is provided on Straight Line Method over the remaining useful life of the assets in the manner prescribed in Schedule II of the Companies Act, 2013.

c) The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

3.3 Intangible Assets

Identifiable intangible assets are recognised a) when the Company controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Company and c) the cost of the asset can be reliably measured.

Computer software's are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding four years on straight line basis. The assets' useful lives are reviewed at each financial year end.

3.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

3.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition.

3.6 Employee benefits

a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience, adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

d) The cost of providing gratuity, a defined benefit plan, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience, adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in Statement of Profit and loss.

3.7 Foreign currency reinstatement and translation

a. Functional and presentation currency

These financial statements have been presented in Indian Rupees (Rs. in Lacs), which is the Company's functional and presentation currency.

b. Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

3.8 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.
Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

i. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

ii. Investment in equity shares

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in equity securities are held for trading purposes. In the case of long term investments, the gain/(loss) are recognized through Other Comprehensive Income. The fair value gains or losses of all other equity securities are recognized in Other Comprehensive Income.

B. Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

Financial liabilities are classified in two categories; subsequent measurement of financial assets is dependent on initial categorisation. These categories and their classification are as below:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii. Financial liabilities measured at amortized cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method (''EIR'') except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

iii. Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.9 Equity share capital

Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

3.10 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.
For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.
All other borrowing costs are expensed in the period in which they occur.

3.11 Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

3.12 Revenue recognition and other operating income

Revenue from construction contracts
Revenue from construction services are recognised on percentage completion method on invoicing of services and transfer of goods. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost. Estimated loss on project activity to be undertaken in future years is provided for.

Other Income

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Export Benefits

Export benefits i.e. duty drawback is accounted for only when the right to receive the same is established.

Dividend

Dividend income is recognised when the right to receive dividend is established.

3.13 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

3.14 Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Gratuity and leave encashment provision

Refer Note no 3.6 for provision relating to gratuity and leave encashment.

Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that

arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.15 Exceptional items

Exceptional items refer to items of income or expense within the Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

3.16 Investment in Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost.

3.17 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,
b) It is held primarily for the purpose of trading,
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.18 Dividend and dividend distribution tax

Annual divided distribution to the shareholders is recognised as a liability in the period in which the dividend are approved by the shareholders. Any interim dividend paid is recognised on approval by board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

3.19 Leases

Lease The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight line basis over the lease

3.20 COVID-19 Policy

The outbreak of Corona Virus (COVID-19) pandemic globally and in India has significantly impacted the normal business operation by way of supply chain disruption, unavailability of personnel, closure/lock down etc. during the lock down period. The company's operations and revenue during the period / year were impacted due to COVID-19. The company has assessed the possible impacts of COVID-19 on its financial statements based on internal and external factors up to the date of approval of the Audited Financial Results. Based on its review and current economic condition, there is no impact on the accounting policies of the company on account of COVID-19, the pandemic. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

3.21 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Ministry of Corporate Affairs ("MCA") amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the company has changed the classification/presentation of

(i) current maturities of long-term borrowings
(ii) security deposits, in the current year

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.
Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

4. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates,assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

(b) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(c) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

(d) Insurance claims

Insurance claims are recognised when the Company have reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

37. Financial risk management

Financial risk factors

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.This is based on the financial assets and financial liabilities held as of March 31, 2022 and March 31, 2021.

ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

iii) Liquidity risk.

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The foreign exchange risk is covered under a natural hedge. The company is not exposed to interest rate risk as most borrowings is at fixed rate.

a) Foreign exchange risk and sensitivity

The Company transacts business in Indian Rupee and in foreign currency. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.
The following table demonstrates the sensitivity in the USD, EURO, TZS and others to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and

other comprehensive income due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives hedging contracts is given below:

Particulars	Net Monitory items in foreign currency Receivables / (Payables) on reporting date (Absolute Figures)	Change in currency Exchange Rate	Effect on profit /(Loss) before tax (In Rs. In Lacs)
For the year ended March 31, 2022			
USD	22,68,770	+ 5%	86.10
		-5%	(86.10)
EURO	(32,752)	+ 5%	(1.38)
		-5%	1.38
Others (INR Equivalent)	80,89,551	+ 5%	4.04
		-5%	(4.04)
For the year ended March 31, 2021			
USD	25,23,568	+ 5%	93.24
		-5%	(93.24)
EURO	5,20,654	+ 5%	22.37
		-5%	(22.37)
Others (INR Equivalent)	(3,34,72,547)	+ 5%	(16.74)
		-5%	16,74

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Summary of exchange difference accounted in Statement of Profit and Loss:

Rs. In Lacs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Currency fluctuations		
Net foreign exchange gain/(losses) shown as operating expenses	32.46	(65.46)
Total	**32.46**	**(65.46)**

The details of balances with foreign banks are as follows

(Rs. in Lacs)

NAME OF BANKS	Currency	As on 31.03.2022		As on 31.03.2021	
		Outstanding Balance (INR)	Maximum balance during the year (INR)	Outstanding Balance (INR)	Maximum balance during the year (INR)
EQUITY BANK ISIOLO (KENYA)	KSH	-	-	-	-
CRDB BANK (BUKOBA)	TZS	-	-	-	-
CRDB BANK (SUMBAWANGA)	TZS	-	-	-	-
CRDB BANK (BUKOBA)	USD	-	-	-	-
CRDB BANK (SUMBAWANGA)	USD	-	-	-	-
ECO BANK (ZIMBABWE)	USD	0.00	0.00	0.00	0.01
ECO BANK (ZIMBABWE) FCA	USD	0.00	0.00	0.00	0.18
BANK OF ABYSSINIA (ETHIOPIA)	ETB	0.72	0.72	0.72	0.86
PRUDENTIAL BANK LTD (GHANA)	GHS	0.00	0.00	0.04	0.04
INTERNATIONAL BANK LIBERIA LTD (LIBERIA)	USD	2.49	2.71	2.71	3.12
STANDARD BANK S.A. (MOZAMBIQUE)	MZN	126.29	126.29	126.29	130.68
STANDARD BANK S.A. (MOZAMBIQUE)	USD	-	-	-	-
STANBIC BANK (UGANDA)	UGX	0.03	0.03	0.03	53.48
BANK OF BHUTAN (BHUTAN)	BTN	0.51	387.71	17.89	517.38
SEYCHELLES COMMERCIAL BANK (SEYCHELLES)	SCR	0.14	0.14	0.14	20.30
SEYCHELLES COMMERCIAL BANK (SEYCHELLES)	USD	0.37	0.37	0.37	0.38
I & M BANK LTD. (RWANDA)	RWF	6.66	74.26	0.12	0.18
I & M BANK LTD. (RWANDA)	USD	172.26	172.26	0.21	0.25

The balance appearing in BANK OF ABYSSINIA (ETHIOPIA), PRUDENTIAL BANK OF GHANA, SEYCHELLES COMMERCIAL BANK (SCR), SEYCHELLES COMMERCIAL BANK (USD), STANBIC BANK (UGANDA) & STANDARD BANK S.A. (MOZAMBIQUE) are subject to verification of bank statements and reconciliation.

(b) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates, any changes in the interest rates environment may impact future cost of borrowing.

With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

(Rs. In Lacs)

Interest rate sensitivity	Increase/Decrease in basis points	Effect on profit/(loss) before tax
For the year ended March 31, 2022		
INR borrowings	+50	(183.77)
	-50	183.77
USD borrowings	+25	(0.48)
	-25	0.48
For the year ended March 31, 2021		
INR borrowings	+50	(161.59)
	-50	161.59
USD borrowings	+25	(0.46)
	-25	0.46

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company enter into contracts for procurement of material, most of the transactions are short term fixed price contract and a very few transactions are long term fixed price contracts.

Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

Trade Receivables

The Company extends credit to customers in normal course of business. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly Government. The Company has also taken advances and security deposits from its customers to mitigate the credit risk to an extent.

The ageing of trade receivable is as below:

Trade Receivables as on 31.03.2022

(Rs. In Lacs)

Particulars	Trade Receivables					
	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months -1 year	1 -2 years	2 -3 years	More than 3 years	Total
(i) Undisputed Trade receivables - Considered Good	3,041.94	541.49	1,032.68	1,344.82	7,346.19	13,307.12
(ii) Undisputed Trade receivables - Considered Doubtful	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit Impaired						
(iv) Disputed Trade receivables - Considered Good	-	-	-	484.51	9,520.39	10,004.90
(v) Disputed Trade receivables - Considered Doubtful	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit Impaired						
	3,041.94	**541.49**	**1,032.68**	**1,829.33**	**16,866.58**	**23,312.02**

Trade Receivables as on 31.03.2021

(Rs. In Lacs)

Particulars	Trade Receivables ageing schedule					
	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months -1 year	1 -2 years	2 -3 years	More than 3 years	Total
(i) Undisputed Trade receivables - Considered Good	1,240.83	580.40	2,087.99	2,812.13	9,390.69	16,112.04
(ii) Undisputed Trade receivables - Considered Doubtful	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered Good	-	-	491.89	5,377.70	4,612.08	10,481.67
(v) Disputed Trade receivables - Considered Doubtful	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit Impaired	-	-	-	-	-	-
	1,240.83	**580.40**	**2,579.88**	**8,189.83**	**14,002.77**	**26,593.71**

Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

Liquidity risk

The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall , the company uses mix of capital infusion and borrowing from its subsidiary companies. However, the company envisage that such short fall is temporary and the company would generate sufficient cash flows as per approved projections.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Rs. In Lacs)

Particulars	Carrying Amount	Ageing as on 31st March 2022				
		On demand	< 6 months	6-12 months	> 1 years	Total
Interest bearing borrowings	38,618.91	-	98.82	36,863.13	1,656.96	38,618.91
Trade payable	8,638.45	-	8,638.45	-	-	8,638.45
Other liabilities	3.05	3.05	-	-	-	3.05
Total	**47,260.41**	**3.05**	**8,737.27**	**36,863.13**	**1,656.96**	**47,260.41**

Particulars	Carrying Amount	Ageing as on 31st March 2021				
		On demand	< 6 months	6-12 months	> 1 years	Total
Interest bearing borrowings	34,189.78	-	95.35	32,425.08	1,669.35	34,189.78
Trade payable	7,138.90	-	7,138.90	-	-	7,138.90
Other liabilities	3.05	3.05	-	-	-	3.05
Total	**41,331.73**	**3.05**	**7,234.25**	**32,425.08**	**1,669.35**	**41,331.73**

TRADE PAYABLES DUE FOR PAYMENT - AS ON 31.03.2022

(Rs. In Lacs)

Particulars	Trade Payables ageing schedule				
	Outstanding for the following periods from				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	4.77	7.86	11.34	35.69	59.66
(ii) Others	2,916.95	272.69	1,060.97	3,382.36	7,632.97
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	3.82	122.51	819.49	945.82
	2,921.72	**284.37**	**1,194.82**	**4,237.54**	**8,638.45**

TRADE PAYABLES DUE FOR PAYMENT - AS ON 31.03.2021

(Rs. In Lacs)

Particulars	Trade Payables ageing schedule				
	Outstanding for the following periods from				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	7.86	11.34	14.22	32.44	65.86
(ii) Others	500.74	1,387.93	2,456.70	2,028.60	6,373.97
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	3.82	49.72	485.74	159.80	699.08
	512.42	**1,448.99**	**2,956.66**	**2,220.84**	**7,138.91**

Interest rate & currency of borrowings

The below table demonstrate the borrowing of fixed and floating rate of interest

(Rs. In Lacs)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted Average Rate of Borrowing (%)
INR	38,426.34	36,754.79	1,671.55	11.17
USD (INR Equivalent)	192.56	192.56	-	3.78
Total as at March 31, 2022	**38,618.90**	**36,947.35**	**1,671.55**	
INR	34,004.15	32,318.66	1,685.49	11.17
USD (INR Equivalent)	185.63	185.62	-	3.78
Total as at March 31, 2021	**34,189.78**	**32,504.28**	**1,685.49**	

Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high-quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Capital risk management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital.
For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short-term deposits.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The Gearing ratio for FY 2021-22 and FY 2020-21 is as under:

(Rs. In Lacs)

Particulars	As of March 31, 2022	As of March 31, 2021
Loans and borrowings	38,618.91	34,189.78
Less: Cash and cash equivalents	2,196.10	96.00
Net debt	36,422.81	34,093.78
Equity	(20,205.13)	(12,226.79)
Total capital	16,217.68	21,866.99
Gearing ratio	224.59%	155.91%

The Company Plan to reduce its gearing ratio.

38. Fair value of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

(Rs. In Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets designated at amortised cost				
Fixed deposits with banks	0.22	0.22	0.21	0.21
Cash and bank balances	2,195.88	2,195.88	95.79	95.79
Investment	1,071.74	1,071.74	1,071.04	1,071.04
Trade and other receivables	23,312.02	23,312.02	26,593.70	26,593.70
Other financial assets	1.20	1.20	15.24	15.24
	26,581.06	**26,581.06**	**27,775.98**	**27,775.98**
Financial liabilities designated at amortised cost				
Borrowings- fixed rate	1,671.55	1,671.55	1,685.49	1,685.49
Borrowings- floating rate	36,947.35	36,947.35	32,504.28	32,504.28
Trade & other payables	8,638.45	8,638.45	7,138.90	7,138.90
Other financial liabilities	3.05	3.05	3.05	3.05
	47,260.40	**47,260.40**	**41,331.72**	**41,331.72**

Fair Valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings is not material different from carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

3) The fair value of fixed interest-bearing loans, borrowings and deposits is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value(NAV) is published mutual fund operators at the balance sheet date.
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3) If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Assets measured at fair value through other comprehensive income (accounted)

(Rs. In Lacs)

Particulars	**As at March 31, 2022**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Non-Current Investments			
- In Quoted Investments	3.27	-	-

Particulars	As at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets			
Non-Current Investments			
- In Quoted Investments	2.57	-	-

Assets / Liabilities for which fair value is disclosed

(Rs. In Lacs)

Particulars	As at March 31, 2022		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		1,671.55	
Other financial liabilities		3.05	

Particulars	As at March 31, 2021		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		1,685.49	
Other financial liabilities		3.05	

During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

Following table describes the valuation techniques used and key inputs to valuation for level 1 of the fair value hierarchy as of March 31, 2022 and March 31, 2021, respectively:

a) Assets measured at fair value

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial assets			
Current Investment	Level 1	As per NAV of Mutual Fund	---
Quoted Investments	Level 1	As per Market Price of Equity Shares	---

39. Segment information

Information about primary segment

The Company is engaged primarily into one primary business segment of engineering procurement contracts for electricity, water infrastructure, oil handling systems etc.

40. Income tax expense

In view of current year losses, no provision for current tax is required to be made.

41. Deferred income tax

As a matter of prudence, Deferred Tax Assets has not been recognized on losses and other timing differences further there is no reasonable certainty to set off the same within the period allowable under tax laws.

42. Retirement benefit obligations

a. Expense recognised for Defined Contribution plan

(Rs. In Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Company's contribution to provident fund	21.80	32.40
Company's contribution to ESI	0.57	0.84
Total	**22.37**	**33.24**

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2022 and March 31, 2021, being the respective measurement dates:

b. Movement in defined benefit obligation

(Rs. In Lacs)

Particulars	Gratuity (funded)	leave encashment (unfunded)
Present value of obligation - April 1, 2020	164.56	54.22
Current service cost	12.31	7.00
Interest cost	9.45	3.11
Benefits paid	(47.24)	(15.83)
Re-measurements - actuarial loss/ (gain)	(4.60)	2.23
Present value of obligation - March 31, 2021	**134.48**	**50.73**
Present value of obligation - April 1, 2021	134.48	50.73
Current service cost	7.94	2.30
Interest cost	6.86	2.59
Benefits paid	(31.29)	(2.85)
Re-measurements - actuarial loss/ (gain)	(20.50)	(25.15)
Present value of obligation - March 31, 2022	**97.49**	**27.62**

c. Movement in Plan Assets – Gratuity

(Rs. In Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets at beginning of year	3.74	21.52
Expected return on plan assets	(0.19)	(0.70)
Employer contributions	29.99	30.00
Benefits paid	(31.29)	(47.24)
Actuarial gain / (loss)	(0.01)	0.16
Fair value of plan assets at end of year	**2.62**	**3.74**
Present value of obligation	97.49	134.48
Net funded status of plan	**(94.87)**	**(130.74)**

The components of the gratuity &leave encashment cost are as follows:

d. Recognised in profit and loss

(Rs. In Lacs)

Particulars	Gratuity	Leave encashment
Current Service cost	12.31	7.00
Interest cost	8.21	3.11
Expected return on plan assets	-	-
Re-measurement - Actuarial loss/(gain)	-	2.23
For the year ended March 31, 2021	**20.52**	**12.34**
Current Service cost	7.94	2.30
Interest cost	6.67	2.59
Expected return on plan assets	-	-
Re-measurement - Actuarial loss/(gain)	-	(25.15)
For the year ended March 31, 2022	**14.61**	**(20.26)**

e. Recognised in other comprehensive income

(Rs. In Lacs)

Particulars	Gratuity
Re-measurement - Actuarial gain/(loss) For the year ended March 31, 2021	4.76
Re-measurement - Actuarial gain/(loss) For the year ended March 31, 2022	20.49

f. The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

Weighted average actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Attrition rate	20.00%	20.00%
Discount Rate	5.48%	5.10%
Expected Rate of increase in salary	6.00%	6.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Mortality rate	IALM 2012-2014	IALM 2012-2014
Expected Average remaining working lives of employees (years)	14.08	15.31

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e., 2016-17 as considered in previous GAAP on transition to IND AS.

g. Sensitivity analysis:

For the year ended March 31, 2021

Particulars	change in Assumption	Effect on Gratuity obligation	Effect on leave encashment obligation
Discount rate	+1%	(3.75)	(1.94)
	-1%	4.01	2.08
Salary Growth rate	+1%	3.93	2.05
	-1%	(3,74,963)	(1.95)

For the year ended March 31, 2022

Particulars	change in Assumption	Effect on Gratuity obligation	Effect on leave encashment obligation
Discount rate	+1%	(2.87)	(1.10)
	-1%	2.74	1.17
Salary Growth rate	+1%	2.70	1.16
	-1%	(2.89)	(1.10)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

h. History of experience adjustments is as follows:

Estimate of expected benefit payments (In absolute terms i.e., undiscounted)

(Rs. In Lacs)

Particulars	Gratuity
Year – 2023	23.39
Year – 2024	32.01
Year – 2025	23.46
Year – 2026	25.82
Year – 2027	16.93
Year - 2028 to 2032	76.38

i. Statement of Employee benefit provision

(Rs. In Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gratuity	97.49	134.48
Leave encashment	27.62	50.73
Total	**125.11**	**185.21**

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

j. Current and non-current provision for Gratuity and leave encashment

(Rs. In Lacs)

For the year ended March 31, 2021

Particulars	Gratuity	Leave Encashment
Current provision	42.74	12.06
Non- current provision	91.75	38.67
Total Provision	**134.49**	**50.73**

(Rs. In Lacs)

For the year ended March 31, 2022

Particulars	Gratuity	Leave Encashment
Current provision	22.99	6.30
Non- current provision	74.50	21.32
Total Provision	**97.49**	**27.62**

k. Employee benefit expenses

(Rs. In Lacs)

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Salaries and Wages	580.60	939.13
Costs-defined contribution plan	84.46	138.71
Welfare expenses	11.78	14.14
Total	**676.84**	**1,091.98**

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Average no. of people employed	68	92

OCI presentation of defined benefit plan

Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

Leave encashment cost is in the nature of short-term employee benefits.

Presentation in Statement of Profit & Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability and Assets is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

43. Other disclosures

a) Auditors Remuneration **(Rs. In Lacs)**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1. Statutory Auditors		
i. Audit Fee	0.48	0.48
ii. Other Services	0.91	0.17
Total	**1.39**	**0.65**

b) Details of investment made, covered U/S 186(4) of the Companies Act 2013 are given in the respective schedules to the Financial Statements (refer note 8).

44. Contingent liabilities

(Rs. In Lacs)

PARTICULARS	31st March 2022	31st March 2021
Disputed demand of Income Tax and Sales Tax	377.41	323.74
Claim against the Company not acknowledged as debt	10,271.95	10,255.37

Performance guarantee issued by banks on behalf of the company.

(Rs. In Lacs)

PARTICULARS	31st March 2022	31st March 2021
Performance Bank Guarantee	13,142.96	22,439.16

Also refer Note No. 36.

45. Related party transactions

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods are:

Related party name and relationship

a. Key Management personnel

(1) Names of Related Parties

(A) Key management personnel

(a) Arjun Gupta – Chairman and Managing Director
(b) Arun Mittar (Non-Executive - Independent Director)
(c) Shipra Tripathi (Non-Executive - Independent Director) (w.e.f. 25.06.2021)
(d) Ashutosh Jagga (Non-Executive - Professional Director) (w.e.f. 10.06.2021)

(B) Relatives of Key management personnel where persons described in "A"

(a) Meera Gupta
(b) Nakul Gupta
(c) Techfab International Private Limited

(C) Executive Officers
- (a) Shiam Narain Tandon - Chief Financial Officer
- (b) Sandeep Kumar Vij (Chief Financial Officer – Up to 28.01.2020 further relived on 30.06.2020)
- (c) Suman Kumar Verma - Company Secretary (Relived on 09.09.2021)
- (d) Arun Singh - Company Secretary (w.e.f. 09.09.2021)

(2) Wholly owned Subsidiary Company
- (a) Rivu Infrastructural Developers Pvt. Ltd.
- (b) Woodlands Instruments Pvt. Ltd.
- (c) Arihant Flour Mills Pvt. Ltd.

Related Party Transactions

(Rs. In Lacs)

Description	**Current Year 2021-22**				**Previous Year 2020-21**			
Nature of transactions	Subsidiary Company	Other Related Parties of the Group where common control / substential interest of Key Management Personnel exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place	Subsidiary Company	Other Related Parties of the Group where common control / substential interest of Key Management Personnel exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place
Remuneration Paid								
Sandeep Kumar Vij	-	-	-	-	-	-	8.87	-
Shiam Narain Tandon	-	-	15.66	-	-	-	3.06	-
Suman Kumar Verma	-	-	5.02	-	-	-	12.86	-
Arun Singh	-	-	6.88	-	-		-	

						-		-
Professional Fees Paid								
Ashutosh Jagga	-	-	30.00	-	-	-	-	-
Sitting Fees Paid								
Pawan Chopra	-	-	-	-	-	-	2.80	-
Arun Mitter	-	-	4.40	-	-	-	4.00	-
Anju Banerjee	-	-	-	-	-	-	4.00	-
Shipra Tripathi	-	-	4.40	-	-	-	-	-
Interest Paid								
Arihant Flour Mills Pvt. Ltd.	-	-	-	-	154.26	-	-	-
Woodlands Instruments Pvt. Ltd.	-	-	-	-	16.03	-	-	-
Advance Given								
Arihant Flour Mills Pvt. Ltd.	12.02	-	-	-	1.56	-	-	-
Woodlands Instruments Pvt. Ltd.	3.71	-	-	-	0.04	-	-	-
Rivu Infrastructural Developers Pvt Ltd.	0.26	-	-	-	-			
Loan / Advance Received								
Arihant Flour Mills Pvt. Ltd.	2.85	-	-	-	29.39	-	-	-
Woodlands Instruments Pvt. Ltd.	3.70	-	-	-	6.56			

RPT Balances

(Rs. In Lacs)

Description	**Current Year 2021-22**				**Previous Year 2020-21**			
Nature of transactions	Subsidiary Company	Other Related Parties of the Group where common control / substential interest of Key Management Personnel exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place	Subsidiary Company	Other Related Parties of the Group where common control / substential interest of Key Management Personnel exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place
Payable in respect of remuneration & commission								
Avinash Chander Gupta	-	-	-	90.43	-	-	-	90.43
Arjun Gupta	-	-	-	-	-	-	40.27	-
Nakul Gupta	-	-	-	13.58	-	-	-	13.58
Sandeep Kumar Vij	-	-	-	-	-	-	17.60	-
Shiam Narain Tandon			0.93				12.56	
Suman Kumar Verma	-	-	-	-	-	-	12.55	-
Arun Singh	-	-	3.97	-	-	-	-	-
Ashutosh Jagga	-	-	27.00	-	-	-	-	-

Payable in respect of Rent								
Arihant Flour Mills Pvt. Ltd.	202.90	-	-	-	202.90	-	-	-
Payable in respect of Loan								
Arihant Flour Mills Pvt. Ltd.	1406.23	-	-	-	1406.23	-	-	-
Woodlands Instruments Pvt. Ltd.	146.13	-	-	-	146.13	-	-	-
Payable in respect Advance								
Arihant Flour Mills Pvt. Ltd.	18.66				27.83			
Techfab International Pvt. Ltd.	-	-	-	22.57	-	-	-	22.57
Receivable in respect of advance to subsidiaries & other related parties								
Woodlands Instruments Pvt. Ltd.	18.00	-	-	-	18.00,	-	-	-
Rivu Infrastructural Developers P Ltd	98.95		-	-	98.69		-	-

Remuneration to Key Managerial Personnel (KMP)

(Rs. In Lacs)

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Short Term Employee benefits	27.56	24.79
Post-Employment benefits		
- Defined Contribution Plans	0.83	0.64
Total	**28.39**	**25.43**

46. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

(No. of shares)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Issued equity shares	1,04,90,000	1,04,90,000
Weighted average shares outstanding - Basic and Diluted – A	1,04,90,000	1,04,90,000

(Rs. in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit / (Loss) after tax – B (Rs. In Lacs)	(7,497.25)	(12,800.32)
Basic Earnings per share (B/A) (`)	(71.47)	(122.02)
Diluted Earnings per share (B/A) (`)	(71.47)	(122.02)

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

47. Un-hedged Position of Foreign Currency

(Rs. in Lacs)

Particulars	As on 31.03.2022		As on 31.03.2021	
	Amount (in Foreign Currency)	Amount (in Rs.)	Amount (in Foreign Currency)	Amount (in Rs.)
-In Respect of Receivable				
USD	11.90	903.14	34.24	2504.71
EURO	0.00	0.18	5.42	465.29
ETB - (Ethiopian Birr)	0.49	0.72	0.40	0.72
GHS - (Ghanian Cedi)	2.58	26.15	2.58	32.68
KSH - (Kenya Shilling)	12.32	8.13	14.34	9.59
MZN - (Mozambican Metical)	106.15	126.29	116.80	126.29
TZS - (Tanzanian Shilling)	113.13	3.70	1343.70	42.40
UGX - (Ugandan Shilling)	9175.61	194.20	9298.12	185.61
RWF - (Rwandan Franc)	1660.68	123.97	8.40	0.63
ZWD- (Zimbabwean Dollar)	0.00	0.00	0.02	0.00
FJD- (Fijian Dollar)	0.07	2.65	0.07	2.57
BTN - (Bhutanese Ngultrum)	171.03	171.03	116.07	116.07
SCR - (Seychellois Rupee)	0.08	0.43	0.47	1.67
TOTAL		**1560.59**		**3488.23**

-In Respect of Payable				
USD	6.21	471.04	9.00	639.96
USD ECB	-	0		
EURO	0.33	27.76	0.21	17.93
ETB - (Ethiopian Birr)	-	0	-	-
GHS - (Ghanian Cedi)	0.91	9.25	0.91	11.54
KSH - (Kenya Shilling)	101.68	67.08	101.68	68.01
MZN - (Mozambican Metical)	-	0	-	-
TZS - (Tanzanian Shilling)	1707.99	55.88	1707.99	53.89
UGX - (Ugandan Shilling)	8012.51	169.59	7347.62	146.67
RWF - (Rwandan Franc)	2557.05	190.89	1649.28	122.84
BTN - (Bhutanese Ngultrum)	51.59	51.59	419.22	419.22
SCR - (Seychellois Rupee)	6.11	32.26	8.67	30.78
TOTAL		**1075.34**		**1510.84**

48. The Company was unable to complete various projects in time, performance bank guarantees of the Company were also invoked by other parties, and non-recovery of its funds due to various reasons and hence defaulted on repayment of dues to lenders, consequently the lenders have classified the loan balances of the Company as non-performing assets:

(a) Bank of India on 07.06.2019
(b) Bank of Baroda on 08.07.2019
(c) State Bank of India on 27.06.2019
(d) Punjab National Bank (UBI) on 26.06.2019
(e) Axis Bank on 30.06.2019
(f) IDBI Bank on 25.09.2019

49. Interest in respect of Bank Loan with various banks amounting to Rs. 10,299.59 lakhs for the period starting from July-2019 to Mar 2022 (Rs. 998.78 lakhs for the period from Jan 2022 to Mar 2022) was not charged by bank.

50. The Company has incurred significant losses for the year ended 31st March 2022 and the net worth is negative as at 31st March 2022. The Company has delayed/defaulted in payment of loans and interest and loan accounts have been classified as non-performing assets by banks. Due to fund constraints and other reasons the company has not been able to complete projects as expected, resulting to invocation of bank guarantees/performance guarantees. Notwithstanding the above, the Standalone financial statements of the Company have been prepared on going concern basis as management believes that the Company would be able to ultimately establish profitable operations, meet its commitments and reduce debt.

51. Additional Regulatory Information

(i) Title deeds of all the Immovable Properties are held in the name of Company.

(ii) The Company has not revalued its Property, Plant and Equipment as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 during the year 2021-22 and 2020-21.

(iii) The company has not granted any loan to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(iv) Company does not have any Capital-Work-in Progress (CWIP).

(v) The company does not have any pending proceeding for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(vi) The Company is having working capital loan from banks which was classified as Non Performing Asset by the bank. The quarterly statements submitted to the banks are in agreement with the books of the accounts.

(vii) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

(viii) The company have the followings transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. The details of which are as under:

Name of Struck off Company	Nature of Transactions with struck Off Company	Balance Outstanding (Paid up value) (Rs. In Lacs)	Relationship with the Struck off company
Shlok Management and Investment Private Limited	Shares held by stuck off company	0.05	None
IL And FS Securities Services Limited	Shares held by stuck off company	0.04	None
Vidhan Marketing Private Limited	Shares held by stuck off company	0.01	None

(ix) The company have following charges and satisfaction yet to be registered with Registrar of Companies beyond the statutory period:

Details of Charge not filed

Date of Acceptance of Loan	**Asset to be Charged**	**Amount of Loan Received (Rs. In Lacs)**	**Amount of Loan Outstanding as on 31.03.2022 (Rs. In Lacs)**	**Lander Name**	**Type of Loan**
27-Sep-17	Motor Vehicle	21.00	3.78	HDFC Bank Limited	Vehicle Loan

Details of charges not satisfied

Charge Id	Date of Creation	Asset Charged	Amount (Rs. In Lacs)	Charge Holder Name	Type of Loan	Remarks
100182559	15-May-18	Motor Vehicle	18.20	Bank of India	Vehicle Loan	Subsequent to Bank Account becoming Non-Performing Asset, Banks are not issuing No Objection Certificate and loan closure letter to satisfy charge on ROC.
100113493	19-Jul-17	Motor Vehicle	31.17	Bank of India	Vehicle Loan	
100113499	13-Jul-17	Motor Vehicle	8.64	Bank of India	Vehicle Loan	
100121344	26-Apr-17	Motor Vehicle	9.00	Bank of Baroda	Vehicle Loan	
10607704	24-Sep-15	Motor Vehicle	25.00	Bank of Baroda	Vehicle Loan	
10586532	24-Jul-15	Motor Vehicle	10.40	IDBI Bank Limited	Vehicle Loan	
100103237	10-Feb-15	Motor Vehicle	5.66	Bank of India	Vehicle Loan	
100103238	10-Feb-15	Motor Vehicle	4.76	Bank of India	Vehicle Loan	
10537018	21-Nov-14	Motor Vehicle	21.00	State Bank Mysore	Vehicle Loan	
10528228	17-Jun-14	Motor Vehicle	25.00	State Bank Mysore	Vehicle Loan	

(x) The company has not advanced/ loaned/ invested funds (borrowed/share premium/any other sources of kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding (whether recorded in writing or otherwise) that the intermediary shall (a) directly/ indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(xi) The company has not received any funds from any other person(s) or entity(ies), including foreign entities (Funding Party), with the understanding (whether recorded in writing or otherwise) that the company shall (a) directly/ indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Funding Party (Ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

(xii) The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. are not applicable on the company.

(xiii) No income has been surrendered or disclosed for which transaction was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(xiv) There is no transaction related to Crypto Currency or Virtual Currency. Hence, not applicable.

52. Financial Ratios: -

Particulars	31.03.2022	31.03.2021	% Variance	Remarks for change above 25%
(a)Current Ratio (in times)	**0.65**	**0.77**	(16.54)	-
(b) Debt-Equity ratio (in times)	**NA (due to negative equity)**	**NA (due to negative equity)**	NA (due to negative equity)	-
(C) Debt-Service Coverage Ratio (in times)	**NA (due to negative earnings for debt service)**	**NA (due to negative earnings for debt service)**	NA (due to negative earnings for debt service)	-
(d) Return on Equity ratio (in%)	**NA (due to negative equity)**	**NA (due to negative equity)**	NA (due to negative equity)	-
(e) Inventory turnover ratio (in times)	**100.39**	**4.40**	2181.53	Due to increase in turnover during the year and reduction in inventory level.
(f) Trade Receivables turnover ratio (in times)	**0.45**	**0.09**	404.06	Due to increase in Turnover during the year.
(g) Trade Payables turnover ratio (in times)	**1.33**	**0.30**	347.80	Due to increase in Turnover during the year purchases and Trade Payable.
(h)Net Capital turnover ratio (in times)	**NA (due to negative working capital)**	**NA (due to negative working capital)**	NA (due to negative working capital)	-
(i)Net Profit ratio (in %)	**(71.39)**	**(480.69)**	(85.15)	Due to decrease in losses as compared to previous year
(j)Return on Capital Employed(in%)	**NA (due to negative net worth)**	**NA (due to negative net worth)**	NA (due to negative net worth)	-
(k)Return on Investment(in%)	**0.00**	**0.00**	(23.12)	-

Formula for computation of ratios are as follows:

Particulars	Numerator	Denominator
(a)Current Ratio (in times)	Current Asset	Current Liabilities
(b) Debt-Equity ratio (in times)	Total Debt	Shareholder's Equity
(C) Debt-Service Coverage Ratio (in times)	Earnings for Debt service = Net Profit after taxes + non-cash operating expenses + interest cost	Debt service = Interest expense + Lease Payments + Principal Repayments
(d) Return on Equity ratio (in%)	Net Profit after taxes	Average Shareholder's Equity
(e) Inventory turnover ratio (in times)	Cost of Goods sold	Average Inventory
(f) Trade Receivables turnover ratio (in times)	Net Credit Sales	Average Trade Receivables
(g) Trade Payables turnover ratio (in times)	Net credit Purchases	Average Trade Payables
(h)Net Capital turnover ratio (in times)	Net Total Sales	Working Capital = Current Assets - Current Liabilities
(i)Net Profit ratio (in %)	Net Profit after taxes	Net Total Sales
(j)Return on Capital Employed(in%)	Earnings before interest and taxes	Tangible Capital employed = Net Worth - Intangible Assets
(k)Return on Investment(in%)	Net Increase in Market Value of Investments + Dividend Income + Interest on FDR	Average Investments & FDR (including interest accrued)

53. The Company has been irregular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, customs duty, cess, goods and service tax and other material statutory dues applicable to it with the appropriate authorities due to various constraints faced by the Company on account of delayed receipt of payments from PSU Customers, COVID Pandemic, suspension of Banking Operations, etc. all of which were not in control of the Company.

54. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report attached

For G C Agarwal & Associates
Chartered Accountants
Firm Regn. No. 017851N

For and on behalf of the Board of Directors

G C Agarwal
Proprietor
M. No. 083820

Arjun Gupta
Chairman & Managing Director
DIN- 00012092

PLACE: New Delhi
Dated: 24.05.2022

Arun Singh
Company Secretary
M. No. A35806

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

TECHNOFAB ENGINEERING LIMITED

Notes to the standalone financial statements

Note - 5 Property, Plants and Equipments

Amount in Lakhs

Particulars	Land	Buildings	Plant and Equipments	Temporary Structure	Barges	Furniture and Fixture	Office Equipment	Vehicles	Computer	Total
Gross Block										
As at March 31, 2020	2,335.85	481.59	1,605.43	18.53	804.02	27.87	26.51	614.67	97.06	6,011.53
Additions	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	561.98	-	-	4.34	13.20	90.13	45.27	714.92
As at March 31, 2021	2,335.85	481.59	1,043.45	18.53	804.02	23.53	13.31	524.54	51.79	5,296.61
Additions	-	-	0.37	-	-	-	-	-	-	0.37
Adjustment	-	-	36.00	-	-	-	-	37.42	-	73.42
As at March 31, 2022	**2,335.85**	**481.59**	**1,007.82**	**18.53**	**804.02**	**23.53**	**13.31**	**487.12**	**51.79**	**5,223.56**
Accumulated Depreciation										-
As at March 31, 2020	-	56.06	546.63	12.89	240.15	11.66	20.85	255.34	69.89	1,213.47
Charge for the period	-	14.02	122.08	3.64	60.00	2.75	1.22	77.79	12.21	293.71
Adjustment	-	-	275.77	-	-	2.49	12.54	46.91	41.71	379.42
As at March 31, 2021	-	70.08	392.94	16.53	300.14	11.92	9.53	286.22	40.40	1,127.77
Charge for the period	-	14.01	85.65	1.07	60.00	2.06	0.75	58.01	1.96	223.50
Adjustment	-	-	16.88	-	-	-	-	18.89	-	35.77
As at March 31, 2022	**-**	**84.09**	**461.71**	**17.60**	**360.14**	**13.97**	**10.28**	**325.34**	**42.36**	**1,315.50**
Net Carrying Amount										
As at March 31, 2021	2,335.85	411.51	650.51	2.00	503.88	11.62	3.78	238.32	11.39	4,168.84
As at March 31, 2022	**2,335.85**	**397.50**	**546.11**	**0.93**	**443.88**	**9.56**	**3.03**	**161.78**	**9.43**	**3,908.06**

For disclosure of title deeds held in the name of company refer note no 51

Note - 6 Investment in Property

Amount in Lakhs

Particulars	Buildings	Total
Gross Block		
As at March 31, 2020	57.76	57.76
Additions		
As at March 31, 2021	**57.76**	**57.76**
Additions	-	-
As at March 31, 2022	**57.76**	**57.76**
Accumulated Depreciation	**-**	**-**
As at March 31, 2020	3.67	3.67
Charge for the year	0.91	0.91
As at March 31, 2021	**4.58**	**4.58**
Charge for the year	0.91	0.91
As at March 31, 2022	**5.49**	**5.49**
Net Carrying Amount		
As at March 31, 2021	**53.19**	**53.19**
Charge for the year		
As at March 31, 2022	**52.27**	**52.27**

Note - 7 Intangible assets

Amount in Lakhs

Particulars	Software	Total
Gross Block		
As at March 31, 2020	**65.68**	**65.68**
Additions	-	-
As at March 31, 2021	**65.68**	**65.68**
Additions	-	-
As at March 31, 2022	**65.68**	**65.68**
Accumulated Depreciation		
As at March 31, 2020	51.52	51.52
Charge for the year	5.96	5.96
As at March 31, 2021	**57.48**	**57.48**
Charge for the year	3.58	3.58
As at March 31, 2022	**61.06**	**61.06**
Net Carrying Amount		-
As at March 31, 2021	**8.20**	**8.20**
As at March 31, 2022	**4.62**	**4.62**

Notes to the standalone financial statements

Amount in Lakhs

Particulars	Face Value	Qty. in nos.	As at 31-Mar-22	Qty. in nos.	As at 31-Mar-21
Note -8 Non-current Investments - Non Trade			₹		₹
(Long Term Investments at Fair Value)					
Designated at fair value through Other Comprehensive Income					
(I) Equity Shares, Fully Paid up (quoted)					
Ahluwalia Contracts Ltd.	2	100	0.47	100	0.30
C & C Construction Ltd.	10	100	0.00	100	0.01
Hind Dorr-Oliver Ltd.	2	74037	-	74037	-
Hindustan Construction Ltd.	1	100	0.02	100	0.01
IVRCL Infrastructure Ltd.	2	100	-	100	-
Larsen & Toubro Ltd.	2	225	2.65	225	2.13
Nagarjuna Construction Ltd.	2	100	0.06	100	0.08
Patel Engineering Ltd.	1	100	0.02	100	0.01
Shriram EPC Ltd.	10	200	0.01	200	0.00
Unitech Ltd.	2	2000	0.04	2000	0.03
Total (I) of Investments measured at Fair Value Through Other Comprehensive Income (FVTOCI)			**3.27**		**2.57**
(II) In wholly owned subsidiary company Investments measured at Fair Value Through Profit & Loss (FVTPL)					
Unquoted, fully paid up equity shares (Non-Trade)					
Rivu Infrastructural Developers Pvt. Ltd.	10	100000	-	100000	-
Woodlands Instruments Pvt. Ltd.	10	473000	167.51	473000	167.51
Arihant Flour Mills Pvt. Ltd.	100	58228	900.96	58228	900.96
Total (II) of Investments measured at Fair Value Through Profit & Loss (FVTPL)			**1,068.47**		**1,068.47**
Total (Non-current Investments)			**1,071.74**		**1,071.04**
Note - 9 Loans Non-Current (Unsecured, Considered good)					
Earnest Money / Security Deposit			201.53		187.64
Total			**201.53**		**187.64**
Note - 10 Other Non Current Assets					
Prepaid Expenses			-		17.55
Total			**-**		**17.55**
Note - 11 Inventories					
Raw Material			14.21		201.55
Total			**14.21**		**201.55**

Notes to the standalone financial statements

Amount in Lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Note - 12 Trade Receivables #		
Trade Receivables considered good-Secured	-	-
Trade Receivables considered good-Unsecured	23,312.02	26,593.70
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit impared	-	-
Total	**23,312.02**	**26,593.70**
# Trade receivables includes Retention Money		
For disclosure of ageing of Trade Receivables refer note no 37		
Note - 13 Cash and Cash Equivalents		
Balance with Banks		
in Current Account with Domestic Banks	2,007.16	62.69
in Current Account with Foreign Banks	181.93	21.47
Cash on Hand	3.74	8.58
Total	**2,192.83**	**92.74**
Note - 14 Other Bank Balances		
In Earmarked Dividend Bank Accounts	3.05	3.05
Fixed deposits having remaining maturity of more than three months and less than twelve months and other than considered in cash and cash equivalents	0.22	0.21
Total	**3.27**	**3.26**
Note - 15 Loans Current (Unsecured, Considered good)		
Security Deposits	1.20	15.24
Total	**1.20**	**15.24**
Note - 16 Current Tax Assets (Net)		
Advance Taxes and Tax Deducted at Source (Net of Provisions)	68.50	19.48
Total	**68.50**	**19.48**
Note - 17 Other Current Assets (Unsecured, Considered good)		
Recoverable from Revenue Authorities	2,102.37	2,405.37
Income Tax Refund Receivable	18.88	15.06
Prepaid Expenses	126.51	176.37
Unbilled Revenue	741.77	2,484.11
Advances for supply of raw materials & Others	3,395.62	2,192.04
Banks Balances in Current Account with Foreign Banks Other than Note -13	127.05	127.01
Total	**6,512.20**	**7,399.96**

TECHNOFAB ENGINEERING LIMITED

Notes to the standalone financial statements

Amount in Lakhs

	Particulars	As At 31-Mar-22	As At 31-Mar-21
Note - 18	**Share Capital**		
	Authorised Capital		
	180,00,000 Equity shares of ₹10/- each	1,800.00	1,800.00
	Issued, Subscribed & Paid up		
	104,90,000 Equity shares of ₹10/- each	1,049.00	1,049.00
	Total	**1,049.00**	**1,049.00**

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

Particulars	As At 31-Mar-22		As At 31-Mar-21	
	No. of shares	Amount in Lakhs	No. of shares	Amount in Lakhs
Shares at the beginning of the year	10490000	1,049.00	10490000	1,049.00
Addition during the year	-	-	-	-
Shares at the end of the year	**10490000**	**1,049.00**	**10490000**	**1,049.00**

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

Name of the shares holders	No. of shares	% of holding	No. of shares	% of holding
Arjun Gupta	2825293	26.93%	2825293	26.93%
Avinash Chander Gupta	920675	8.78%	920675	8.78%
Pragmatic Traders Pvt. Ltd.	568476	5.42%	568476	5.42%

(iii) List of share holders Promoters & Promoters Group shareholding

Name of the shares holders	No. of shares	Percntage	No. of shares	Percntage
Arjun Gupta	2825293	26.93%	2825293	26.93%
Avinash Chander Gupta	920675	8.78%	920675	8.78%
Meera Gupta	514321	4.90%	514321	4.90%
Nakul Gupta	471264	4.49%	471264	4.49%
Gunjan Gupta	11500	0.11%	11500	0.11%
Sucheta Sarvadaman Nakul	11500	0.11%	11500	0.11%
Bakool Venture Private Limited	154028	1.47%	154028	1.47%
Techfab Systems Private Limited	78511	0.75%	78511	0.75%
Techfab International Private Limited	70934	0.68%	70934	0.68%

* No variation on shares held by promoters

Note - 19	**Other Equity**		
	(i) Securities Premium (Refer Note 21a)	**7,019.42**	**7,019.42**
	(ii) General Reserve (Refer Note 21b)		
	As per last accounts	8,107.94	8,107.94
	Closing Balance	**8,107.94**	**8,107.94**
	(iii) Other Comprehensive Income (Refer Note 21c)		
	As per last accounts	32.87	26.99
	Add : Profit (Loss) after tax for the year	21.20	5.88
	Closing Balance	**54.07**	**32.87**
	(iv) Surplus		
	As per last accounts	(28,436.02)	(15,635.71)
	Add : Profit (Loss) after tax for the year	(7,999.55)	(12,800.31)
	Closing Balance	**(36,435.57)**	**(28,436.02)**
	Total	**(21,254.13)**	**(13,275.79)**

Nature of Reserves

19a Securities premium reserve represents the amount received in excess of per value of securities (equity share, preference shares and debentures). Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. section 52 of Companies act 2013 specify restriction and utilisation of security

19b General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is apportioned to general reserve. Under companies act 1956 it was mandatory to transfer amount before a company can declare dividend. however under companies act 2013 transfer of any amount to General reserve is at the discretion of the company.

19c Other Comprehensive income Reserve represent the balance in equity for items to be accounted in other comprehensive income. OCI is classified into i). Items that will not be reclassified to profit and loss ii). Items that will be reclassified to profit and loss.

Notes to the standalone financial statements

Amount in Lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Note - 20 Non Current borrowings {Term Loans (from Banks)}		
Secured		
Vehicle Loans	-	2.96
Unsecured		
Loans from Subsidiaries*	1,656.95	1,666.39
Total	**1,656.95**	**1,669.35**

* Unsecured loans from wholly owned subsidiary companies and is repayable after five years from 31st March,2018 bearing interest rate of 11.6%.

Note - 21 Provisions		
Long Term Provisions		
Gratuity	74.50	88.00
Leave Encashment	21.32	38.67
Total	**95.82**	**126.67**
Note - 22 Other Non Current Liabilities		
Others Payables		
Advance from Customers	6,070.52	5,890.73
Total	**6,070.52**	**5,890.73**
Note - 23 Current borrowings		
From Banks (Secured)		
Working Capital*	36,754.79	32,318.66
Current maturity of :		
Vehicle Loans**	10.82	10.82
Equipment Loans***	192.56	185.63
From Banks (Unsecured)		
Vehicle Loans	3.78	5.32
Total	**36,961.95**	**32,520.43**

* Working capital loan is 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 guarantee of one Director and promotor.

** Secured by hypothecation of the vehicles and is repayable in equated installments upto October, 2022 for different vehicles financed. The loan carries interest rate ranging 10% p.a to 13% p.a.

*** ECB Loan of USD 2.54 Lakhs equivalent Rupees 192.56 Lakhs is secured against hypothecation of plant and machinery purchased for International Projects. The loan carries interest @ six months Libor plus 3.5% p.a.The loan is net of transaction cost.

Interest in respect of Bank loan	
(i) AXIS BANK	1,703.51
(ii) BANK OF BARODA	1,732.95
(iii) BANK OF INDIA	3,887.22
(iv) IDBI BANK	368.36
(v) STATE BANK OF INDIA	1,456.12
(vI) PUNJAB NATIONAL BANK (UBI)	1,151.44
Total	**10,299.60**

For the period July-2019 to March-2022 was not charged by banks during the year.

Notes to the standalone financial statements

Amount in Lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Note - 24 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises*	59.65	65.85
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,578.80	7,073.05
Total	**8,638.45**	**7,138.90**
For disclosure of ageing of Trade Payables refer note no 37		
***Note relating to micro, small and medium enterprises**		
i Principal Amount remaining unpaid at the end of the year	21.53	32.50
ii Interest Amount remaining unpaid at the end of the year	38.12	33.35
iii Amount of Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006		
iv Amount of Interest due and payable for the period of delay in making payment (in addition to the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		
v Amount of Interest accrued and remained unpaid at the end of the year		
vi Amount of further Interest remaining due and paid in the suceeding year		
Total	**59.65**	**65.85**
Note - 25 Other Current Financial Liabilities		
Unpaid Dividend	3.05	3.05
Total	**3.05**	**3.05**
Note - 26 Other Current Liabilities		
Other Payable (including expenses payable)	2,989.49	3,520.91
Advance from Customers	1,071.27	1,039.54
Statutory Dues	30.78	90.74
	-	-
Total	**4,091.54**	**4,651.19**
Note - 27 Current Provisions		
Gratuity	23.00	46.80
Leave Encashment	6.30	12.06
Total	**29.30**	**58.86**

TECHNOFAB ENGINEERING LIMITED

Notes to the standalone financial statements

Amount in Lakhs

	Particulars	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Note - 28	**Revenue from Operations**		
	Construction Contract	11,205.62	2,662.90
	Export Incentives	88.70	-
	Total	**11,294.32**	**2,662.90**
Note - 29	**Other Income**		
	Miscellaneous Income	2.56	24.61
	Interest from Others	0.28	0.32
	Rent Received	1.75	1.45
	Dividend Income from Non-Current Investments	0.04	0.05
	Interest on Income Tax Refund	7.01	51.46
	Exchange Rate Variation (Net)	32.46	-
	Interest received on FDR	0.01	0.01
	Liability no Longer Required	150.99	1,058.85
	Total	**195.10**	**1,136.75**
Note - 30	**Cost of Materials Consumed**	**1,215.21**	**1,243.38**
Note - 31	**(Increase) / Decrease in Raw Material & Work in progress**		
	(a) Opening Stock		
	Raw Material	188.96	885.070590
	Work-in-Progress		
	Total a	**188.96**	**885.07**
	(b) Closing Stock		
	Raw Material	5.02	188.95
	Work-in-Progress		
	Total b	**5.02**	**188.95**
	Total (a-b)	**183.94**	**696.12**
Note - 32	**Expenditure on Contracts**		
	Sub Contractor Expenses (Back to Back)	9,125.59	379.88
	Power and Fuel	11.52	11.77
	Inspection and Testing	11.28	59.40
	Repairs and Maintenance	49.09	52.83
	Freight, Forwarding and Clearing	2.01	42.70
	Rates and Taxes	14.62	101.08
	Rent and Hire Charges	64.30	136.29
	Insurance	20.53	32.15
	Other Site Expenses	133.08	230.98
	Total	**9,431.02**	**1,047.08**
Note - 33	**Employee Benefit Expense**		
	Salaries, Wages and Other Allowances	580.60	939.13
	Contribution to Provident and Other Funds	84.46	138.71
	Workmen and staff Welfare	11.78	14.14
	Total	**677.84**	**1,091.98**

Notes to the standalone financial statements

Amount in Lakhs

	Particulars	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Note - 34	**Finance Cost**		
	Interest	753.97	628.37
	Bank Charges	587.87	609.71
	Total	**1,341.84**	**1,238.08**
Note - 35	**Other Expenses**		
	Power and Fuel	19.09	23.92
	Repairs to Others	34.84	62.88
	Insurance	8.68	19.40
	Rates and Taxes	1.18	1.84
	Exchange Rate Variation (Net)	-	65.46
	Interest on TDS	14.83	14.51
	Auditors Remuneration	1.39	0.65
	Miscellaneous Expenditure	44.16	14.12
	Liquidity Damages	1,203.19	109.65
	Director's Sitting Fees	8.80	10.80
	Legal and Professional	282.51	188.77
	Rent and Hire Charges	7.42	7.42
	Communication Charges	3.25	8.50
	Printing and Stationary	7.47	6.88
	Travelling and Conveyance	46.85	11.34
	Vehicle Running and Maintenance Charges	0.54	1.39
	Bad Debts and Sundry Balance w/off	1,484.68	5,830.53
	Loss on Sale and Discard of Assets (Net)	9.74	233.29
	Total	**3,178.62**	**6,611.35**
Note - 36	**Exceptional Items**		
	BG Invoked by customers	3,231.86	4,371.40
	Total	**3,231.86**	**4,371.40**

The Company had requested banks to provide support by giving additional enhanced Working Capital facilities to meet the growth capital requirements for projects/operations of the Company. A detailed discussion on this is given separately in note on banking situation. (Refer Note No. 50 & 51)

In the current financial year, the Company could not fully service its projects due to non-availability of growth capital and resultantly the Company could not meet the funding requirements for projects by providing material and payment for services therefore the scheduled project execution timelines could not be met and the project execution was delayed substantially.

In view of this situation few projects under execution were terminated by the customer and consequently the Bank Guarantees for these projects were invoked. Since this is not a normal business situation therefore these have been classified as exceptional items and presentation for the same has been shown separately in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TECHNOFAB ENGINEERING LIMITED

Report on the Consolidated Financial Statements

Qualified Opinion
We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of **TECHNOFAB ENGINEERING LIMITED** ("the Company") and its subsidiaries hereinafter referred to as the "Group" to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at 31st March, 2022, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year ended, the consolidated Statement of Changes in Equity and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required, except for the indeterminate effects of the matter referred to in Basis for Qualified Opinion section below, give a true and fair view in conformity with the Indian accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its subsidiaries as at 31st March, 2022, their consolidated loss (including Other Comprehensive Income), their consolidated cash flows and consolidated statement of Changes in Equity for the year ended on that date.

Basis of Qualified Opinion
We draw your attention to note 48, 49 & 50 to the consolidated financial statements with regard to multiple significant uncertainties faced by the Company such as (a) Non availability of funds from banks and also declaration of loans as NPA (b) Poor recovery from debtors (c) Invocation of performance guarantees / bank guarantees (d) Litigation with debtors (e) Balance of Trade Receivables being subject to confirmation. The impact of the above matters, if any, on the standalone financial statements is presently not ascertainable.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 48, 49 & 50 to the consolidated financial statements, which states that the company has significant accumulated losses at the year ended March 31, 2022 and has defaulted in repayment of loan and interest payments. Due to fund constraints and other reasons the company has not been able to complete projects as expected, resulting in invocation of bank guarantees/performance guarantees. These events or conditions, along with other matters as set forth in aforesaid note, indicate that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern if the company is not able to raise funds, renegotiate/restructure liabilities monetize its certain assets including but not limited to realization of stated amount of debtors and generate cash flow from operations that it needs to settle its liabilities as they fall due.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 48, 49 & 50 to the consolidated financial statements, which states that the company has defaulted on repayments to various banks due to invocation of various bank guarantees / performance guarantees and poor recovery and litigations with debtors.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matters described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the consolidated financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive

income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the respective Board of Directors of the Companies included in the Group and its subsidiaries ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its subsidiaries to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and of its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of Rs. 1,969.21 lacs as at 31st March, 2022, total revenues of Rs. 0.03 lacs, net loss after tax of Rs. 1.17 lacs for the year ended 31st March, 2022 and net cash outflows amounting to Rs 6.55 lacs for the year ended on that date, as

considered in the consolidated financial statements. These financial statements/ financial information of three subsidiaries have been audited by the other auditor whose reports have been furnished to us by the management and our opinion, on the statement, in so far as it relates to the amounts and disclosures included in respect of the three subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    b. In our opinion, proper books of account as required by law maintained by the Company, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the group including relevant records maintained by the company for the purpose of preparation of the Consolidated Financial Statements.

    d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended).

    e. On the basis of written representation received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 44 in the Consolidated Financial Statements.

ii. The Group did not have any long-term contracts including derivative contracts as at 31st March, 2022

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a) The Holding Company's Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever or on the behalf of group ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The Holding Company's Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement

v. The company has neither proposed nor declared any dividend during the year.

h. With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section197(16) of the act, as amended no remuneration has been paid/provided by the company to its directors during the year.

For G C Agarwal & Associates
Chartered Accountants
Firm Registration No: 017851N

G. C. Agarwal
Prop.
M.No. 083820

Place: New Delhi
Date: 24.05.2022
UDIN: 22083820AKFLWU4229

Annexure A to Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of **TECHNOFAB ENGINEERING LIMITED** ("the Holding Company") and its subsidiary companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G C Agarwal & Associates
Chartered Accountants
Firm Registration No: 017851N

G. C. Agarwal
Prop.
M.No. 083820

Place: New Delhi
Date: 24.05.2022

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

CONSOLIDATED BALANCE SHEET 31ST MARCH, 2022

₹ in Lakhs

Particulars	Note no.	As at 31-Mar-22	As at 31-Mar-21
(1) Non-Current Assets			
Property, Plant and Equipment	5	3,908.06	4,168.84
Investment in Property	6	52.27	53.19
Intangible assets	7	4.62	8.20
Goodwill		565.01	565.01
Financial Assets			
(i) Investments	8	3.27	2.57
(ii) Loans	9	201.53	187.63
Other Non Current Assets	10	-	17.55
		4,734.76	5,002.99
(2) Current Assets			
Inventories	11	14.21	201.55
Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	12	23,312.02	26,593.70
(iii) Cash and Cash Equivalents	13	2,194.44	100.90
(iv) Other Bank balances other than (iii) above	14	3.27	3.26
(v) Other Financial Assets	15	76.22	90.26
Current Tax Assets (Net)	16	68.50	43.26
Other Current Assets	17	6,551.52	7,400.73
		32,220.18	34,433.66
Total		**36,954.94**	**39,436.65**
EQUITY AND LIABILITIES			
(1) Shareholder's Funds:			
Equity Share Capital	18	1,049.00	1,049.00
Other Equity	19	(19,986.83)	(12,007.31)
		(18,937.83)	(10,958.31)
(2) Non-Current Liabilities			
Financial Liabilities			
Borrowings	20	-	2.97
Provisions	21	95.82	126.68
Other non current liabilities	22	6,070.52	5,890.73
		6,166.34	6,020.38
(3) Current Liabilities			
Financial Liabilities			
(i) Borrowings	23	36,961.95	32,520.43
(ii) Trade Payables			
(a)Total outstanding dues of Micro enterprises and small enterprises; and	24	59.65	65.85
than Micro enterprises and small enterprises	24	8,578.81	7,073.05
(iii) Other Financial Liabilities	25	3.05	3.05
Other Current Liabilities	26	4,093.67	4,653.34
Provisions	27	29.30	58.86
		49,726.43	44,374.58
Total		**36,954.94**	**39,436.65**

See accompanying notes forming part of the Standalone financial statements 1 to 54
In term of our report attached

As per our report attached
For G C Agarwal & Associates
Chartered Accountants
Firm Reg. No.017851N

For and on behalf of Board of Directors

Arjun Gupta
Chairman & Managing Director
DIN-00012092

G. C. Agarwal
Proprietor
Mem. No.083820

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

Arun Singh
Company Secretary
Mem. No. A35806

Date : 24.05.2022
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Lakhs

Particulars	Note no.	Year Ended 31-Mar-22	Year Ended 31-Mar-21
REVENUE :			
Revenue from Operations	28	11,294.32	2,662.90
Other Income	29	195.14	1,136.75
Total Revenue		**11,489.46**	**3,799.65**
EXPENSES :			
Cost of Materials Consumed	30	1,215.21	1,243.38
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31	183.94	696.11
Expenditure on Contracts	32	9,432.02	1,047.08
Employee Benefit Expense	33	676.84	1,092.01
Finance Costs	34	1,341.84	1,106.64
Depreciation and Amortization Expense	5, 6 & 7	228.01	303.07
Other Expenses	35	3,179.04	6,715.19
Total Expenses		**16,256.90**	**12,203.48**
Profit / (Loss) before Exceptional items and Tax		**(4,767.44)**	**(8,403.83)**
Exceptional Items	36	3,231.86	4,371.40
Profit / (Loss) after Exceptional items but Before Tax		**(7,999.30)**	**(12,775.23)**
Tax Expense :			
- Current Tax		-	-
- Deferred Tax		-	(0.48)
- Tax Adjustment for Earlier Years		1.41	10.46
Total Tax Expenses		**1.41**	**9.98**
Profit / (Loss) for the period from continuing operations		**(8,000.71)**	**(12,785.21)**
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(a) Re-measurement Gains / (Losses) of defined benefit plans		20.49	4.76
Income tax effect on above		-	-
(b) Equity Instruments through Other Comprehensive Income		0.70	1.12
Income tax effect on above		-	-
Total Other Comprehensive Income		**21.19**	**5.88**
Total Comprehensive Income for the year		**(7,979.52)**	**(12,779.33)**
Earning per share (₹)			
Basic		**(76.27)**	**(121.88)**
Diluted		**(76.27)**	**(121.88)**
Face Value of Share (₹)		**10.00**	**10.00**

See accompanying notes forming part of the Standalone financial statements 1 to 54
In term of our report attached

As per our report attached.
For G C Agarwal & Associates
Chartered Accountants
Firm Reg. No.017851N

For and on behalf of Board of Directors

G. C. Agarwal
Proprietor
Mem. No.083820

Arjun Gupta
Chairman & Managing Director
DIN-00012092

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

Arun Singh
Company Secretary
Mem. No. A35806

Date : 24.05.2022
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Lakhs

A. Equity Share Capital	Balance as at 31st March, 2020	Changes in equity share capital during the period 2020-21	Balance as at 31st March, 2021	Changes in equity share capital during the period 2021-22	Balance as at 31st March, 2022
	1,049.00	-	1,049.00	-	1,049.00

₹ in Lakhs

B. Other Equity	Reserves & Surplus			Items of Other Comprehensive Income		Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Items that will not be reclassified to Profit and Loss		
Particulars				Remeasurement of Defined Benefit Plans	Equity Instruments through Other Comprehensive Income	
Balance as at March 31, 2020	**7,358.02**	**8,110.44**	**(14,723.43)**	**28.38**	**(1.39)**	**772.02**
Previous Year adjustment			-	-		**-**
Profit/(Loss) for the year ended 31st March, 2021			(12,785.21)			**(12,785.21)**
Re-measurement gains (losses) on defined benefit plans				4.76		**4.76**
Gain (losses) on Fair valuation of Long Term Investment					1.12	**1.12**
Balance as at March 31, 2021	**7,358.02**	**8,110.44**	**(27,508.64)**	**33.14**	**(0.27)**	**(12,007.31)**
Profit/(Loss) for the year ended 31st March, 2022			(8,000.71)			**(8,000.71)**
Re-measurement gains (losses) on defined benefit plans				20.49		**20.49**
Gain (losses) on Fair valuation of Long Term Investment					0.70	**0.70**
Balance as at March 31, 2022	**7,358.02**	**8,110.44**	**(35,509.36)**	**53.63**	**0.43**	**(19,986.83)**

For and on behalf of Board of Directors

As per our report attached
For G C Agarwal & Associates
Chartered Accountants
Firm Reg. No.017851N

Arjun Gupta
Chairman & Managing Director
DIN-00012092

G. C. Agarwal
Proprietor
Mem. No.083820

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

Arun Singh
Company Secretary
Mem. No. A35806

Date : 24.05.2022
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Lakhs

Particulars		Year Ended 31-Mar-22	Year Ended 31-Mar-21
(A) CASH FLOW OPERATING ACTIVITIES			
Net Profit Before Tax and Extraordinary Item		**(7,999.30)**	**(12,775.23)**
Adjustment for :			
Depreciation		228.01	303.07
Interest Expenses		753.97	490.08
Interest Income		0.32	51.76
Loss on Sale of Property, Plant and Equipments (Net)		9.73	297.44
Dividend Income		(0.04)	(0.05)
Bad Debts Recovered (Net)		(1,484.68)	(5,830.53)
Liability No Longer Required		150.99	1,058.85
Operating Profit before Working Capital Changes		**(8,341.00)**	**(16,404.61)**
Adjustment for :			
Trade receivables		4,766.36	12,423.04
Loans and Advances and other assets		909.46	1,096.28
Inventories		187.34	954.37
Trade and Other payables		929.45	(1,597.42)
Cash Generated from Operation		**(1,548.39)**	**(3,528.34)**
Direct Taxes Paid		(69.91)	37.23
Net Cash Flow from Operating Activities	**(A)**	**(1,618.30)**	**(3,491.11)**
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(0.37)	-
Sale of Fixed Assets		27.89	1,002.22
Interest Income		(0.32)	(51.76)
Sale / (Purchase) of Investments (Net)		-	-
Dividend Received		0.04	0.05
Net Cash from (-used) in Investing Activities	**(B)**	**27.24**	**950.51**
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid		(753.97)	(490.08)
Proceeds / (Repayment) from / of Long term Borrowings (Net)		(2.96)	(7.80)
Proceeds / (Repayment) from / of Short term Borrowings (Net)		1,209.67	(1,671.50)
Increase in Borrowings due to Invocation of Bank Guarantees		3,231.86	4,371.40
Dividend Paid		-	-
Tax on Dividend		-	-
Net Cash Flow From Financing Activities	**(C)**	**3,684.60**	**2,202.02**
Net Increase in Cash and Cash Equivalents	**(A+B+C)**	**2,093.54**	**(337.58)**
Cash & Cash Equivalents (Opening Balance)		**100.90**	**439.48**
Cash & Cash Equivalents (Closing Balance)		**2,194.44**	**100.90**

See accompanying notes forming part of the Standalone financial statements 1 to 54
In term of our report attached

For and on behalf of Board of Directors

For G C Agarwal & Associates
Chartered Accountants
Firm Reg. No.017851N

Arjun Gupta
Chairman & Managing Director
DIN-00012092

G. C. Agarwal
Proprietor
Mem. No.083820

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

Arun Singh
Company Secretary
Mem. No. A35806

Date : 24.05.2022
Place : New Delhi

1. Corporate and General Information

Technofab Engineering Limited (the Company) is domiciled and incorporated in India on 20th July, 1971. The registered office of the company is situated at 913, Hemkunt Chambers, 89, Nehru Place, New Delhi – 110 019, India.

Under Companies Act, 2013, Group is defined as parent, subsidiaries, joint ventures and associates. For these consolidated financial statements, the aforesaid definition under Companies Act, 2013 has been considered.

The Group is engaged in the business of engineering, procurement and construction (EPC) contracts for electricity, water infrastructure, oil handling systems etc. on a turnkey, supply or erection basis.

The accounts of the Company have been prepared on going concern basis as management believes that the Company would be able to be in operation and expected to be able to operate for the following 12 months with no threat of liquidation or closure.

Further the Company has the resources and requisite technical qualification for executing the existing Business and with its inherent strength to continue its operations for the foreseeable future. Under these circumstances, assets and liabilities are recorded in the financial statements assuming that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

Further the net worth of the Company is negative on the reporting date. The Company is having substantial orders in hand for project execution and the Management does not have an intention to liquidate or close the operations of the Company.

The Company is currently banking with the consortium of six Banks for documented working capital fund based and non-fund based limits of Rs. 907 Crores.

The Company could not achieve the requisite project progress commensurate with its targets / plans and therefore some projects were terminated and Performance Guarantees were invoked. Since the overdrawn position in the bank accounts remained beyond the stipulated guidelines therefore the bank accounts of the Company were classified as Non-Performing Asset (NPA). In view of this, as per the applicable guidelines issued by the Reserve Bank of India, the Company has submitted its Restructuring Proposal which is under due consideration by the Consortium Member Banks.

2. Basis of preparation

The financial statements have been prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015 (as amended). The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Group has consistently applied the accounting policies used in the preparation for all periods presented.

The significant accounting policies used in preparing the consolidated financial statements are set out in Note 3 of the Notes to the consolidated financial statements.

The preparation of consolidated financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates

are recognised in the period in which the estimates are revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note 4 on critical accounting estimates, assumptions and judgements).

Basis of Consolidation

The consolidated financial statements have been prepared on the following principles:

The consolidated financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra-group transactions and unrealised profits or losses in accordance with Indian Accounting Standards (IND AS 110) on "Consolidated financial Statements" notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rule 2015 as amended time to time .

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The Consolidated Financial Statements include the results of the following subsidiaries:

S. No.	Name of Subsidiaries	County of Incorporation	Percentage of ownership interest as at 31st March 2022
1	Arihant Flour Mills Pvt Ltd	India	100%
2	Woodlands Instruments Pvt Ltd	India	100%
3	Rivu Infrastructural Developers Pvt Ltd	India	100%

3. Significant Accounting Policies

3.1 Basis of Measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention except following which have been measured at fair value:

- Financial assets and liabilities, (carried at amortised cost),
- Defined benefit plans – plan assets measured at fair value,

3.2 Property, Plant and equipment

a) Property, Plant and Equipment on the date of transition. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

b) Depreciation is provided on Straight Line Method over the remaining useful life of the assets in the manner prescribed in Schedule II of the Companies Act, 2013.

c) The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

3.3 Intangible Assets

Identifiable intangible assets are recognised a) when the Group controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Computer software are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding four years on straight line basis. The assets' useful lives are reviewed at each financial year end.

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. On loss of control over subsidiary, the attributable amount of goodwill is included in the determination of profit and loss recognised in the profit and loss statement on disposal.

3.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Group's cash management.

3.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition.

3.6 Employee benefits

a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

d) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in Statement of Profit and loss.

3.7 Foreign currency reinstatement and translation

a. Functional and presentation currency

These financial statements have been presented in Indian Rupees (Rs), which is the Group's functional and presentation currency.

b. Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at rates prevailing at the date of the transactions. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference is recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

3.8 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

i. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables, the Group may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

ii. Investment in equity shares

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in equity securities are held for trading purposes. In the case of long term investments, the gain/(loss) are recognized through Other Comprehensive Income. The fair value gains or losses of all other equity securities are recognized in Other Comprehensive Income.

B. Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

Financial liabilities are classified in two categories; subsequent measurement of financial assets is dependent on initial categorisation. These categories and their classification are as below:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Group has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii. Financial liabilities measured at amortized cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method (''EIR'') except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

iii. Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are

recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.9 Equity share capital

Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

3.10 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

3.11 Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are set off, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

3.12 Revenue recognition and other operating income

Revenue from construction contracts

Revenue from construction services are recognised on percentage completion method on invoicing of services and transfer of goods. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost. Estimated loss on project activity to be undertaken in future years is provided for.

Other Income

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Export Benefits

Export benefits i.e. duty drawback is accounted for only when the right to receive the same is established.

Dividend

Dividend income is recognised when the right to receive dividend is established.

3.13 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

3.14 Provisions and contingencies

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Gratuity and leave encashment provision

Refer Note 3.6 for provision relating to gratuity and leave encashment.

Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a

present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.15 Exceptional items

Exceptional items refer to items of income or expense within the Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

3.16 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,
b) It is held primarily for the purpose of trading,
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.17 Dividend and dividend distribution tax

Annual divided distribution to the shareholders is recognised as a liability in the period in which the dividend are approved by the shareholders. Any interim dividend paid is recognised on approval by board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

3.18 Leases

Lease The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight line basis over the lease

3.19 COVID-19 Policy

The outbreak of Corona Virus (COVID-19) pandemic globally and in India has significantly impacted the normal business operation by way of supply chain disruption, unavailability of personnel, closure/lock down etc. during the lock down period. The company's operations and revenue during the period / year were impacted due to COVID-19. The company has assessed the possible impacts of COVID-19 on its financial statements based on internal and external factors up to the date of approval of the Audited Financial Results. Based on its review and current economic condition, there is no impact on the accounting policies of the company on account of COVID-19, the pandemic. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

3.20 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Ministry of Corporate Affairs ("MCA") amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the company has changed the classification/presentation of

(i) current maturities of long-term borrowings
(ii) security deposits, in the current year

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.
Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

4. Critical accounting estimates, assumptions and judgements

In the process of applying the Group's accounting policies, management has made the following estimates,assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) **Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

(b) **Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

(c) **Allowance for uncollected accounts receivable and advances**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

(d) **Insurance claims**

Insurance claims are recognised when the Group have reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

37. Financial risk management

Financial risk factors

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group's activities expose it to a variety of financial risks:

i) **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2022 and March 31, 2021.

ii) **Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

iii) **Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The foreign exchange risk is covered under a natural hedge. The Group is not exposed to interest rate risk as most borrowings are at fixed rate.

a) Foreign exchange risk and sensitivity

The Group transacts business in Indian Rupee and in foreign currency. The Group has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.
The following table demonstrates the sensitivity in the USD, EURO and others to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives hedging contracts is given below:

Particulars	Net Monitory items in foreign currency Receivables / (Payables) on reporting date (Absolute Figures)	Change in currency Exchange Rate	Effect on profit /(Loss) before tax (In Rs. In Lacs)
For the year ended March 31, 2022			
USD	22,68,770	+ 5%	86.10
		-5%	(86.10)
EURO	(32,752)	+ 5%	(1.38)
		-5%	1.38
Others (INR Equivalent)	80,89,551	+ 5%	4.04
		-5%	(4.04)
For the year ended March 31, 2021			
USD	25,23,568	+ 5%	93.24
		-5%	(93.24)
EURO	5,20,654	+ 5%	22.37
		-5%	(22.37)
TZS			
Others (INR Equivalent)	(3,34,72,547)	+ 5%	(16.74)
		-5%	16.74

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Summary of exchange difference accounted in Statement of Profit and Loss:

(Rs. In Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Currency fluctuations		
Net foreign exchange gain/(losses) shown as operating expenses	32.46	(65.46)
Total	**32.46**	**(65.46)**

The details of balances with foreign banks are as follows

(Rs. in Lacs)

NAME OF BANKS	Currency	As on 31.03.2022		As on 31.03.2021	
		Outstanding Balance (INR)	Maximum balance during the year (INR)	Outstanding Balance (INR)	Maximum balance during the year (INR)
EQUITY BANK ISIOLO (KENYA)	KSH	-	-	-	-
CRDB BANK (BUKOBA)	TZS	-	-	-	-
CRDB BANK (SUMBAWANGA)	TZS	-	-	-	-
CRDB BANK (BUKOBA)	USD	-	-	-	-
CRDB BANK (SUMBAWANGA)	USD	-	-	-	-
ECO BANK (ZIMBABWE)	USD	0.00	0.00	0.00	0.01
ECO BANK (ZIMBABWE) FCA	USD	0.00	0.00	0.00	0.18
BANK OF ABYSSINIA (ETHIOPIA)	ETB	0.72	0.72	0.72	0.86
PRUDENTIAL BANK LTD (GHANA)	GHS	0.00	0.00	0.04	0.04
INTERNATIONAL BANK LIBERIA LTD (LIBERIA)	USD	2.49	2.71	2.71	3.12
STANDARD BANK S.A. (MOZAMBIQUE)	MZN	126.29	126.29	126.29	130.68
STANDARD BANK S.A. (MOZAMBIQUE)	USD	-	-	-	-
STANBIC BANK (UGANDA)	UGX	0.03	0.03	0.03	53.48
BANK OF BHUTAN (BHUTAN)	BTN	0.51	387.71	17.89	517.38
SEYCHELLES COMMERCIAL BANK (SEYCHELLES)	SCR	0.14	0.14	0.14	20.30
SEYCHELLES COMMERCIAL BANK (SEYCHELLES)	USD	0.37	0.37	0.37	0.38
I & M BANK LTD. (RWANDA)	RWF	6.66	74.26	0.12	0.18
I & M BANK LTD. (RWANDA)	USD	172.26	172.26	0.21	0.25

The balance appearing in BANK OF ABYSSINIA (ETHIOPIA), PRUDENTIAL BANK OF GHANA, SEYCHELLES COMMERCIAL BANK (SCR), SEYCHELLES COMMERCIAL BANK (USD), STANBIC BANK (UGANDA) & STANDARD BANK S.A. (MOZAMBIQUE) are subject to verification of bank statements and reconciliation.

(b) Interest rate risk and sensitivity

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates, any changes in the interest rates environment may impact future cost of borrowing.

With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

Interest rate sensitivity

(Rs. In Lacs)

Interest rate sensitivity	Increase/Decrease in basis points	Effect on profit/(loss) before tax
For the year ended March 31, 2022		
INR borrowings	+50	(183.77)
	-50	183.77
USD borrowings	+25	(0.48)
	-25	0.48
For the year ended March 31, 2021		
INR borrowings	+50	(161.59)
	-50	161.59
USD borrowings	+25	(0.46)
	-25	0.46

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Commodity price risk and sensitivity

The Group is exposed to the movement in price of key raw materials in domestic and international markets. The Group has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Group enter into contracts for procurement of material, most of the transactions are short term fixed price contract and a very few transactions are long term fixed price contracts.

Credit risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

Trade Receivables

The Group extends credit to customers in normal course of business. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly Government. The Group has also taken advances and security deposits from its customers to mitigate the credit risk to an extent.

The ageing of trade receivable is as below:

Trade Receivables as on 31.03.2022

Rs. In Lacs

Particulars	Trade Receivables					
	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months -1 year	1 -2 years	2 -3 years	More than 3 years	Total
(i) Undisputed Trade receivables - Considered Good	3,041.94	541.49	1,032.68	1,344.82	7,346.19	13,307.12
(ii) Undisputed Trade receivables - Considered Doubtful	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit Impaired						
(iv) Disputed Trade receivables - Considered Good	-	-	-	484.51	9,520.39	10,004.90
(v) Disputed Trade receivables - Considered Doubtful	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit Impaired						
	3,041.94	**541.49**	**1,032.68**	**1,829.33**	**16,866.58**	**23,312.02**

Trade Receivables as on 31.03.2021

Rs. In Lacs

Particulars	Trade Receivables ageing schedule					
	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months -1 year	1 -2 years	2 -3 years	More than 3 years	Total
(i) Undisputed Trade receivables - Considered Good	1,240.83	580.40	2,087.99	2,812.13	9,390.69	16,112.04
(ii) Undisputed Trade receivables - Considered Doubtful	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered Good	-	-	491.89	5,377.70	4,612.08	10,481.67
(v) Disputed Trade receivables - Considered Doubtful	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit Impaired	-	-	-	-	-	-
	1,240.83	**580.40**	**2,579.88**	**8,189.83**	**14,002.77**	**26,593.71**

Financial instruments and cash deposits

The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances other than those required for its day to day operations.

Liquidity risk

The Group's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. In case of temporary shortfall in liquidity to repay the bank borrowing/operational shortfall, the Group uses mix of capital infusion and borrowing from its subsidiary companies. However, the Group envisage that such shortfall is temporary and the Group would generate sufficient cash flows as per approved projections.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Rs. In Lacs)

Particulars	Carrying Amount	Ageing as on 31st March 2022			
		On demand	< 6 months	6-12 months	> 1 years	Total
Interest bearing borrowings	36,861.95	-	98.82	36,863.13	-	36,961.95
Trade payable	8,638.45	-	8,638.45	-	-	8,638.45
Other liabilities	3.05	3.05	-	-	-	3.05
Total	**45,603.45**	**3.05**	**8,737.27**	**36,863.13**	**-**	**45,603.45**

Particulars	Carrying Amount	Ageing as on 31st March 2021			
		On demand	< 6 months	6-12 months	> 1 years	Total
Interest bearing borrowings	32,523.39	-	98.31	32,425.08	-	32,523.39
Trade payable	7,138.90	-	7,138.90	-	-	7,138.90
Other liabilities	3.05	3.05	-	-	-	3.05
Total	**39,665.34**	**3.05**	**7,234.25**	**32,425.08**	**-**	**39,665.34**

TRADE PAYABLES DUE FOR PAYMENT - AS ON 31.03.2022

(Rs. In Lacs)

Particulars	Trade Payables ageing schedule				
	Outstanding for the following periods from				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	4.77	7.86	11.34	35.69	59.66
(ii) Others	2,916.95	272.69	1,060.97	3,382.36	7,632.97
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	3.82	122.51	819.49	945.82
	2,921.72	**284.37**	**1,194.82**	**4,237.54**	**8,638.45**

TRADE PAYABLES DUE FOR PAYMENT - AS ON 31.03.2021

(Rs. In Lacs)

Particulars	Trade Payables ageing schedule				
	Outstanding for the following periods from				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	7.86	11.34	14.22	32.44	65.86
(ii) Others	500.74	1,387.93	2,456.70	2,028.60	6,373.97
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	3.82	49.72	485.74	159.80	699.08
Total	**512.42**	**1,448.99**	**2,956.66**	**2,220.84**	**7,138.91**

Interest rate & currency of borrowings

The below table demonstrate the borrowing of fixed and floating rate of interest

(Rs. In Lacs)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted Average Rate of Borrowing (%)
INR	36769.39	36754.79	14.60	11.17
USD (INR Equivalent)	192.56	192.56	-	3.78
Total as at March 31, 2022	**36961.95**	**36947.35**	**14.60**	
INR	32337.77	32318.66	19.11	11.17
USD (INR Equivalent)	185.63	185.63	-	3.78
Total as at March 31, 2021	**32523.39**	**32504.29**	**19.11**	

Competition and price risk

The Group faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Capital risk management

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Group's capital management is to maximize the shareholder value. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The Gearing ratio for FY 2021-22 and FY 2020-21 is as under:

(Rs. In Lacs)

Particulars	As of March 31, 2022	As of March 31, 2021
Loans and borrowings	36,961.95	32,523.39
Less: Cash and cash equivalents	2,197.48	103.95
Net debt	34,764.47	32,419.44
Equity	(18,937.82)	(10,958.31)
Total capital	15,826.65	21,461.14
Gearing ratio	219.66%	151.06%

The Group Plan to reduce its gearing ratio.

38. Fair value of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are recognised in the financial statements

(Rs. In Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets designated at amortised cost				
Fixed deposits with banks	0.22	0.22	0.21	0.21
Cash and bank balances	2,197.48	2,197.48	103.95	103.95
Investments	3.27	3.27	2.57	2.57
Trade and other receivables	23,312.02	23,312.02	26,593.70	26,593.70
Other financial assets	76.22	76.22	90.26	90.26
	25,589.21	**25589.31**	**26,790.69**	**26,790.69**
Financial liabilities designated at amortised cost				
Borrowings- fixed rate	14.60	14.60	19.11	19.11
Borrowings- floating rate	36,947.35	36,947.35	32504.29	32504.29
Trade & other payables	8,637.45	8,637.45	7138.90	7138.90
Other financial liabilities	3.05	3.05	3.05	3.05
	45,602.45	**45,602.45**	**39665.35**	**39665.35**

Fair Valuation techniques

The Group maintains policies and procedures to value financial assets and financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group, based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings is not material different from carrying values. For fixed interest rate borrowing, fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Group is considered to be insignificant in valuation.

3) The fair value of fixed interest bearing loans, borrowings and deposits is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities (level 1) - It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the balance sheet date.

- Inputs other than quoted prices included within level 1). that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Group specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
  Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Assets measured at fair value through Other Comprehensive Income (accounted)

(Rs. In Lacs)

Particulars	As at March 31, 2022		
	Level 1	Level 2	Level 3
Financial assets			
Non Current Investments			
- In Quoted Investments	3.27	-	-
Particulars	**As at March 31, 2021**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Non Current Investments			
- In Quoted Investments	2.57	-	-

Assets / Liabilities for which fair value is disclosed

(Rs. In Lacs)

Particulars	As at March 31, 2022		
	Level 1	Level 2	Level 3
Borrowings-Fixed rate		14.60	
Other financial liabilities		3.05	
Particulars	**As at March 31, 2021**		
	Level 1	**Level 2**	**Level 3**
Borrowings-Fixed rate		16.14	
Other financial liabilities		3.05	

During the year ended March 31, 2022 and March 31, 2021, there was no transfer between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

Following table describes the valuation techniques used and key inputs to valuation for level 1 of the fair value hierarchy as of March 31, 2022 and March 31, 2021, respectively:

a) Assets measured at fair value

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial assets			
Current Investment	Level 1	As per NAV of Mutual Fund	---
Quoted Investments	Level 1	As per Market Price of Equity Shares	---

b) Assets /Liabilities for which fair value is disclosed.

Particulars	Fair Value Hierarchy	Valuation Technique	Inputs Used
Other Borrowings-Fixed rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market, future pay-outs
Other financial liabilities	Level 2	Discounted Cash Flow	Prevailing interest rates in market, future pay-outs

39 (a) Un-hedged Position of Foreign Currency

(Rs. in Lacs)

Particulars	As on 31.03.2022		As on 31.03.2021	
	Amount (in Foreign Currency)	Amount (in Rs.)	Amount (in Foreign Currency)	Amount (in Rs.)
-In Respect of Receivable				
USD	11.90	903.14	34.24	2504.71
EURO	0.00	0.18	5.42	465.29
ETB - (Ethiopian Birr)	0.49	0.72	0.40	0.72
GHS - (Ghanian Cedi)	2.58	26.15	2.58	32.68
KSH - (Kenya Shilling)	12.32	8.13	14.34	9.59
MZN - (Mozambican Metical)	106.15	126.29	116.80	126.29
TZS - (Tanzanian Shilling)	113.13	3.70	1343.70	42.40
UGX - (Ugandan Shilling)	9175.61	194.20	9298.12	185.61
RWF - (Rwandan Franc)	1660.68	123.97	8.40	0.63
ZWD- (Zimbabwean Dollar)	0.00	0.00	0.02	0.00
FJD- (Fijian Dollar)	0.07	2.65	0.07	2.57
BTN - (Bhutanese Ngultrum)	171.03	171.03	116.07	116.07
SCR - (Seychellois Rupee)	0.08	0.43	0.47	1.67
TOTAL		**1560.59**		**3488.23**

-In Respect of Payable				
USD	6.21	471.04	9.00	639.96
USD ECB	-	0		
EURO	0.33	27.76	0.21	17.93
ETB - (Ethiopian Birr)	-	0	-	-
GHS - (Ghanian Cedi)	0.91	9.25	0.91	11.54
KSH - (Kenya Shilling)	101.68	67.08	101.68	68.01
MZN - (Mozambican Metical)	-	0	-	-
TZS - (Tanzanian Shilling)	1707.99	55.88	1707.99	53.89
UGX - (Ugandan Shilling)	8012.51	169.59	7347.62	146.67
RWF - (Rwandan Franc)	2557.05	190.89	1649.28	122.84
BTN - (Bhutanese Ngultrum)	51.59	51.59	419.22	419.22
SCR - (Seychellois Rupee)	6.11	32.26	8.67	30.78
TOTAL		**1075.34**		**1510.84**

39 (b) . Segment information

Information about primary segment

The Group is engaged primarily into one primary business segment of engineering procurement contracts for electricity, water infrastructure, oil handling systems etc.

40. Income tax expense **(Rs. In Lacs)**

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Current tax	-	-
Deferred tax liability/(Asset)		
- Relating to origination and reversal of temporary differences	-	(0.48)
Tax expense attributable to current year's profit	**-**	**(0.48)**
Tax related to earlier years	1.41	10.46
Total Tax expense	**1.41**	**9.98**

41. Deferred income tax

As a matter of prudence, Deferred Tax Assets has not been recognized on losses and other timing differences further there is no reasonable certainty to set off the same within the period allowable under tax laws.

42. Retirement benefit obligations

a. Expense recognised for Defined Contribution plan

(Rs. In Lacs)

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Company's contribution to provident fund	21.80	32.40
Company's contribution to ESI	0.57	0.84
Total	**22.37**	**33.24**

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2022 and March 31, 2021, being the respective measurement dates:

b. Movement in defined benefit obligation

(Rs. In Lacs)

Particulars	Gratuity (funded)	leave encashment (unfunded)
Present value of obligation - April 1, 2020	164.56	54.22
Current service cost	12.31	7.00
Interest cost	9.45	3.11
Benefits paid	(47.24)	(15.83)
Re-measurements - actuarial loss/ (gain)	(4.60)	2.23
Present value of obligation - March 31, 2021	**134.48**	**50.73**
Present value of obligation - April 1, 2021	134.48	50.73
Current service cost	7.94	2.30
Interest cost	6.86	2.59
Benefits paid	(31.29)	(2.85)
Re-measurements - actuarial loss/ (gain)	(20.50)	(25.15)
Present value of obligation - March 31, 2022	**97.49**	**27.62**

c. Movement in Plan Assets – Gratuity

(Rs. In Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets at beginning of year	3.74	21.52
Expected return on plan assets	(0.19)	(0.70)
Employer contributions	29.99	30.00
Benefits paid	(31.29)	(47.24)
Actuarial gain / (loss)	(0.01)	0.16
Fair value of plan assets at end of year	**2.62**	**3.74**
Present value of obligation	97.49	134.48
Net funded status of plan	**(94.87)**	**(130.74)**

The components of the gratuity & leave encashment cost are as follows:

d. Recognised in profit and loss

(Rs. In Lacs)

Particulars	Gratuity	Leave encashment
Current Service cost	12.31	7.00
Interest cost	8.21	3.11
Expected return on plan assets	-	-
Re-measurement - Actuarial loss/(gain)	-	2.23
For the year ended March 31, 2021	**20.52**	**12.34**
Current Service cost	7.94	2.30
Interest cost	6.67	2.59
Expected return on plan assets	-	-
Re-measurement - Actuarial loss/(gain)	-	(25.15)
For the year ended March 31, 2022	**14.61**	**(20.26)**

e. Recognised in other comprehensive income

(Rs. In Lacs)

Particulars	Gratuity
Re-measurement - Actuarial gain/(loss) the year ended March 31, 2021	4.76
Re-measurement - Actuarial gain/(loss) For the year ended March 31, 2022	20.49

f. The principal actuarial assumptions used for estimating the Group's defined benefit obligations are set out below:

Weighted average actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Attrition rate	20.00%	20.00%
Discount Rate	5.48%	5.10%
Expected Rate of increase in salary	6.00%	6.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Mortality rate	IALM 2012-2014	IALM 2012-2014
Expected Average remaining working lives of employees (years)	14.08	15.31

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

g. Sensitivity analysis:

For the year ended March 31, 2021

Particulars	change in Assumption	Effect on Gratuity obligation	Effect on leave encashment obligation
Discount rate	+1%	(3.75)	(1.94)
	-1%	4.01	2.08
Salary Growth rate	+1%	3.93	2.05
	-1%	(3.75)	(1.95)

For the year ended March 31, 2022

Particulars	change in Assumption	Effect on Gratuity obligation	Effect on leave encashment obligation
Discount rate	+1%	(2.87)	(1.10)
	-1%	2.74	1.17
Salary Growth rate	+1%	2.70	1.16
	-1%	(2.89)	(1.10)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

h. History of experience adjustments is as follows:

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

(Rs. In Lacs)

Particulars	Gratuity
Year – 2023	23.39
Year – 2024	32.01
Year – 2025	23.46
Year – 2026	25.82
Year – 2027	16.93
Year - 2028 to 2032	76.38

i. Statement of Employee benefit provision

(Rs. In Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gratuity	97.49	134.48
Leave encashment	27.62	50.73
Total	**125.11**	**185.21**

The following table sets out the funded status of the plan and the amounts recognised in the Group's balance sheet.

j. Current and non-current provision for Gratuity and leave encashment

For the year ended March 31, 2021 (Rs. In Lacs)

Particulars	Gratuity	Leave Encashment
Current provision	42.74	12.06
Non- current provision	91.75	38.67
Total Provision	**134.49**	**50.73**

For the year ended March 31, 2022 (Rs. In Lacs)

Particulars	Gratuity	Leave Encashment
Current provision	22.99	6.30
Non- current provision	74.50	21.32
Total Provision	**97.49**	**27.62**

k. Employee benefit expenses

(Rs. In Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and Wages	580.60	939.13
Costs-defined contribution plan	84.46	138.71
Welfare expenses	11.78	14.17
Total	**676.84**	**1092.01**

Figures in no.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Average no. of people employed	68	92

OCI presentation of defined benefit plan

Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

Leave encashment cost is in the nature of short term employee benefits.

Presentation in Statement of Profit & Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in current and non-current, however, net defined liability and assets is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, Group is required to measure the net defined benefit asset at the lower of the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The Group assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

43. Other disclosures

a) **Auditors Remuneration**

(Rs. In Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1. Statutory Auditors		
i. Audit Fee	0.76	0.78
ii. Other Services	0.91	0.18
Total	**1.67**	**0.96**

44. Contingent liabilities

(Rs. In Lacs)

PARTICULARS	31st March 2022	31st March 2021
Disputed demand of Income Tax and Sales Tax	377.41	323.74
Claim against the Company not acknowledged as debt	10,271.95	10,255.37

Performance guarantee issued by banks on behalf of the company.

(Rs. In Lacs)

PARTICULARS	31st March 2022	31st March 2021
Performance Bank Guarantee	13,142.96	22,439.16

Also refer Note No. 36.

45. Related party transactions

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods are:

Related party name and relationship

a. Key Management personnel

(1) Names of Related Parties

(A) Key management personnel

(a) Arjun Gupta – Chairman and Managing Director

(b) Arun Mittar (Non Executive - Independent Director)

(c) Shipra Tripathi (Non Executive - Independent Director) (w.e.f. 25.06.2021)

(d) Ashutosh Jagga (Non Executive – Professional Director) (w.e.f. 10.06.2021)

(e) Rajesh Kumar Gupta (Director of Subsidiary)

(f) Karunamoy Roy (Director of Subsidiary)

(g) Balan Padmanabhan (Director of Subsidiary)

(B) Relatives of Key Management personnel where person described in "A"

(a) Meera Gupta
(b) Nakul Gupta
(c) Techfab International Private Limited

(C) Executive Officers

(a) Shaim Narain Tandon Chief Financial Officer

(b) Sandeep Kumar Vij (Chief Financial Officer – Upto 28.01.2020 further relived on 30.06.2020)

(c) Suman Kumar Verma - Company Secretary (Relived on 09.09.2021)

(d) Arun Singh – Company Secretary (w.e.f. 09.09.2021)

Technofab Engineering Limited

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022

Related Party Transactions

(Rs. In Lacs)

Description	Current Year 2021-22				Previous Year 2020-21			
Nature of transactions	Subsidiary Company	Other Related Parties of the Group where common control / substential interest of Key Mangement Personnel exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place	Subsidiary Company	Other Related Parties of the Group where common control / substential interest of Key Mangement Personnel exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place
Remuneration Paid								
Sandeep Kumar Vij	-	-	-	-	-	-	8.87	-
Shaim Narain Tandon	-	-	15.66	-	-	-	3.06	-
Suman Kumar Verma	-	-	5.02	-	-	-	12.86	-
Arun Singh			6.88	-	-	-	-	-
Sitting Fees Paid								
Pawan Chopra	-	-	-	-	-	-	2.80	-
Arun Mitter	-	-	4.40	-	-	-	4.00	-
Anju Banerjee	-	-	-	-	-	-	4.00	-
Shipra Tripathi	-	-	4.40	-	-	-	-	-
Professional Fees Paid								
Ashutosh Jagga	-	-	30.00	-	-	-	-	-
Balan Padmanabhan	-	-	2.36	-	-	-	3.71	-

Related Party Balances

(Rs. In Lacs)

Description	Current Year 2021-22				Previous Year 2020-21			
Nature of transactions	Subsidiary Company	Other Related Parties of the Group where common control / substential interest of Key Mangement Personnel exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place	Subsidiary Company	Other Related Parties of the Group where common control / substential interest of Key Mangement Personnel exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place
Payable in respect of remuneration & commission								
Meera Gupta (Legal Heir of Avinash Chander Gupta)	-	-	-	90.43	-	-	-	90.43
Arjun Gupta	-	-	-	-	-	-	40.27	-
Nakul Gupta	-	-	-	13.58	-	-	-	13.58
Balan Padmanabhan	-	-	2.12	-	-	-	5.77	-
Sandeep Kumar Vij	-	-	-	-	-	-	17.60	-
Shaim Narain Tandon	-	-	0.93	-	-	-	12.56	-
Suman Kumar Verma	-	-	-	-	-	-	12.55	-
Arun Singh	-	-	3.97	-	-	-	-	-
Ashutosh Jagga	-	-	27.00	-	-	-	-	-
Payable in respect Advance								
Techfab International Pvt. Ltd.	-	-	-	22.57	-	-	-	22.57

Remuneration to Key Managerial Personnel (KMP)

(Rs. In Lacs)

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Short Term Employee benefits	27.56	24.79
Post-Employment benefits		
- Defined Contribution Plans	0.83	0.64
Total	**28.39**	**25.43**

46. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Number of Shares

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Issued equity shares	10,490,000	1,04,90,000
Weighted average shares outstanding - Basic and Diluted – A	10,490,000	1,04,90,000

(Rs. In Lacs)

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Profit / (Loss) after tax – B	(8,000.71)	(12,785.21)
Basic Earnings per share (B/A)	(76.27)	(121.88)
Diluted Earnings per share (B/A)	(76.27)	(121.88)

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

47. Financial information pursuant to Schedule III of the Companies Act, 2013

(Rs. In Lacs)

S.No.	Name of the entity in the group	Net Assets i.e. total assets minus total liabilities		Share in profit and loss after tax		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	(Amount in Rs.)	As % of consolidated profit and loss	(Amount in Rs.)	As % of consolidated other Comprehensive income	(Amount in Rs.)	As % of consolidated Total Comprehensive income	(Amount in Rs.)
Parent									
	Technofab Engineering Limited	107%	(20,205.13)	100%	(7,999.54)	100%	21.20	100%	(7,978.34)
Subsidiaries									
1	Arihant Flour Mills Pvt Ltd	-8%	1,564.30	0%	(0.09)	-	-	0%	(0.09)
2	Woodlands Instruments Pvt Ltd	-1%	230.47	0%	(0.84)	-	-	0%	(0.84)
3	Rivu Infrastructural Developers Pvt Ltd	0%	(24.01)	0%	(0.24)	-	-	0%	(0.24)
	Consol. adjustments	3%	(503.45)	-	-	-	-	-	-
	Total	**100%**	**(18,937.82)**	**100%**	**(8,000.71)**	**100%**	**21.20**	**100%**	**(7,979.52)**

48. The Company was unable to complete various projects in time, performance bank guarantees of the Company were also invoked by other parties, and non-recovery of its funds due to various reasons and hence defaulted on repayment of dues to lenders, consequently the lenders have classified the loan balances of the Company as non-performing assets:

(a) Bank of India on 07.06.2019
(b) Bank of Baroda on 08.07.2019
(c) State Bank of India on 27.06.2019
(d) United Bank of India on 26.06.2019
(e) Axis Bank on 30.06.2019
(f) IDBI Bank on 25.09.2019

49. Interest in respect of Bank Loan with various banks amounting to Rs. 10,299.59 lakhs for the period starting from July-2019 to Mar 2022 (Rs. 4,156.66 lakhs for the period from Apr 2021 to Mar 2022) was not charged by bank.

50. The Company has incurred significant losses for the year ended 31st March 2022 and the net worth is negative as at 31st March 2022. The Company has delayed/defaulted in payment of loans and interest and loan accounts have been classified as non-performing assets by banks. Due to fund constraints and other reasons the company has not been able to complete projects as expected, resulting to invocation of bank guarantees/performance guarantees. Notwithstanding the above, the Standalone financial statements of the Company have been prepared on going concern basis as management believes that the Company would be able to ultimately establish profitable operations, meet its commitments and reduce debt.

51. Additional Regulatory Information

(i) Title deeds of all the Immovable Properties are held in the name of Company.

(ii) The Company has not revalued its Property, Plant and Equipment as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 during the year 2021-22 and 2020-21.

(iii) The company has not granted any loan to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(iv) Company does not have any Capital-Work-in Progress (CWIP).

(v) The company does not have any pending proceeding for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(vi) The Company is having working capital loan from banks which was classified as Non Performing Asset by the bank. The quarterly statements submitted to the banks are in agreement with the books of the accounts.

(vii) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

(viii) The company have the followings transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. The details of which are as under:

Name of Struck off Company	Nature of Transactions with struck Off Company	Balance Outstanding (Paid up value) (Rs. In Lacs)	Relationship with the Struck off company
Shlok Management and Investment Private Limited	Shares held by stuck off company	0.05	None
IL And FS Securities Services Limited	Shares held by stuck off company	0.04	None
Vidhan Marketing Private Limited	Shares held by stuck off company	0.01	None

(ix) The company have following charges and satisfaction yet to be registered with Registrar of Companies beyond the statutory period:

Details of Charge not filed

Date of Acceptance of Loan	**Asset to be Charged**	**Amount of Loan Received (Rs. In Lacs)**	**Amount of Loan Outstanding as on 31.03.2022 (Rs. In Lacs)**	**Lander Name**	**Type of Loan**
27-Sep-17	Motor Vehicle	21.00	3.78	HDFC Bank Limited	Vehicle Loan

Details of charges not satisfied

Charge Id	Date of Creation	Asset Charged	Amount (Rs. In Lacs)	Charge Holder Name	Type of Loan	Remarks
100182559	15-May-18	Motor Vehicle	18.20	Bank of India	Vehicle Loan	Subsequent to Bank Account becoming Non-Performing Asset, Banks are not issuing No Objection Certificate and loan closure letter to satisfy charge on ROC.
100113493	19-Jul-17	Motor Vehicle	31.17	Bank of India	Vehicle Loan	
100113499	13-Jul-17	Motor Vehicle	8.64	Bank of India	Vehicle Loan	
100121344	26-Apr-17	Motor Vehicle	9.00	Bank of Baroda	Vehicle Loan	
10607704	24-Sep-15	Motor Vehicle	25.00	Bank of Baroda	Vehicle Loan	
10586532	24-Jul-15	Motor Vehicle	10.40	IDBI Bank Limited	Vehicle Loan	
100103237	10-Feb-15	Motor Vehicle	5.66	Bank of India	Vehicle Loan	
100103238	10-Feb-15	Motor Vehicle	4.76	Bank of India	Vehicle Loan	
10537018	21-Nov-14	Motor Vehicle	21.00	State Bank Mysore	Vehicle Loan	
10528228	17-Jun-14	Motor Vehicle	25.00	State Bank Mysore	Vehicle Loan	

(x) The company has not advanced/ loaned/ invested funds (borrowed/share premium/any other sources of kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding (whether recorded in writing or otherwise) that the intermediary shall (a) directly/ indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(xi) The company has not received any funds from any other person(s) or entity(ies), including foreign entities (Funding Party), with the understanding (whether recorded in writing or otherwise) that the company shall (a) directly/ indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Funding Party (Ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

(xii) The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. are not applicable on the company.

(xiii) No income has been surrendered or disclosed for which transaction was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(xiv) There is no transaction related to Crypto Currency or Virtual Currency. Hence, not applicable.

52. Financial Ratios: -

Particulars	31.03.2022	31.03.2021	% Variance	Remarks for change above 25%
(a)Current Ratio (in times)	**0.65**	**0.77**	(16.54)	-
(b) Debt-Equity ratio (in times)	**NA (due to negative equity)**	**NA (due to negative equity)**	NA (due to negative equity)	-
(C) Debt-Service Coverage Ratio (in times)	**NA (due to negative earnings for debt service)**	**NA (due to negative earnings for debt service)**	NA (due to negative earnings for debt service)	-
(d) Return on Equity ratio (in%)	**NA (due to negative equity)**	**NA (due to negative equity)**	NA (due to negative equity)	-
(e) Inventory turnover ratio (in times)	**100.39**	**4.40**	2181.53	Due to increase in turnover during the year and reduction in inventory level.
(f) Trade Receivables turnover ratio (in times)	**0.45**	**0.09**	404.06	Due to increase in Turnover during the year.
(g) Trade Payables turnover ratio (in times)	**1.33**	**0.30**	347.80	Due to increase in Turnover during the year purchases and Trade Payable.
(h)Net Capital turnover ratio (in times)	**NA (due to negative working capital)**	**NA (due to negative working capital)**	NA (due to negative working capital)	-
(i)Net Profit ratio (in %)	**(70.84)**	**(480.12)**	(85.25)	Due to decrease in losses as compared to previous year
(j)Return on Capital Employed(in%)	**NA (due to negative net worth)**	**NA (due to negative net worth)**	NA (due to negative net worth)	-
(k)Return on Investment(in%)	**0.00**	**0.00**	(23.12)	-

Formula for computation of ratios are as follows:

Particulars	Numerator	Denominator
(a)Current Ratio (in times)	Current Asset	Current Liabilities
(b) Debt-Equity ratio (in times)	Total Debt	Shareholder's Equity
(C) Debt-Service Coverage Ratio (in times)	Earnings for Debt service = Net Profit after taxes + non-cash operating expenses + interest cost	Debt service = Interest expense + Lease Payments + Principal Repayments
(d) Return on Equity ratio (in%)	Net Profit after taxes	Average Shareholder's Equity
(e) Inventory turnover ratio (in times)	Cost of Goods sold	Average Inventory
(f) Trade Receivables turnover ratio (in times)	Net Credit Sales	Average Trade Receivables
(g) Trade Payables turnover ratio (in times)	Net credit Purchases	Average Trade Payables
(h)Net Capital turnover ratio (in times)	Net Total Sales	Working Capital = Current Assets - Current Liabilities
(i)Net Profit ratio (in %)	Net Profit after taxes	Net Total Sales
(j)Return on Capital Employed(in%)	Earnings before interest and taxes	Tangible Capital employed = Net Worth - Intangible Assets
(k)Return on Investment(in%)	Net Increase in Market Value of Investments + Dividend Income + Interest on FDR	Average Investments & FDR (including interest accrued)

53. The Company has been irregular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, customs duty, cess, goods and service tax and other material statutory dues applicable to it with the appropriate authorities due to various constraints faced by the Company on account of delayed receipt of payments from PSU Customers, COVID Pandemic, suspension of Banking Operations, etc. all of which were not in control of the Company.

54. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report attached

For G C Agarwal & Associates
Chartered Accountants
Firm Regn. No. 017851N

For and on behalf of the Board of Directors

G C Agarwal
Proprietor
M. No. 083820

Arjun Gupta
Chairman & Managing Director
DIN- 00012093

PLACE : New Delhi
Dated: 24-05-2022

Arun Singh
Company Secretary
M. No. A35806

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

TECHNOFAB ENGINEERING LIMITED

Notes to the consolidated financial statements

Note - 5 Property, Plants and Equipments

₹ in Lakhs

Particulars	Land	Buildings	Plant and Equipments	Temporary Structure	Barges	Furniture and Fixture	Office Equipment	Vehicles	Computer	Total
Gross Block										
As at March 31, 2020	3,232.85	583.23	1,608.86	18.53	804.02	27.87	26.51	615.11	97.06	7,014.04
Additions	-	-	-	-	-	-	-	-	-	-
Adjustment	897.00	170.04	571.58	-	-	4.34	13.20	90.58	45.27	1,792.01
As at March 31, 2021	2,335.85	413.19	1,037.28	18.53	804.02	23.54	13.31	524.54	51.79	5,222.03
Additions	-	-	0.37	-	-	-	-	-	-	0.37
Adjustment	-	-	35.99	-	-	-	-	37.42	-	73.42
As at March 31, 2022	**2,335.85**	**413.19**	**1,001.65**	**18.53**	**804.02**	**23.54**	**13.31**	**487.11**	**51.79**	**5,148.98**
Accumulated Depreciation										-
As at March 31, 2020	-	89.37	548.81	12.89	240.15	11.66	20.85	255.71	69.89	1,249.34
Charge for the period	-	16.40	122.18	3.64	60.00	2.75	1.22	77.80	12.21	296.20
Adjustment	-	104.10	284.22	-	-	2.49	12.54	47.29	41.71	492.34
As at March 31, 2021	-	1.67	386.77	16.53	300.15	11.92	9.53	286.22	40.39	1,053.19
Charge for the period	-	14.02	85.65	1.07	60.00	2.06	0.75	58.01	1.96	223.51
Adjustment	-	-	16.89	-	-	-	-	18.89	-	35.78
As at March 31, 2022	**-**	**15.69**	**455.54**	**17.59**	**360.15**	**13.97**	**10.29**	**325.34**	**42.35**	**1,240.92**
Net Carrying Amount										
As at March 31, 2021	2,335.85	411.52	650.51	2.00	503.87	11.62	3.78	238.32	11.40	4,168.84
As at March 31, 2022	**2,335.85**	**397.50**	**546.11**	**0.94**	**443.87**	**9.56**	**3.03**	**161.77**	**9.44**	**3,908.06**

Note - 6 Investment in Property

₹ in Lakhs

Particulars	Buildings	Total
Gross Block		
As at March 31, 2020	57.76	57.76
Additions		
As at March 31, 2021	**57.76**	**57.76**
Additions	-	-
As at March 31, 2022	**57.76**	**57.76**
Accumulated Depreciation	**-**	**-**
As at March 31, 2020	3.66	3.66
Charge for the year	0.91	0.91
As at March 31, 2021	**4.58**	**4.58**
Charge for the year	0.91	0.91
As at March 31, 2022	**5.49**	**5.49**
Net Carrying Amount		
As at March 31, 2021	53.19	53.19
As at March 31, 2022	**52.27**	**52.27**

Note - 7 Intangible assets

₹ in Lakhs

Particulars	Software	Total
Gross Block		
As at March 31, 2020	**65.68**	**65.68**
Additions	-	-
As at March 31, 2021	**65.68**	**65.68**
Additions	-	-
As at March 31, 2022	**65.68**	**65.68**
Accumulated Depreciation		
As at March 31, 2020	51.52	51.52
Charge for the year	5.96	5.96
As at March 31, 2021	**57.48**	**57.48**
Charge for the year	3.58	3.58
As at March 31, 2022	**61.06**	**61.06**
Net Carrying Amount		-
As at March 31, 2021	8.20	8.20
As at March 31, 2022	**4.62**	**4.62**

Notes to the consolidated financial statements

₹ in Lakhs

Particulars	Face Value	Qty. in nos.	As at 31-Mar-22	Qty. in nos.	As at 31-Mar-21
Note -8 Non-current Investments - Non Trade					
(Long Term Investments at Fair Value)					
Designated at fair value through Other Comprehensive Income					
(I) Equity Shares, Fully Paid up (quoted)					
Ahluwalia Contracts Ltd.	2	100	0.47	100	0.30
C & C Construction Ltd.	10	100	0.00	100	0.00
Hind Dorr-Oliver Ltd.	2	74037	-	74037	-
Hindustan Construction Ltd.	1	100	0.02	100	0.01
IVRCL Infrastructure Ltd.	2	100	-	100	-
Larsen & Toubro Ltd.	2	225	2.65	225	2.13
Nagarjuna Construction Ltd.	2	100	0.06	100	0.08
Patel Engineering Ltd.	1	100	0.02	100	0.01
Shriram EPC Ltd.	10	200	0.01	200	0.01
Unitech Ltd.	2	2000	0.04	2000	0.03
Total (I) of Investments measured at Fair Value Through Other Comprehensive Income (FVTOCI)			**3.27**		**2.57**
Total (Non-current Investments)			**3.27**		**2.57**
Note - 9 Loans Non-Current (Unsecured, Considered good)					
Earnest Money / Security Deposit			201.53		187.63
Total			**201.53**		**187.63**
Note - 10 Other Non Current Assets					
Prepaid Expenses			-		17.55
Total			**-**		**17.55**
Note - 11 Inventories					
Raw Material			14.21		201.55
Total			**14.21**		**201.55**

Notes to the consolidated financial statements

₹ in Lakhs

	Particulars	Qty. in nos.	As At 31-Mar-22	Qty. in nos.	As At 31-Mar-21
Note - 12	**Trade Receivables #**				
	Trade Receivables considered good-Secured		-		-
	Trade Receivables considered good-Unsecured		23,312.02		26,593.70
	Trade Receivables which have significant increase in Credit Risk		-		-
	Trade Receivables - Credit impared		-		-
	Total		**23,312.02**		**26,593.70**
	# Trade receivables includes Retention Money				
	For disclosure of ageing of Trade Receivables refer note no 37				
Note - 13	**Cash and Cash Equivalents**				
	Balance with Banks				
	in Current Account with Domestic Banks		2,007.40		69.38
	in Current Account with Foreign Banks*		181.93		21.47
	DD on Hand		1.28		1.28
	Cash on Hand		3.83		8.77
	Total		**2,194.44**		**100.90**
Note - 14	**Other Bank Balances**				
	In Earmarked Dividend Bank Accounts		3.05		3.05
	Fixed deposits having remaining maturity of more than three months and less than twelve months and other than considered in cash and cash equivalents *		0.22		0.21
	Total		**3.27**		**3.26**
Note - 15	**Loans Current (Unsecured, Considered good)**				
	Security Deposits		1.20		15.24
	Other Receivable		75.02		75.02
	Total		**76.22**		**90.26**
Note - 16	**Current Tax Assets (Net)**				
	Advance Taxes and Tax Deducted at Source (Net of Provisions)		68.50		43.26
	Total		**68.50**		**43.26**
Note - 17	**Other Current Assets (Unsecured, Considered good)**				
	Recoverable from Revenue Authorities		2,102.37		2,405.38
	Income Tax Refund Receivable		58.20		15.80
	Prepaid Expenses		126.51		176.37
	Unbilled Revenue		741.77		2,484.11
	Advances for supply of raw materials & Others		3,395.63		2,192.06
	Banks Balances in Current Account with Foreign Banks Other than Note -13		127.04		127.01
	Total		**6,551.52**		**7,400.73**

TECHNOFAB ENGINEERING LIMITED

Notes to the consolidated financial statements

₹ in Lakhs

	Particulars	As At 31-Mar-22	As At 31-Mar-21
Note - 18	**Share Capital**		
	Authorised Capital		
	180,00,000 Equity shares of ₹10/- each	1,800.00	1,800.00
	Issued, Subscribed & Paid up		
	104,90,000 Equity shares of ₹10/- each	1,049.00	1,049.00
	Total	**1,049.00**	**1,049.00**

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

Particulars	As At 31-Mar-22		As At 31-Mar-21	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Shares at the beginning of the year	10490000	1,049.00	10490000	1,049
Addition during the year	-	-	-	-
Shares at the end of the year	**10490000**	**1,049.00**	**10490000**	**1,049**

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

Name of the shares holders	No. of shares	% of holding	No. of shares	% of holding
Arjun Gupta	2825293	26.93	2825293	26.93
Avinash Chander Gupta	920675	8.78	920675	8.78
Pragmatic Traders Pvt. Ltd.	568476	5.42	568476	5.42

(iii) List of share holders Promoters & Promoters Group shareholding

Name of the shares holders	No. of shares	Percntage	No. of shares	Percntage
Arjun Gupta	2825293	26.93%	2825293	26.93%
Avinash Chander Gupta	920675	8.78%	920675	8.78%
Meera Gupta	514321	4.90%	514321	4.90%
Nakul Gupta	471264	4.49%	471264	4.49%
Gunjan Gupta	11500	0.11%	11500	0.11%
Sucheta Sarvadaman Nakul	11500	0.11%	11500	0.11%
Bakool Venture Private Limited	154028	1.47%	154028	1.47%
Techfab Systems Private Limited	78511	0.75%	78511	0.75%
Techfab International Private Limited	70934	0.68%	70934	0.68%

* No variation on shares held by promoters

Note - 19	**Other Equity**		
	(i) Securities Premium (Refer Note 19a)	**7,358.02**	**7,358.02**
	(ii) General Reserve (Refer Note 19b)		
	As per last accounts	8,110.44	8,110.44
	Closing Balance	**8,110.44**	**8,110.44**
	(iii) Other Comprehensive Income (Refer Note 19c)		
	As per last accounts	32.87	26.99
	Add : Profit (Loss) after tax for the year	21.19	5.88
	Closing Balance	**54.06**	**32.87**
	(iv) Surplus		
	As per last accounts	(27,508.64)	(14,723.43)
	Add : Profit (Loss) after tax for the year	(8,000.71)	(12,785.21)
	Closing Balance	**(35,509.35)**	**(27,508.64)**
	Total	**(19,986.83)**	**(12,007.31)**

Nature of Reserves

19a Securities premium reserve represents the amount received in excess of per value of securities (equity share, preference shares and debentures). Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. section 52 of Companies act 2013 specify restriction and utilisation of security

19b General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is apportioned to general reserve. Under companies act 1956 it was mandatory to transfer amount before a company can declare dividend. however under companies act 2013 transfer of any amount to General reserve is at the discretion of the company.

19c Other Comprehensive income Reserve represent the balance in equity for items to be accounted in other comprehensive income. OCI is classified into i). Items that will not be reclassified to profit and loss ii). Items that will be reclassified to profit and loss.

TECHNOFAB ENGINEERING LIMITED

Notes to the consolidated financial statements

₹ in Lakhs

	Particulars	As At 31-Mar-22	As At 31-Mar-21
Note - 20	**Non Current borrowings {Term Loans}**		
	from Banks Unsecured		
	Vehicle Loans	-	2.97
	Total	**-**	**2.97**
Note - 21	**Provisions**		
	Long Term Provisions		
	Gratuity	74.50	88.01
	Leave Encashment	21.32	38.67
	Total	**95.82**	**126.68**
Note - 22	**Other Non Current Liabilities**		
	Others Payables		
	Advance from Customers	6,070.52	5,890.73
	Total	**6,070.52**	**5,890.73**
Note - 23	**Current borrowings**		
	From Banks (Secured)		
	Working Capital*	36,754.79	32,318.66
	Current maturity of :		
	Vehicle Loans**	10.82	10.82
	Equipment Loans***	192.56	185.63
	From Banks (Unsecured)		
	Vehicle Loans**	3.78	5.32
	Total	**36,961.95**	**32,520.43**

* Working capital loan is 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 guarantee of one Director and promotor.

* Secured by hypothecation of the vehicles and is repayable in equated installments upto October, 2022 for different vehicles financed. The loan carries interest rate ranging 10% p.a to 13% p.a.

*** ECB Loan of USD 2.54 equivalent Rupees 192.56 is secured against hypothecation of plant and machinery purchased for International Projects. The loan carries interest @ six months Libor plus 3.5% p.a.The loan is net of transaction cost.

Interest in respect of Bank loan	
(i) AXIS BANK	1,703.51
(ii) BANK OF BARODA	1,732.95
(iii) BANK OF INDIA	3,887.22
(iv) IDBI BANK	368.36
(v) STATE BANK OF INDIA	1,456.12
(vI) UNITED BANK OF INDIA	1,151.44
Total	**10,299.60**

For the period July-2019 to March-2022 was not charged by banks during the year.

TECHNOFAB ENGINEERING LIMITED

Notes to the consolidated financial statements

₹ in Lakhs

Particulars		As At 31-Mar-22	As At 31-Mar-21
Note - 24	**Trade Payables**		
	Total outstanding dues of micro enterprises and small enterprises*	59.65	65.85
	Total outstanding dues of creditors other than micro enterprises and small enterprises	8,578.81	7,073.05
	Total	**8,638.46**	**7,138.90**
For disclosure of ageing of Trade Payables refer note no 37			
	***Note relating to micro, small and medium enterprises**		
i	Principal Amount remaining unpaid at the end of the year	21.53	32.50
ii	Interest Amount remaining unpaid at the end of the year	38.12	33.35
iii	Amount of Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006		
iv	Amount of Interest due and payable for the period of delay in making payment (in addition to the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		
v	Amount of Interest accrued and remained unpaid at the end of the year		
vi	Amount of further Interest remaining due and paid in the suceeding year	-	-
	Total	**59.65**	**65.85**
Note - 25	**Other Current Financial Liabilities**		
	Unpaid Dividend	3.05	3.05
	Total	**3.05**	**3.05**
Note - 26	**Other Current Liabilities**		
	Other Payable (including expenses payable)	2,991.62	3,520.91
	Advance from Customers	1,071.27	1,041.69
	Statutory Dues	30.78	90.74
	Total	**4,093.67**	**4,653.34**
Note - 27	**Current Provisions**		
	Gratuity	23.00	46.80
	Leave Encashment	6.30	12.06
	Total	**29.30**	**58.86**

Notes to the consolidated financial statements

₹ in Lakhs

	Particulars	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Note - 28	**Revenue from Operations**		
	Construction Contract	11,205.62	2,662.90
	Export Incentives	88.70	-
	Total	**11,294.32**	**2,662.90**
Note - 29	**Other Income**		
	Miscellaneous Income	2.56	24.61
	Interest from Others	0.28	0.32
	Rent Received	1.75	1.45
	Dividend Income from Non-Current Investments	0.04	0.05
	Interest on Income Tax Refund	7.05	51.46
	Exchange Rate Variation (Net)	32.46	-
	Interest received on FDR	0.01	0.01
	Liability no Longer Required	150.99	1,058.85
	Total	**195.14**	**1,136.75**
Note - 30	**Cost of Materials Consumed**	**1,215.21**	**1,243.38**
Note - 31	**(Increase) / Decrease in Raw Material & Work in progress**		
	(a) Opening Stock		
	Raw Material	188.96	885.07
	Work-in-Progress	-	-
	Total a	**188.96**	**885.07**
	(b) Closing Stock		
	Raw Material	5.02	188.96
	Work-in-Progress	-	-
	Total b	**5.02**	**188.96**
	Total (a-b)	**183.94**	**696.11**
Note - 32	**Expenditure on Contracts**		
	Sub Contractor Expenses (Back to Back)	9,125.59	379.88
	Power and Fuel	11.52	11.77
	Inspection and Testing	11.28	59.40
	Repairs and Maintenance	49.09	52.83
	Freight, Forwarding and Clearing	2.01	42.71
	Rates and Taxes	14.62	101.08
	Rent and Hire Charges	64.30	136.29
	Insurance	20.53	32.15
	Other Site Expenses	133.08	230.97
	Total	**9,432.02**	**1,047.08**
Note - 33	**Employee Benefit Expense**		
	Salaries, Wages and Other Allowances	580.60	939.14
	Contribution to Provident and Other Funds	84.46	138.71
	Workmen and staff Welfare	11.78	14.16
	Total	**676.84**	**1,092.01**

Notes to the consolidated financial statements

	Particulars	Year Ended 31-Mar-22	₹ in Lakhs Year Ended 31-Mar-21
Note - 34	**Finance Cost**		
	Interest	753.97	490.08
	Bank Charges	587.87	616.54
	Total	**1,341.84**	**1,106.64**
Note - 35	**Other Expenses**		
	Power and Fuel	19.09	23.92
	Repairs to Others	34.84	62.88
	Insurance	8.66	20.10
	Rates and Taxes	1.18	8.53
	Exchange Rate Variation (Net)	-	65.46
	Interest on TDS	14.83	14.51
	Auditors Remuneration	1.67	0.94
	Miscellaneous Expenditure	44.19	27.38
	Liquidity Damages	1,203.19	109.65
	Director's Sitting Fees	8.80	10.80
	Legal and Professional	282.51	207.51
	Rent and Hire Charges	7.57	7.42
	Communication Charges	3.25	8.50
	Printing and Stationary	7.47	6.88
	Travelling and Conveyance	46.85	11.35
	Vehicle Running and Maintenance Charges	0.54	1.39
	Bad Debts and Sundry Balance w/off	1,484.68	5,830.53
	Loss on Sale and Discard of Assets (Net)	9.72	297.44
	Total	**3,179.04**	**6,715.19**
Note - 36	**Exceptional Items**		
	BG Invoked by customers/balance written off	3,231.86	4,371.40
	Total	**3,231.86**	**4,371.40**

The Company had requested banks to provide support by giving additional enhanced Working Capital facilities to meet the growth capital requirements for projects/operations of the Company. A detailed discussion on this is given separately in note on banking situation. (Refer Note No. 50 & 51)

In the current financial year, the Company could not fully service its projects due to non-availability of growth capital and resultantly the Company could not meet the funding requirements for projects by providing material and payment for services therefore the scheduled project execution timelines could not be met and the project execution was delayed substantially.

In view of this situation few projects under execution were terminated by the customer and consequently the Bank Guarantees for these projects were invoked. Since this is not a normal business situation therefore these have been classified as exceptional items and presentation for the same has been shown separately in the financial statements.