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

October 21, 2021

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

Subject: Submission of Annual Report of the Company pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In compliance with Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year ended 31 March 2021 as approved on the date of Annual General Meeting held on 30 September 2021.

This is for your information and further dissemination.

For Technofab Engineering Limited

Arun Singh
Company Secretary

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TECHNOFAB ENGINEERING LIMITED

DIRECTORS' REPORT

Dear Members,

The Directors of your Company take pleasure in presenting the Fiftieth Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended 31st March 2021.

FINANCIAL HIGHLIGHTS

The standalone & consolidated financial performance of the Company for the year ended 31st March 2021 are summarized below:

(Rs. In Million)

Particulars	Consolidate		Standalone	
	2020-21	2019-20	2020-21	2019-20
Revenue From Operations	266.29	565.40	266.29	565.40
Other Income	113.67	54.29	113.67	53.60
Total revenue	379.96	619.68	379.96	618.99
Earnings Before Interest (Finance Costs), Tax, Depreciation and Amortization -EBITDA (Before Exceptional item)	(699.42)	(537.28)	(689.04)	(563.43)
Less: Exceptional item	(437.14)	(1296.81)	(437.14)	1296.81
Earnings Before Interest (Finance Costs), Tax, Depreciation and Amortization -EBITDA (After Exceptional item)	(1,136.56)	(1,834.09)	(1,126.18)	(1860.24)
Less: Finance costs	(123.80)	(333.41)	(123.80)	331.43
Profit/ (Loss) before tax, depreciation and amortization	(1,260.36)	(2,167.50)	(1,249.98)	(2191.67)
Less: Depreciation and amortization expenses	(30.30)	(68.53)	(30.05)	67.78
Profit/ (Loss) before tax (PBT)	(1,290.66)	(2,236.03)	(1,280.03)	(2259.45)
Less: Tax expenses [net of deferred tax effect and Tax adjustment for Earlier years (net)]	1.00	(150.74)	-	145.94

Profit/ (Loss) after taxation (PAT)	(1,289.66)	(2386.77)	(1,280.03)	(2400.54)
Other Comprehensive Income for the year	0.59	(1.20)	0.59	(1.21)
Total Comprehensive Income for the year	(1,289.07)	(2387.97)	(1,279.44)	(2406.60)

Overview & State of the Company's Affairs

The Company has incurred a loss of Rs. 129 Crore in comparison to the loss of Rs. 240 Crore incurred in the previous financial year. This loss has turned the net worth of the Company into negative. Besides this, adverse circumstances owing to various factors including COVID-19, the Company is a "going concern" as the business of the Company is predicted to be in operation and expected to be able to operate for the following 12 months with no threat of liquidation or closure as 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 has the resources and requisite technical qualifications for executing existing projects in hand and with its inherent strength to continue its operations for the foreseeable future.

More discussion on the financial performance of the Company is mentioned in the Management Discussion and Analysis report forming part of the Annual Report 2021.

The Company is currently banking with the consortium of six Banks for documented working capital fund based and non-fund based limits of Rs. 915 Crores. The Lead Bank had made an assessment of the Working Capital limits at an enhanced amount of Rs. 1075 Crores, however due to circumstance beyond the control of the Company, financial closure for the enhanced limits could not be achieved and resultantly the Company could not fully service its existing order back log as new limits were not made available.

As a result of this, the Company could not achieve the requisite project progress commensurate with its targets / plans and therefore some projects were terminated and Performance Guarantees invoked which resulted in an overdrawn position in the bank accounts, therefore the bank accounts of the Company were classified as Non-Performing Assets (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.

COVID-19 Policy

COVID-19 has adversely impacted the normal business operations of the Company by way of supply chain disruption, unavailability of personnel, closure/shutdown of various project sites during the lock down period. 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 "going concern" status of the Company remains intact.

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 18 March 2021 (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. 25,760/- of unpaid / unclaimed dividend were transferred during the year to the Investor Education and Protection Fund On 11 November 2020. However, 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.

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 2021 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 & 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 has worsened after the period of the report and 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.

Given that the Company is focusing on closing existing projects, recovering outstanding payments, reducing the overall exposure of Banks by returning / reducing outstanding Bank Guarantees, the Board of Directors is confident that with the implementation of the Restructuring

Proposal which is under consideration with the Lenders, in spite of the Company's net worth having turned negative, the Company will be able maintain its status of a "Going Concern" in the forceable future without any threat of liquidation or closure.

Further it is pertinent to note that the Company possesses the relevant technical qualifications and inherent strengths to target new business in the forceable future laying the foundation for growth in the years to come.

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, 2021, 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, 2021, 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 comprising of one executive Director, two Independent Directors and one Non-Executive Professional Director.

Mr. Pawan Chopra had resigned from his office of Director w.e.f. 18 March 2021 whereas Ms. Anju Banerjee had resigned from the office of Director w.e.f. the closing hours of 31 March 2021.

Mr. Ashutosh Jagga was appointed w.e.f. 10 June 2021 as Additional Director in the category of Non-Executive – Non-Independent - Professional Director. Ms. Shipra Tripathi was appointed as Additional Director in the category of Non-Executive – Independent - Woman Director. It is proposed in the forthcoming Annual General Meeting to appoint both as:

(i) Mr. Ashutosh Jagga as Non-Executive – Non-Independent - Professional Director liable to retire by rotation w.e.f. the date of AGM;

(ii) Ms. Shipra Tripathi as Non-Executive Independent Woman Director w.e.f. 25 June 2021.

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 NSE. The Company is in complete compliance with Regulation 17 as per the list published by BSE. However, since the NSE has less than 2,000 companies listed, the Company is 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, 2021 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. Arjun Gupta 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(s) seeking shareholders' approval are also included in the Notice.

Key Managerial Persons (KMPs)
During the financial year ended 31 March 2021, there is no change in the Key Managerial Personnel (KMP) except the change in CFO. The Company had accepted the resignation of Mr. Sandeep Kumar Vij, CFO w.e.f. 30 June 2020. The Company had subsequently appointed a new CFO to fill the casual vacancy caused by the resignation of Mr. Vij by way of appointment of Mr. Shiam Narain Tandon as CFO w.e.f. 31 December 2020.

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. Suman Kumar Verma, Company Secretary. Details relating to remuneration of the Directors and KMPs during the financial year ended 31 March 2021 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 2020-21, 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 applicable provisions of the Companies Act, 2013 including amendment thereto, the Listing Regulations as amended from time to time and SEBI Circular issued in this connection, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the 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.

In line with the abovementioned framework, the Independent Directors at their separate meeting held on 26 March 2021 without participation of the Non-Independent Directors and Management, have considered and evaluated the Boards' performance and performance of the Chairman, Non-Independent Directors and the Board as a whole. The Independent Directors in the said meeting have also assessed the quality, quantity and timeliness of the flow of information between the Company Management and the Board.

During the period under review, the Board has evaluated the performance of each of the Independent Directors without participation of the Director who was subject to evaluation. The details of evaluation process of the Board, its Committees, Chairman and individual Directors, including Independent Directors have been provided under the Corporate Governance Report which forms part of this Report.

MEETINGS OF THE BOARD AND AUDIT COMMITTEE

During the year, five (5) Board Meetings, three (3) Audit Committee meetings and one (1) Nomination and Remuneration Committee Meeting 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.

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 2021, 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 2021 and of the profit and loss of the Company for the financial year ended 31 March 2021;
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 Forty Sixth Annual General Meeting ("AGM") of the Company held on 29 September 2017, M/s. G.C. Agarwal & Associates, Chartered Accountants (Firm Registration No. 017851N) were appointed as the Statutory Auditors of the Company to hold office for a period of five (5) consecutive years commencing from the financial year 2017-18 subject to ratification at every AGM on a remunerations including terms of payment to be fixed by the Board of Directors on the recommendation of the Audit Committee. He will hold office until the conclusion of AGM to be held in 2022 for the Financial Year 2021-22. However, as per the provisions of Section 40 Companies (Amendment) Act, 2017 which is now in force vide MCA notification No. S.O. 1833 (E) dated 7 May 2018, first proviso of Section 139(1) of the Companies Act, 2013 has been done away with. Therefore the matter relating to ratification of the appointment of Auditors is not being placed before the ensuing Annual General Meeting.

The Auditors' Report for the financial year 2020-21, does not contain any qualification, reservation, adverse remark or disclaimer except the following:

Clause No. 7(a), 7(b) & 8 of Annexure B to the Audit Report.

The Board has following explanation against the abovementioned qualification(s) as under:

Explanation to Clause No. 7(a): There had been delay in the deposit of dues due to mismatch in cash flow. However, these dues have been paid since then.

Explanation to Clause No. 7(b): The Sales Tax, VAT, Service Tax etc. as mentioned in Clause 7(b) were incorrectly assessed by the relevant assessing authorities and as a result additional taxes were imposed on the Company. The Company has preferred appeal(s) against such assessment order(s) and these appeals are at different stage(s) of resolution. The Company is confident of resolving the cases in its favor.

Explanation to Clause No. 8: The Company has submitted a Restructuring Proposal (RP) 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 a positive response from the bank.

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 has appointed M/s Naresh Verma & Associates, 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:

The financial results for the quarter ended 31.03.2020 were approved and taken on record by the Audit Committee and the Board of Directors of the Company in their meeting held on 11.02.2021 and the financial results for the quarter ended 30.06.2020 and 30.09.2020 were

approved and taken on record by the Audit Committee and the Board of Directors of the Company in their meeting held on 26.03.2021. The financial results for the quarter ended 31.12.2020 …..

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 Gap between 2 meetings of Audit Committee was more than 120 days as no meetings of the Audit Committee were held during quarter ended 30.06.2020 and 30.09.2020. 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: There were no agenda item to be transacted in the meeting during lock down.

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.

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 w.e.f. 12.01.2021 and 15 (Fifteen) days after suspension has been effected, trading in securities of the Company are allowed on "trade for trade" basis in Z category on the first trading day of every week for 6 (Six) months.

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.

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit Committee, under section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

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 2021 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 46 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 2020-21.

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. However, the Company had constituted a CSR Committee comprising of Mr. Arjun Gupta, Mr. Pawan Chopra, Ms. Anju Banerjee and Mr. Arun Mitter. As the provisions were applicable in earlier financial years.

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 - ₹_14,41,90,357/-
Foreign Exchange Outgo - ₹-15,41,42,809/-

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 : 26 August 2021 **Chairman**

Annexure [A] to Directors' Report

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	15,06,16,689	1,84,01,398	(33,76,892)
7.	Non-Current Liabilities	0	0	98,77,914
8.	Current Liabilities	97,68,553	38,380	1,35,766
9.	Total Liabilities	97,68,553	38,380	1,00,13,680
10.	Non-Current Assets	14,34,05,799	2,25,49,156	0
11.	Current Assets	2,28,02,243	6,20,622	76,36,788
12.	Total assets	16,62,08,042	2,31,69,778	76,36,788
13.	Investments	0	0	0
14.	Turnover	0	0	0
15.	Revenue from Operations	0	0	0
16.	Other Income	1,54,26,003	16,02,971	0
17.	Profit/(Loss) before taxation	9,88,176	15,61,468	(41,451)
18.	Tax Expenses	9,98,803	0	(755)
19.	Profit/(Loss) after taxation	(10,627)	15,61,468	(40,696)
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.**

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

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. Pawan Chopra, Independent Director (18 March 2021)	0.48
		c	Mr. Arun Mitter, Independent Director	0.68
		d	Ms. Anju Banerjee, Independent Director (upto 31 March 2021)	0.68
(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. Pawan Chopra, Independent Director (Upto 18 March 2021)	-60%
		d	Mr. Arun Mitter, Independent Director	-10%
		e	Ms. Anju Banerjee, Independent Director (Upto 31 March 2021)	-10%
		f	Mr. Sandeep Kumar Vij, Chief Financial Officer (Upto 30 June 2020)	-30%
		g	Mr. Shiam Narain Tandon, Chief Financial Officer (w.e.f. 31 December 2020)	N.A.
		h	Mr. Suman Kumar Verma, Company Secretary	-10%
(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.			97

(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 FY21. 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 2020-21 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 2020-21 at a rate which in aggregate was not less than Rs. 8.50 lakhs per month.

Secretarial Audit Report
for the financial year ended 31 March, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules,2014]

To,

The Members,
TECHNOFAB ENGINEERING LIMITED
CIN: L74210DL1971PLC005712

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices 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 Company's books, papers, minute 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 31 March, 2021 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 31 March, 2021 and made available to us, according to the provisions of:

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

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

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

v. 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 and amendments from time to time- **Not Applicable as there was no reportable event during the financial year under review;**

d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable as there was no reportable event duringthe 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 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 duringthe financial year under review**;

h) The 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**;

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

We have also examined compliance with the applicable provisions 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 complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except to the extent stated hereunder:-

Observations:

The financial results for the quarter ended 31.03.2020 were approved and taken on record by the Audit Committee and the Board of Directors of the Company in their meeting held on 11.02.2021 and the financial results for the quarter ended 30.06.2020 and 30.09.2020 were approved and taken on record by the Audit Committee and the Board of Directors of the Company in their meeting held on 26.03.2021. The financial results for the quarter ended 31.12.2020 were approved and taken on record by the Audit Committee on 30.06.2021.

The Gap between 2 meetings of Audit Committee was more than 120 days as no meetings of the Audit Committee were held during quarter ended 30.06.2020 and 30.09.2020.

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 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 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 w.e.f 12.01.2021 and 15 (Fifteen) days after suspension has been effected, trading in securities of the Company are allowed on "trade for trade" basis in Z category on the first trading day of every week for 6 (Six) months.

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 period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and asystem exists for seeking and obtaining further information and clarifications onthe agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decision of the Board were unanimous and no dissenting views were found to be recorded.

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 which had a 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.

Limitations

It is to be that due to lockdown and social distancing guidelines issued by the Ministry of Home Affairs (MHA) on different dates for containment of spread of Covid-19, the abovementioned documents, registers, forms, etc. have not beenphysically verified by us, as being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium and taken confirmation from the Company, wherever required but the audit was done subject to limitation ofavailability of documents.

For Naresh Verma & Associates
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
UDIN: F005403C000819623

Place: Delhi
Date: 26.08.2021

Note: 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.

Annexure- A

To,

The Members,
TECHNOFAB ENGINEERING LIMITED
CIN: L74210DL1971PLC005712

Our report on 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 secretarialrecords based on our audit.

2. We have followed the audit practices and 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 processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.

4. Where ever 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 Naresh Verma & Associates
Company Secretaries

Naresh Verma
CP: 4424, FCS: 5403
UDIN: F005403C000819623

Place: Delhi
Date: 26.08.2021

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. 49 attached with the Financial Statements-					

For and on behalf of the Board

Place: Faridabad
Date : 26 August 2021

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 2021 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 was no change in the Board until cessation of office of two Independent Directors due their resignations in the month of March 2021. As on 31 March 2021, 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	**No. of Directors**	
	As on 31st March 2021	**As on the date of this report**
Non-Executive-Independent Director	2	2
Non-Executive-Non-Independent Director-Professional	0	1
Executive Director	1	1
Total	3	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 is falling under top 2,000 companies in the list published by NSE due to the fact that the NSE has less than 2000 companies the shares of which are listed with it. 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 2021 are given below:

Name of Director	**Category#**	**Attendance Particulars**		
		No. of Board Meetings		**Last AGM held on 18.03.2021**
		Held/Entitled	**Attended**	
Mr. Arjun Gupta	ED	5	5	Yes
Mr. Pawan Chopra	NEID	4	4	No
Mr. Arun Mitter	NEID	5	5	Yes
Ms. Anju Banerjee	NEID	5	5	No

NEID – Non-Executive Independent Director; ED – Executive Director
^ED-Executive 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.
Ms. Anju Banerjee (Upto 31 March 2021)	1	2	1	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. Pawan Chopra (Upto 18 March 2021)	1	3	0	Nil	N.A.
Mr. Ashutosh Jagga** (w.e.f. 10 June 2021)	1	1	0	Nil	N.A.
Ms. Shipra Tripathi*** (w.e.f. 25 June 2021)	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.

** w.e.f. 10 June 2021

*** w.e.f. 25 June 2021

% Other than Technofab Engineering Limited

Number of Board Meetings:

During the financial year ended 31 March 2021, 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 19 June 2021, 9 September 2020, 31 December 2020, 11 February 2021 and 26 March 2021.

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 had three Independent Directors on its Board viz. Mr. Pawan Chopra, Mr. Arun Mitter and Ms. Anju Banerjee. However Mr. Pawan Chopra and Ms. Anju Banerjee resigned from the Board w.e.f. 18 March 2021 and closing hours of 31 March 2021. However the Board has appointed Ms. Shipra Tripathi as Independent Woman Director w.e.f. 25 June 2021. The Board has also appointed Mr. Ashutosh Jagga as Non-executive Non Independent Professional Director w.e.f. 10 June 2021. 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. Pawan Chopra (Upto 18 March 2021)	Non-Executive Independent Director	400	0.004
Mr. Arun Mitter	Non-Executive Independent Director	NIL	NIL
Ms. Anju Banerjee (Upto 31 March 2021)	Non-Executive Independent Director	NIL	NIL
Ms. Shipra Tripathi (w.e.f. 25 June 2021)	Non-Executive Independent Director	Nil	Nil
Mr. Ashutosh Jagga (w.e.f. 10 June 2021)	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. Pawan Chopra (Upto 18 March 2021)	✓	✓		✓		✓	
Mr. Arun Mitter	✓	✓	✓	✓		✓	
Ms. Anju Banerjee (Upto 31 March 2021)	✓	✓		✓		✓	

Mr. Ashutosh Jagga (w.e.f. 10 June 2021)	✓	✓	✓	✓		✓	✓
Ms. Shipra Tripathi (w.e.f. 25 June 2021)	✓	✓	✓	✓		✓	✓

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. Pawan Chopra (upto 18 March 2021)	:	Member, Independent, Non-Executive
3.	Ms. Anju Banerjee (upto 31 March 2021)	:	Member, Independent, Non-Executive
4.	Mr. Arjun Gupta	:	Member, Executive Director
5.	Ms. Shipra Tripathi (w.e.f. 25 June 2021)	:	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, three (3) Audit Committee meetings were held viz., 31 December 2020, 11 February 2021 and 26 March 2021. During FY 2020, the Gap between 2 meetings of Audit Committee was more than 120 days as no meetings of the Audit Committee were held during quarter ended 30.06.2020 and 30.09.2020. This happened due to the fact that these two quarters were falling under complete lock down and no agenda item was to be transacted.

The attendance details are as under: -

Name of the Member	Meeting details	
	Held/Entitled	Attended
Mr. Arun Mitter	3	3
Mr. Pawan Chopra	2	2
Ms. Anju Banerjee	3	3
Mr. Arjun Gupta	3	3

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 (w.e.f. 25.06.2021)	:	Member, Non-Executive, Professional
3.	Ms. Shipra Tripathi (w.e.f. 25.06.2021)	:	Member, Independent, Non-Executive
4.	Mr. Pawan Chopra (Upto 18.03.2021)	:	Chairman, Independent, Non-Executive
5.	Ms. Anju Banerjee (Upto 31.03.2021)	:	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.

Meetings and Attendance:-

The Committee met once during the financial year ended 31 March 2021 i.e. on 31 December 2020 and all the current members attended the said meetings.

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 26 March 2021 during the financial year ended 31 March 2021.

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 2021 are mentioned below:

(Amount in Rs.)

Sl. No.	Name of Director	Salary& Allowance	Commission	Sitting Fees	Total
1.	Mr. Arjun Gupta	Nil	-	-	Nil
2.	Mr. Arun Mitter	-	-	4,00,000	4,00,000
3.	Mr. Pawan Chopra	-	-	2,80,000	2,80,000
4.	Ms. Anju Banerjee	-	-	4,00,000	4,00,000

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 (w.e.f. 25 June 2021)	:	Chairperson, Independent, Non-Executive Director
2.	Ms. Anju Banerjee (upto 31 March 2021)	:	Chairperson, Independent, Non-Executive Director
3.	Mr. Arun Mitter	:	Member, Independent, Non-Executive Director
4.	Mr. Pawan Chopra (upto 18March 2021)	:	Member, Independent, Non-Executive Director
5.	Mr. Ashutosh Jagga (w.e.f. 10 June 2021)	:	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
2018-19	20 September 2019	11:00 AM	Modi Hall, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110 016	7
2019-2020	18 March 2021	11:00 AM	Through Video Conferencing/ Other Audio Visual Means	Nil
2020-2021	30 September 2021	02:00 AM	The Company is conducting the meeting through Video Conferencing/ Other Audio Visual Means pursuant to the General Circular dated January 13, 2021 read with General Circular dated May 5, 2020 issued by the Ministry of Corporate Affairs.	2

Postal Ballot:

During the year, no Postal Ballot process was initiated for passing any resolution.

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 50th Annual General Meeting of the Company shall be held through Video conferencing including other Audio Visual means as under :-

Date and Time : 30 September 2021 at 2:30 PM

b. Payment of Dividend

The Board has not recommended any dividend for the financial year 2020-21.

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, 2021 to March 31, 2022.

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

First Quarter Results	: On or before 20 September 2021
Half Yearly / Second quarter Results	: On or before 14 November 2021
Third Quarter Results	: On or before 14 February 2022
Audited Annual results for the year	: On or before 30 May 2022

d. Date of Book Closure: 24 September 2021 to 30 September 2021 (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 to the above stock exchange for the financial year up to 2021-22 within due date.

g. Depository Fee

Annual Custody/ Issuer Fee for the financial year upto 2021-22 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 2020	6.9	4.74	-	-
May 2020	5.89	4.85	-	-
June 2020	12.05	4.94	-	-
July 2020	11.22	8.51	-	-
August 2020	12.4	8.51	-	-
September 2020	12.85	8.84	-	-
October 2020	10.1	8.63	-	-
November 2020	9.9	8.29	-	-
December 2020	11	8.38	10.9	8.65
January 2021	12.05	9.64	11.85	9.7

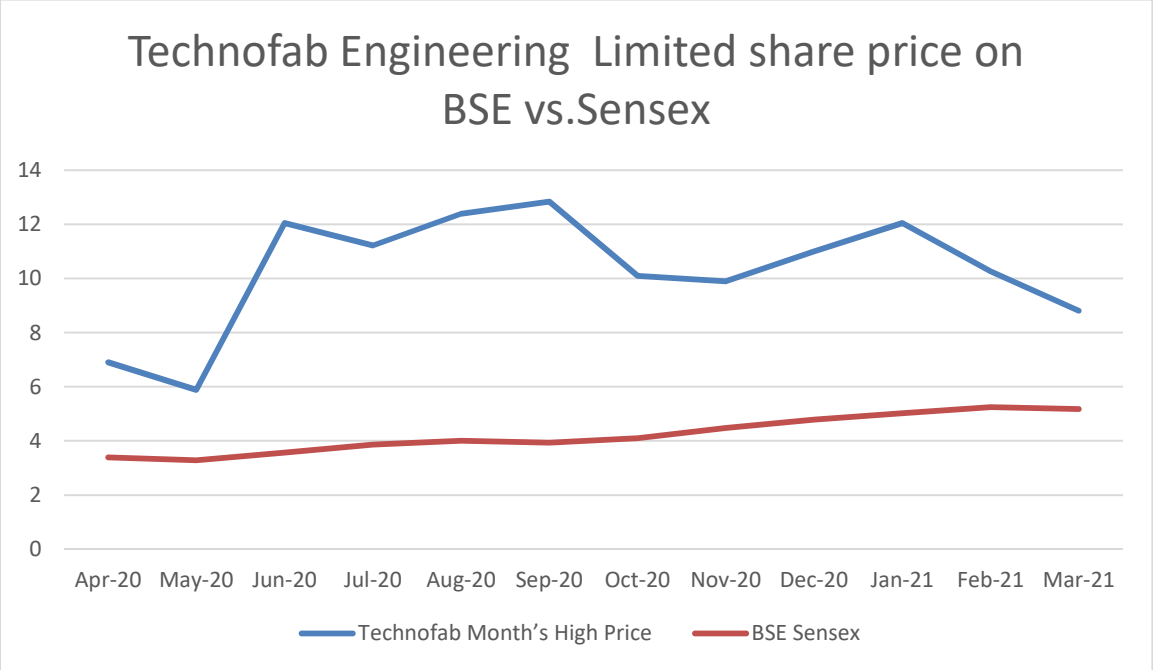
February 2021	10.26	9.27	10.05	9
March 2021	8.81	7.57	9	7.05

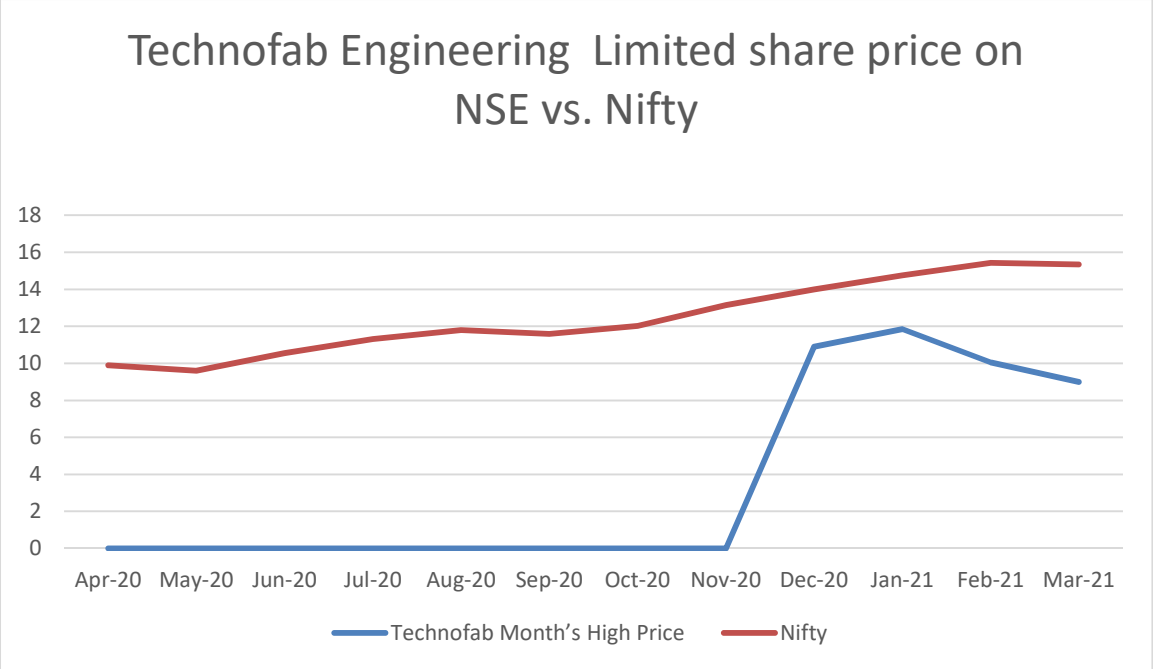
j. Foreign Exchange Risk and Hedging Activities

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:

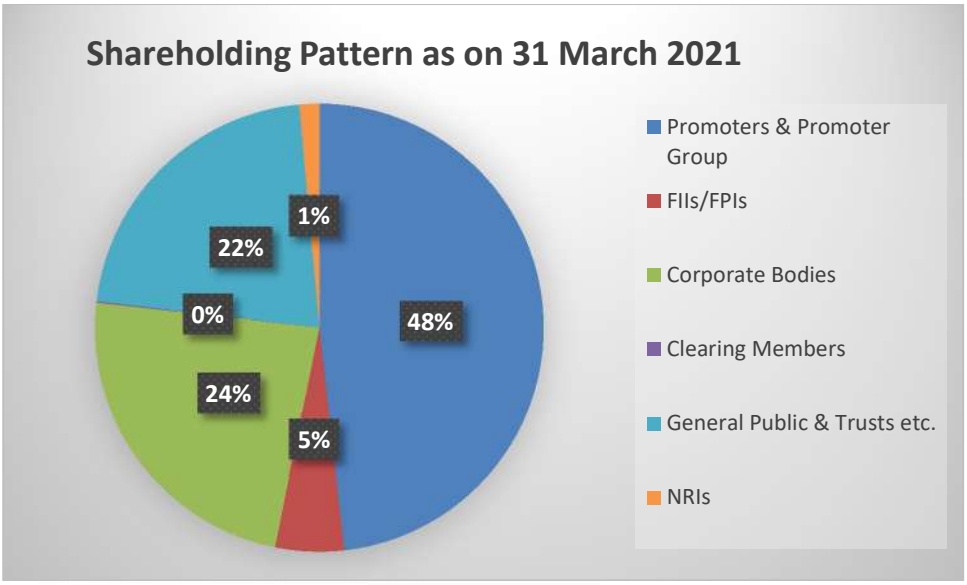
a) Distribution of Shareholding as on 31 March 2021:

Group of Shares	Share Holders		No. of Shares	
	Number	% to total	Shares	% to total
1 - 500	5609	87.82	539347	5.14
501 - 1,000	357	5.59	280009	2.67
1,001 - 2,000	194	3.04	287298	2.74
2,001 - 3,000	77	1.21	195751	1.87
3,001 - 4,000	40	0.63	139945	1.33
4,001 - 5,000	30	0.46	138859	1.32
5,001 - 10,000	31	0.49	223494	2.13
10,001 – Above	49	0.76	8685297	82.80
Total	**6387**	**100**	**10490000**	**100**

b) Categories of Equity Shareholding as on 31 March, 2021

S. No.	CATEGORY	No of Shares held	% of Share holding
1	Promoters & Promoter Group	5058026	48.22%
2	FIIs/FPIs	519255	4.95%
3	Corporate Bodies	2477275	23.62%
4	Clearing Members	11665	0.11%
5	General Public & Trusts etc.	2272351	21.66%
6	NRIs	151428	1.44%
	GRAND TOTAL	**1,04,90,000**	100.00%

(c) Graphic presentation of the Shareholding pattern as on 31.03.2021



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. March 18, 2021) 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 2021, 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 2021 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 2021 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 26 August 2021.

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: 26 August 2021

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 **31stMarch, 2021**, 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: 21083820AAAADG5413

Place: New Delhi
Date: 26th August, 2021

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: 26 August 2021
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 2021.

For Technofab Engineering Limited

Arjun Gupta
Chairman & Managing Director

Place : Faridabad
Date : 26 August 2021

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 of
TECHNOFAB ENGINEERING LIMITED
913, HemkuntChambers 89,
Nehru Place, New Delhi -110019

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TECHNOFAB ENGINEERING LIMITED having CIN-L74210DL1971PLC005712 and having registered office at 913, Hemkunt Chambers 89, Nehru Place, New Delhi - 110019(hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our 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 us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairsor any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. ARJUN GUPTA	00012092	30/09/2004
2	Mr. ARUN MITTER	00022941	08/06/2009
3*	Ms. ANJU BANERJEE	00397755	31/03/2015
4*	Mr. PAWAN CHOPRA	00417967	08/06/2009

* Ms. Anju Banerjee and Mr. Pawan Chopra have ceased to be the Directors of the Company on 31/03/2021 and 18/03/2021 respectively.

Ensuring the eligibility of 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.

For Suresh Gupta & Associates
Company Secretaries
Suresh Gupta
(Proprietor)
FCS No.:5660
CP No.:5204
Peer Review Cert. No. 740/2020
UDIN: F005660C000824885
Date :24/08/2021
Place: Noida

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE INDUSTRY

The engineering and construction industry saw overall market growth despite cost pressures, labour shortages, and trends toward fixed-bid projects. We originally forecasted this trend would persist into 2020 and 2021, but the COVID-19 pandemic caused a shift in project timelines and a drop in the sectors' labour and employment.

COVID-19 IMPACT

In 2020, the global economic sky was overcast with COVID-19. By end-March 2021, the virus had resulted in over 128 million infections and over 2.8 million mortalities worldwide. The year 2021 has commenced with both hope and fear - several parts of the world are locking down and bracing against new waves of infections and speedily communicable mutations. At the same time, the approval of several vaccines has spurred vaccination drives worldwide, albeit at different speeds. Nearly 600 million of vaccine doses have already been administered (March 31, 2021), World trade declined by around 8.5 per cent, with the contraction in services trade outpacing the fall in merchandise trade.

With gradual lifting of restrictions and reopening of the economy, the pace of contraction moderated in Q2 and GDP returned to positive terrain in Q3 of 2020-21. Sensing the recovery gaining traction, equity markets became ebullient, with the BSE Sensex staging a V-shaped recovery and rising over 91 per cent by end-March 2021 from the lows of March 2020, buoyed by strong corporate performance in Q2 and Q3 of 2020-21, the roll-out of a massive vaccine programme, fiscal and monetary stimulus in place and surges of capital inflows. The prospects for the Indian economy though impacted by the second wave, remain resilient, the gathering momentum of activity in several sectors of the economy till March,

The Union Budget 2021-22 has emphasised on, among others, infrastructure development along with enhancing credit flow to allied sectors and improvement in supply chains.

The Union Budget 2021-22 has Government plan to expend Rs. 1.97 lakh crore in next 5 years for PLI schemes in 13 Sectors, Rs. 1,10,055 crore for Railways of which Rs. 1,07,100 crore is for capital expenditure.

Under Power Sector, 139 Giga Watts of installed capacity and 1.41 lakh circuit km of transmission lines added, and additional 2.8 crore households connected in past 6 years

- Consumers to have alternatives to choose the Distribution Company for enhancing competitiveness
- Rs. 3,05,984 crore over 5 years for a revamped, reforms-based and result-linked new power distribution sector scheme
- A comprehensive National Hydrogen Energy Mission 2021-22 to be launched

Key points of Annual Documents released by Economic Survey of India includes Strategy to face the pandemic, four pillar strategy, Economic Recovery etc.

A V-shaped recovery is characterized by a quick and sustained recovery in measures of economic performance after a sharp economic decline as:

- It is supported by the initiation of a mega vaccination drive with hopes of a robust recovery in the services sector and prospects for robust growth in consumption and investment.
- V-shaped recovery is due to resurgence in high frequency indicators such as power demand, rail freight, E-Way bills, Goods and Services Tax (GST) collection, steel consumption, etc.
- The fundamentals of the economy remain strong as gradual scaling back of lockdowns along with the support of Aatmanirbhar Bharat Mission have placed the economy firmly on the path of revival.

This path would entail a growth in real Gross Domestic Product (GDP) by 2.4% over the absolute level of 2019-20 - implying that the economy would take two years to reach and go past the pre-pandemic level.

There is an estimated GDP growth by 15.4% which is in line with International Monetary Fund.

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.

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 get are stuck off in between.

Technofab Engineering with a track record of 50 years is one of India's premier engineering and construction companies specialized in providing complete engineering, procurement and construction (EPC) services in various sectors. 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

India's power sector has undergone a significant change, and this has redefined the industry outlook. Demand for electricity is seeing a steady growth with a pick-up in the economy, especially manufacturing activity, as well as favourable government policy. The government has implemented various progressive measures to maximise power generation capacity and improve distribution. Government initiatives like 24x7 power, power to all households and UDAY, which has improved viability of discoms to buy more power to serve more customers and the CEC initiatives that include linking of deviation settlement mechanism (DSM) prices to DAM prices at the exchange average clearing price, have helped the sector witness robust growth. The Company sees big opportunity in this Sector.

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 water sector therefore has the greatest long-term potential. Seeing the huge investments domestically, the Company is well placed to secure significant new business in this sector for several consecutive years.

The urban population in India, which stood at 377 million in 2011, is expected to grow by 404 million to become 781 million by 2050 (World Urbanisation Prospects, 2014). Many Indian cities get their water supply from sources far away at high costs including for energy used for pumping water to these cities. Cities with larger populations generally rely more on surface water than the groundwater. In cities, where groundwater is the source of water supply, aquifers are getting depleted due to over extraction. At the same time, sanitation has not kept pace with water supply in the country.

Human health and economic prosperity are very much dependent on clean water supply and good sanitation as on other factors. Hence, it is important to look at how pollution of water sources, especially from sewage, affects water quality and water security.

In recent years the Company has identified water and waste water treatment as a focus area. As per the Govt. efforts to rejuvenate water bodies, in order that they are able to provide fresh potable water to the public (ever increasing) considerable investment is being directed to provision of proper treatment and disposal of waste water/sewage /drainage. Towards this end, Government has also availed of line of credits from the World Bank. Leveraging existing experience in water and waste water infrastructure, the Company is bidding for several treatment

plants, both on its own, and where pre-qualification requirements do not permit it to bid on it's own then the Company is forging tie ups on a case by case basis.

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.

INDUSTRIAL SECTOR

A sector where the Company has traditionally secured and executed a fairly large volume of business in last 9 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, 2021 VIS-À-VIS FINANCIAL YEAR ENDED MARCH 31, 2020

The Company has under-performed in terms of income with a drop by 56.99%. The Company has incurred a loss of Rs. 128.00 Crore which turned its net worth negative. The Company couldn't achieve its bench mark turnover due to various reasons already discussed in the Directors' Report. A huge part of the loss is due to termination of few projects and invocation of Bank Guarantees etc. as already mentioned in the Exceptional items in the Notes to the attached Balance Sheet. In the current financial year, the Company could not fully service its projects due to non-tie-up of enhanced working capital facilities with the banks 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 which resulted into termination and invocation Bank Guarantees.

Rs. In Crore

Particulars	FY 20-21	FY 19-20	% Variation
Total Income	37.80	61.89	-56.99%
PBDIT (After Exceptional Items, if any)	-112.62	-186.02	-39.46%
Interest and Financial Charges	12.38	33.14	-62.46%
Depreciation	3.0	6.77	-55.69%
Profit Before Tax	-128.00	-225.94	-43.35%
Profit After Tax	-128.00	-240.54	-46.79%
EPS	-122.02	-229.3	432.14%

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 2018-19	FY 2019-20	FY2020-21
Conventional Power	1.24%	11.91%	-
Water & Waste Water Treatment	54.69%	45.18%	38.95%
Industrial & Infrastructure Sectors	0.5%	-	-
Electrical sub-stations & Distribution	43.57%	42.91%	37.25%
Agricultural	-	-	23.80%
TOTAL	100%	100%	

As can be seen in the above table that there is a continuous churning in the relative contribution of individual sector. 22.07 % of the total turnover is from overseas projects.

ORDER BOOK AND THE YEAR AHEAD

The Company's Order backlog position on March 31, 2021 is approximately INR 600 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 2021, the company has 97 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.

G.C.AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

240, Ghalib Apartments
Parwana Road,
Pitampura , Delhi-110034
Phone : 9873342220
E-mail: ca_gca@yahoo.co.in

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, 2021, 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 2021, 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 your attention to note 50, 51&52 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 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 50, 51 & 52to the standalone financial statements, which describe the company's financial condition and its debt as at March 31, 2021. 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 50, 51 & 52 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.

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, 2021 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, 2016', 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, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021from 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, 2021 on its financial position in its financial statements – Refer Note 46

(ii) The Company did not have any long-term contracts including derivative contracts as at 31st March, 2021

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

(j) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(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

Place: New Delhi
Date: 26.08.2021
UDIN: 21083820AAAADE1359

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

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, 2021 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 2021, 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: 26.08.2021

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, 2021 we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets.

   (b) As explained to us, the management during the financial year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

   (c) The title deeds of immovable properties are held in the name of the company.

2. (a) According to the information and explanations given to us the inventories have been physically verified by the management during the year at reasonable intervals. As explained to us the discrepancies noticed on physical verification of inventory as compared to the book records were not material.

3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii) (a) and (b) of the order are not applicable.

4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to loans and investment made. As per the information and explanation given to us, the Company has not given any guarantee or provides any security in connection with a loan to anybody corporate or person.

5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

6. To the best of our knowledge and as explained, the maintenance of cost records as specified by the Central Government under sub-section (l) of section 148 of the Companies Act, 2013 is not applicable to the company.

7. (a) During the year, there were various delays in deposit of undisputed statutory dues including provident fund, employee' state insurance, income tax, goods &service tax, customs duty, excise duty, cess and other statutory dues. Further according to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us, the disputed statutory dues in respect of provident fund, employee' state insurance, income tax, goods &service tax, customs duty, excise duty, cess and other statutory dues wherever applicable to the company which have not been deposited with the appropriate authorities is as under:

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
MP VAT Act 2002 (MP)	Local Sales Tax	190,943	2014-15	Dy. Commissioner (Appeals) Bhopal (MP)
Maharashtra VAT Act 2002 (Maharashtra)	Local Sales Tax	3,357,732	2010-11	Jt. Commissioner (Appeals), Mumbai
Maharashtra VAT Act 2002 (Maharashtra)	Central Sales Tax	6,130,542	2011-12	Jt. Commissioner (Appeals), Mumbai
Maharashtra VAT Act 2002 (Maharashtra)	Local	3,734,774	2012-13	Jt. Commissioner (Appeals), Mumbai
	Central	60,833		
West Bengal Sales Tax Act, 1994	Local Sales Tax	8,768,960	2016-17	Dy. Commissioner Durgapur (WB)
Goods & Service Tax Act, 2017, Tripura	SGST	417,818	2017-18	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	Addl. Commissioner of State Tax, Agartala
	CGST	1,553,767		
	PENALTY	3,107,534		
	INTEREST	621,506		

8. In our opinion, on the basis of books and records examined by us and according to the information and explanations given to us, the company has defaulted in repayment of dues to banks which have been declared NPA details of which is as under:

S.No.	Bank Name	CC A/c No.	Date of NPA	Amount
1	Bank of India	604130100020104	7-Jun-19	1,163,949,886
2	BAnk of Baroda	40940500000011	8-Jul-19	592,610,693
3	State Bank of India	64044446050	27-Jun-19	329,477,730
4	United Bank of India	1720250000259	26-Jun-19	126,589,886
5	Axis bank	7010300017310	30-Jun-19	68,166,823
6	IDBI Bank	127655100001717	25-Sep-19	100,523,331

All the above mentioned defaults are continuing till date. The company does not have any dues to government or debenture holders.

9. The Company has not raised any money by way of initial public offer or further public offer or debt instruments. In our opinion, and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were raised, other than temporary deployment pending allocation.

10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.

11. The Company has not paid / provided for managerial remuneration during the year.

12. 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.

13. 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 financial statements as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private allotment of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.

15. 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 him. Accordingly, paragraph 3(xv) of the order is not applicable.

16. 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. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

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

G. C. Agarwal

Prop.
M.No.083820

Place: New Delhi
Date: 26.08.2021

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

BALANCE SHEET 31ST MARCH, 2021

Amount in ₹

Particulars	Note no.	As at 31-Mar-21	As at 31-Mar-20
		₹	₹
ASSETS			
(1) Non-Current Assets			
Property, Plant and Equipment	5	41,68,83,821	47,98,05,853
Investment in Property	6	53,18,617	54,10,077
Intangible assets	7	8,20,056	14,15,940
Financial Assets			
(i) Investments	8	10,71,03,752	10,69,91,447
(ii) Loans	9	1,87,63,933	1,69,69,116
(iii) Other Financial Assets	10	-	19,608
Other Non Current Assets	11	17,55,264	40,00,380
Deferred Tax Assets (Net)	12	-	-
		55,06,45,443	61,46,12,421
(2) Current Assets			
Inventories	13	2,01,54,913	11,55,91,699
Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	14	2,65,93,70,223	3,31,86,21,310
(iii) Cash and Cash Equivalents	15	92,73,932	4,27,32,429
(iv) Other Bank balances other than (iii) above	16	3,25,896	4,44,79,712
(v) Other Financial Assets	17	15,24,176	27,71,734
Current Tax Assets (Net)	18	19,47,810	1,11,53,607
Other Current Assets	19	56,35,18,376	62,65,65,235
		3,25,61,15,326	4,16,19,15,726
Total		**3,80,67,60,770**	**4,77,65,28,147**
EQUITY AND LIABILITIES		—	—
(1) Shareholder's Funds:			
Equity Share Capital	20	10,49,00,000	10,49,00,000
Other Equity	21	(1,32,75,78,864)	(4,81,35,258)
		(1,22,26,78,864)	5,67,64,742
(2) Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	22	16,69,35,046	12,86,63,945
(ii) Other Financial Liabilities		-	-
Provisions	23	1,26,67,389	1,56,39,927
Other non current liabilities	24	43,90,65,185	40,93,66,792
		61,86,67,620	55,36,70,664
(3) Current Liabilities			
Financial Liabilities			
(i) Borrowings	25	3,25,20,42,935	2,90,60,53,947
(ii) Trade Payables			
Dues to Micro and Small Enterprises	26	67,14,164	79,27,570
Dues to Others	26	70,73,05,144	83,51,45,906
(iii) Other Financial Liabilities	27	3,04,982	3,30,742
Other Current Liabilities	28	43,85,18,416	41,18,51,696
Provisions	29	58,86,373	47,82,880
		4,41,07,72,014	4,16,60,92,741
Total		**3,80,67,60,770**	**4,77,65,28,147**

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

Suman Kumar Verma
Company Secretary
Mem. No.F7409

Date : 26-08-2021
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Amount in ₹

Particulars	Note no.	Year Ended 31-Mar-21	Year Ended 31-Mar-20
		₹	₹
REVENUE :			
Revenue from Operations	30	26,62,89,712	56,53,95,379
Other Income	31	11,36,75,684	5,35,95,624
Total Revenue		**37,99,65,396**	**61,89,91,003**
EXPENSES :			
Cost of Materials Consumed	32	15,85,04,140	49,91,00,631
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	6,96,11,507	4,81,26,923
Expenditure on Contracts	34	8,15,06,952	22,22,34,347
Employee Benefit Expense	35	10,91,98,418	32,35,36,456
Finance Costs	36	12,38,07,680	33,14,28,746
Depreciation and Amortization Expense	5, 6 & 7	3,00,58,211	6,77,78,745
Other Expenses	37	65,01,70,035	8,94,26,200
Total Expenses		**1,22,28,56,943**	**1,58,16,32,048**
Profit / (Loss) before Exceptional items and Tax		**(84,28,91,547)**	**(96,26,41,045)**
Exceptional Items	38	43,71,40,052	1,29,68,13,694
Profit / (Loss) after Exceptional items but Before Tax		**(1,28,00,31,599)**	**(2,25,94,54,739)**
Tax Expense :			
- Current Tax		-	-
- Deferred Tax		-	12,45,49,876
- Tax Adjustment for Earlier Years		-	2,13,95,147
Total Tax Expenses		**-**	**14,59,45,023**
Profit / (Loss) for the period from continuing operations		**(1,28,00,31,599)**	**(2,40,53,99,762)**
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(a) Re-measurement Gains / (Losses) of defined benefit plans		4,75,688	(10,89,541)
Income tax effect on above		-	-
(b) Equity Instruments through Other Comprehensive Income Gains / (Losses) on Fair valuation of Long Term Investment		1,12,305	(1,16,710)
Income tax effect on above		-	-
Total Other Comprehensive Income		**5,87,993**	**(12,06,251)**
Total Comprehensive Income for the year		**(1,27,94,43,606)**	**(2,40,66,06,013)**
Earning per share (₹)			
Basic		**(122.02)**	**(229.30)**
Diluted		**(122.02)**	**(229.30)**
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

Suman Kumar Verma
Company Secretary
Mem. No.F7409

Date : 26-08-2021
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Amount in ₹

A. Equity Share Capital	Balance as at 31st March, 2019	Changes in equity share capital during the period 2019-20	Balance as at 31st March, 2020	Changes in equity share capital during the period 2020-21	Balance as at 31st March, 2021
	10,49,00,000	-	10,49,00,000	-	10,49,00,000

Amount in ₹

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, 2019	**70,19,42,133**	**81,07,94,057**	**84,18,29,140**	**39,27,451**	**(22,027)**	**2,35,84,70,755**
Profit for the period ended 31st March, 2020			(2,40,53,99,762)			**(2,40,53,99,762)**
Re-measurement gains (losses) on defined benefit plans				(10,89,541)		**(10,89,541)**
Gain (losses) on Fair valuation of Long Term Investment					(1,16,710)	**(1,16,710)**
Balance as at March 31, 2020	**70,19,42,133**	**81,07,94,057**	**(1,56,35,70,622)**	**28,37,910**	**(1,38,737)**	**(4,81,35,258)**
Profit for the year ended 31st March 2021			(1,28,00,31,599)			**(1,28,00,31,599)**
Re-measurement gains (losses) on defined benefit plans				4,75,688		**4,75,688**
Gain (losses) on Fair valuation of Long Term Investment					1,12,305	**1,12,305**
Balance as at March 31, 2021	**70,19,42,133**	**81,07,94,057**	**(2,84,36,02,221)**	**33,13,598**	**(1,43,142)**	**(1,32,75,78,864)**

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

Suman Kumar Verma
Company Secretary
Mem. No.F7409

Date : 26-08-2021
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Amount in ₹

Particulars		Year Ended 31-Mar-21	Year Ended 31-Mar-20
(A) CASH FLOW OPERATING ACTIVITIES		₹	₹
Net Profit Before Tax and Extraordinary Item		**(1,28,00,31,599)**	**(2,25,94,54,739)**
Adjustment for :			
Depreciation		3,00,58,211	6,77,78,745
Interest Expenses		6,28,37,070	21,80,00,858
Interest Income		51,76,317	(1,76,22,179)
Loss on Sale of Property, Plant and Equipments (Net)		2,33,29,213	99,23,757
Dividend Income		(5,429)	(23,659)
Bad debts		(58,30,52,909)	(75,07,233)
Liability no Longer Required		10,58,84,870	-
Interest Income on fair valuation of Security Deposit		-	(76,814)
Operating Profit before Working Capital Changes		**(1,63,58,04,256)**	**(1,98,89,81,264)**
Adjustment for :			
Trade receivables		1,24,23,03,996	68,11,55,454
Loans and Advances and other assets		10,89,18,139	51,15,92,108
Inventories		9,54,36,786	10,24,95,079
Trade and Other payables		(17,98,80,736)	(81,99,29,613)
Cash Generated from Operation		**(36,90,26,071)**	**(1,51,36,68,237)**
Direct Taxes Paid		92,05,797	2,10,98,073
Net Cash Flow from Operating Activities	**(A)**	**(35,98,20,274)**	**(1,49,25,70,164)**
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		-	(23,21,009)
Sale of Fixed Assets		1,02,21,952	13,32,526
Interest Income		(51,76,317)	1,76,22,179
Sale / (Purchase) of Investments (Net)		(1,12,305)	11,69,123
Dividend Received		5,429	23,659
Net Cash from (-used) in Investing Activities	**(B)**	**49,38,759**	**1,78,26,478**
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid		(6,28,37,070)	(21,79,24,044)
Proceeds / (Repayment) from / of Long term Borrowings (Net)		3,82,71,101	5,59,98,425
Proceeds / (Repayment) from / of Short term Borrowings (Net)		(9,11,51,064)	(6,55,92,424)
Increase in Borrowings due to Invocation of Bank Guarantees		43,71,40,052	1,72,45,88,843
Net Cash Flow From Financing Activities	**(C)**	**32,14,23,019**	**1,49,70,70,800**
Net Increase in Cash and Cash Equivalents	**(A+B+C)**	**(3,34,58,496)**	**2,23,27,114**
Cash & Cash Equivalents (Opening Balance)		**4,27,32,429**	**2,04,05,315**
Cash & Cash Equivalents (Closing Balance)		**92,73,933**	**4,27,32,429**

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

Suman Kumar Verma
Company Secretary
Mem. No.F7409

Date : 26-08-2021
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 includes 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 (Rupees), 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

COVID-19 has impacted the normal business operation by way of supply chain disruption, unavailability of personnel, closure/lock down etc. during the lock down period. 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.

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.

TECHNOFAB ENGINEERING LIMITED

Notes to the standalone financial statements

Note - 5 Property, Plants and Equipments

Amount in ₹

Particulars	Land	Buildings	Plant and Equipments	Right-of-Use Assets	Temporary Structure	Barges	Furniture and Fixture	Office Equipment	Vehicles	Computer	Total
Gross Block											
As at March 31, 2019	23,35,85,000	4,81,58,822	18,75,97,078	-	11,19,31,436	8,04,01,884	35,21,165	26,51,120	7,19,84,342	1,06,61,499	75,04,92,345
Additions				16,10,16,039	20,50,899					32,110	16,30,99,048
Adjustment			2,70,53,853	16,10,16,039	11,21,29,342		7,33,853		1,05,17,463	9,87,703	31,24,38,253
As at March 31, 2020	23,35,85,000	4,81,58,822	16,05,43,225	-	18,52,993	8,04,01,884	27,87,312	26,51,120	6,14,66,879	97,05,906	60,11,53,140
Additions	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	5,61,98,492	-	-	-	4,33,732	13,19,749	90,13,327	45,27,037	7,14,92,337
As at March 31, 2021	**23,35,85,000**	**4,81,58,822**	**10,43,44,733**	**-**	**18,52,993**	**8,04,01,884**	**23,53,579**	**13,31,371**	**5,24,53,552**	**51,78,869**	**52,96,60,803**
Accumulated Depreciation											-
As at March 31, 2019	-	42,04,312	4,59,94,295	-	9,43,34,089	1,79,98,686	11,29,813	18,71,175	2,33,26,065	60,34,843	19,48,93,278
Charge for the period		14,01,878	1,69,00,809	2,23,50,072	83,23,506	60,15,999	3,39,136	2,14,007	91,86,176	18,88,358	6,66,19,941
Adjustment			82,32,066	2,23,50,072	10,13,68,395	-	3,02,626	-	69,78,690	9,34,082	14,01,65,931
As at March 31, 2020	-	56,06,190	5,46,63,038	-	12,89,200	2,40,14,685	11,66,323	20,85,182	2,55,33,551	69,89,119	12,13,47,287
Charge for the period	-	14,01,521	1,22,08,139	-	3,64,421	59,99,562	2,74,535	1,21,796	77,79,434	12,21,459	2,93,70,867
Adjustment	-	-	2,75,76,583	-	-	-	2,49,152	12,53,760	46,90,782	41,70,895	3,79,41,172
As at March 31, 2021	**-**	**70,07,711**	**3,92,94,594**	**-**	**16,53,621**	**3,00,14,247**	**11,91,706**	**9,53,218**	**2,86,22,203**	**40,39,683**	**11,27,76,982**
Net Carrying Amount											
As at March 31, 2020	23,35,85,000	4,25,52,632	10,58,80,187	-	5,63,793	5,63,87,199	16,20,989	5,65,938	3,59,33,328	27,16,787	47,98,05,853
As at March 31, 2021	**23,35,85,000**	**4,11,51,111**	**6,50,50,139**	**-**	**1,99,372**	**5,03,87,637**	**11,61,873**	**3,78,153**	**2,38,31,349**	**11,39,186**	**41,68,83,821**

Note - 6 Investment in Property

Amount in ₹

Particulars	Buildings	Total
Gross Block		
As at March 31, 2019	57,76,419	57,76,419
Additions	-	-
As at March 31, 2020	57,76,419	57,76,419
Additions		
As at March 31, 2021	**57,76,419**	**57,76,419**
Accumulated Depreciation	-	-
As at March 31, 2019	2,74,631	2,74,631
Charge for the year	91,711	91,711
As at March 31, 2020	3,66,342	3,66,342
Charge for the year	91,460	91,460
As at March 31, 2021	**4,57,802**	**4,57,802**
Net Carrying Amount		
As at March 31, 2020	54,10,077	54,10,077
As at March 31, 2021	**53,18,617**	**53,18,617**

Note - 7 Intangible assets

Amount in ₹

Particulars	Software	Total
Gross Block		
As at March 31, 2019	63,30,400	63,30,400
Additions	2,38,000	2,38,000
As at March 31, 2020	**65,68,400**	**65,68,400**
Additions	-	-
As at March 31, 2021	**65,68,400**	**65,68,400**
Accumulated Depreciation		
As at March 31, 2019	40,85,367	40,85,367
Charge for the year	10,67,093	10,67,093
As at March 31, 2020	51,52,460	51,52,460
Charge for the year	5,95,884	5,95,884
As at March 31, 2021	**57,48,344**	**57,48,344**
Net Carrying Amount		-
As at March 31, 2020	14,15,940	14,15,940
As at March 31, 2021	**8,20,056**	**8,20,056**

TECHNOFAB ENGINEERING LIMITED

Notes to the standalone financial statements

Amount in ₹

Particulars	Face Value	Qty. in nos.	As at 31-Mar-21	Qty. in nos.	As at 31-Mar-20
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	29,920	100	17,160
C & C Construction Ltd.	10	100	420	100	110
Hind Dorr-Oliver Ltd.	2	74037	-	74037	-
Hindustan Construction Ltd.	1	100	805	100	395
IVRCL Infrastructure Ltd.	2	100	-	100	-
Larsen & Toubro Ltd.	2	225	2,12,835	225	1,21,275
Nagarjuna Construction Ltd.	2	100	7,900	100	1,875
Patel Engineering Ltd.	1	100	1,170	100	900
Shriram EPC Ltd.	10	200	400	200	230
Unitech Ltd.	2	2000	3,300	2000	2,500
Total (I) of Investments measured at Fair Value Through Other Comprehensive Income (FVTOCI)			**2,56,750**		**1,44,445**
(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	1,67,51,020	473000	1,67,51,020
Arihant Flour Mills Pvt. Ltd.	100	58228	9,00,95,982	58228	9,00,95,982
Total (II) of Investments measured at Fair Value Through Profit & Loss (FVTPL)			**10,68,47,002**		**10,68,47,002**
(III) Unquoted Equity shares, Fully Paid up					
Hydro Air Tectonics (PCD) Ltd.	10	390000	**-**	390000	**-**
Total (III) of Investments measured at Fair Value Through Profit & Loss (FVTPL)			**-**		**-**
Total (Non-current Investments)			**10,71,03,752**		**10,69,91,447**
Note - 9 Loans Non-Current (Unsecured, Considered good)					
Security Deposit / Earnest Money			1,87,63,933		1,69,69,116
Total			**1,87,63,933**		**1,69,69,116**
Note - 10 Other Non Current Financial Assets					
Fixed deposits having remaining maturity of more than 12 months *			-		19,608
Total			**-**		**19,608**
Note - 11 Other Non Current Assets					
Prepaid Expenses			17,55,264		40,00,380
Total			**17,55,264**		**40,00,380**
Note - 12 Deferred tax Assets comprised of the following: -					
Assets					
(i) Disallowance under Income Tax Act			-		-
(ii) Carried Forward losses			-		-
Total Deferred tax assets			**-**		**-**
Liability					
Difference between book and tax base related to fixed assets			-		-
Total Deferred tax liabilities			**-**		**-**
Net Deferred Tax Assets			**-**		**-**
Deferred Tax (Assets) / Liability provided for					
Profit and Loss Account			-		12,45,49,876
Other Comprehensive Income			-		-
Net Deferred Tax (Assets) / Liability			**-**		**12,45,49,876**
Note - 13 Inventories					
Raw Material			2,01,54,913		11,55,91,699
Total			**2,01,54,913**		**11,55,91,699**

Notes to the standalone financial statements

Amount in ₹

	Particulars	Qty. in nos.	As At 31-Mar-21	Qty. in nos.	As At 31-Mar-20
Note - 14	**Trade Receivables #**		₹		₹
	Trade Receivables considered good-Secured		-		-
	Trade Receivables considered good-Unsecured		2,65,93,70,223		3,31,86,21,310
	Trade Receivables which have significant increase in Credit Risk		-		-
	Trade Receivables - Credit impared		-		-
	Total		**2,65,93,70,223**		**3,31,86,21,310**
	# Trade receivables includes Retention Money				
Note - 15	**Cash and Cash Equivalents**				
	Balance with Banks				
	in Current Account with Domestic Banks		62,68,773		1,88,53,097
	in Current Account with Foreign Banks*		21,47,318		2,25,24,494
	Cash on Hand		8,57,841		13,54,838
	Total		**92,73,932**		**4,27,32,429**
Note - 16	**Other Bank Balances**				
	In Earmarked Dividend Bank Accounts		3,04,982		3,30,742
	Fixed deposits having remaining maturity of more than three months and less than twelve months and other than considered in cash and cash equivalents *		20,914		4,41,48,970
	Total		**3,25,896**		**4,44,79,712**
Note - 17	**Loans Current (Unsecured, Considered good)**				
	Security Deposits		15,24,176		27,71,734
	Total		**15,24,176**		**27,71,734**
Note - 18	**Current Tax Assets (Net)**				
	Advance Taxes and Tax Deducted at Source (Net of Provisions)		19,47,810		1,11,53,607
	Total		**19,47,810**		**1,11,53,607**
Note - 19	**Other Current Assets (Unsecured, Considered good)**				
	Recoverable from Revenue Authorities		24,05,37,297		23,65,19,538
	Income Tax Refund Receivable		15,05,850		7,27,28,795
	Prepaid Expenses		1,76,37,231		2,67,28,110
	Unbilled Revenue		24,84,10,629		24,57,05,121
	Advances for supply of raw materials & Others		4,27,25,955		4,48,83,671
	Other Advances		1,27,01,414		-
	Total		**56,35,18,376**		**62,65,65,235**

Notes to the standalone financial statements

Amount in ₹

	Particulars	As At 31-Mar-21	As At 31-Mar-20
Note - 20	**Share Capital**	₹	₹
	Authorised Capital		
	180,00,000 Equity shares of ₹10/- each	18,00,00,000	18,00,00,000
	Issued, Subscribed & Paid up		
	104,90,000 Equity shares of ₹10/- each	10,49,00,000	10,49,00,000
	Total	**10,49,00,000**	**10,49,00,000**

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

Particulars	As At 31-Mar-21		As At 31-Mar-20	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Shares at the beginning of the year	10490000	10,49,00,000	10490000	10,49,00,000
Addition during the year	-	-	-	-
Shares at the end of the year	**10490000**	**10,49,00,000**	**10490000**	**10,49,00,000**

(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

Note - 21	**Other Equity**		
	(i) Securities Premium (Refer Note 21a)	**70,19,42,133**	**70,19,42,133**
	(ii) General Reserve (Refer Note 21b)		
	As per last accounts	81,07,94,058	81,07,94,058
	Closing Balance	**81,07,94,058**	**81,07,94,058**
	(iii) Other Comprehensive Income (Refer Note 21c)		
	As per last accounts	26,99,173	39,05,424
	Add : Profit (-Loss) after tax for the year	5,87,993	(12,06,251)
	Less : Earlier Year Adjustment	-	-
	Closing Balance	**32,87,166**	**26,99,173**
	(iv) Surplus		
	As per last accounts	(1,56,35,70,622)	84,18,29,140
	Add : Profit (-Loss) after tax for the year	(1,28,00,31,599)	(2,40,53,99,762)
	Add : Earlier Year Adjustment	-	-
	Closing Balance	**(2,84,36,02,221)**	**(1,56,35,70,622)**
	Total	**(1,32,75,78,864)**	**(4,81,35,258)**

Nature of Reserves

21a 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

21b 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.

21c 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 ₹

Particulars	As At 31-Mar-21	As At 31-Mar-20
Note - 22 Non Current borrowings {Term Loans (from Banks)}	₹	₹
Secured		
Vehicle Loans	2,96,310	10,76,452
Unsecured		
Loans from Subsidiaries*	16,66,38,736	12,75,87,493
Total	**16,69,35,046**	**12,86,63,945**

* Unsecured loans from wholly owned subsidiary companies and is repayable after five years from 31st March,2018 bearing interest rate of 11.6%.

Note - 23 Provisions		
Long Term Provisions		
Gratuity	88,00,548	1,14,33,654
Leave Encashment	38,66,841	42,06,273
Total	**1,26,67,389**	**1,56,39,927**
Note - 24 Other Non Current Liabilities		
Others Payables		
Advance from Customers	43,90,65,185	40,93,66,792
Total	**43,90,65,185**	**40,93,66,792**
Note - 25 Current borrowings (Secured)		
From Banks		
Working Capital*	3,23,18,65,976	2,88,55,78,680
Current maturity of :		
Vehicle Loans**	16,14,259	13,54,032
Equipment Loans***	1,85,62,700	1,91,21,235
Total	**3,25,20,42,935**	**2,90,60,53,947**

* 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 253,707/- equivalent Rupees 18,562,700/- 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	10,02,41,044
(ii) BANK OF BARODA	10,66,72,084
(iii) BANK OF INDIA	25,25,67,109
(iv) IDBI BANK	2,53,87,282
(v) STATE BANK OF INDIA	6,67,26,429
(vI) UNITED BANK OF INDIA	6,26,98,917
Total	**61,42,92,865**

For the period July-2019 to March-2021 was not charged by banks during the year.

Notes to the standalone financial statements

Amount in ₹

Particulars		As At 31-Mar-21 ₹	As At 31-Mar-20 ₹
Note - 26	**Trade Payables**		
	Total outstanding dues of micro enterprises and small enterprises*	67,14,164	79,27,570
	Total outstanding dues of creditors other than micro enterprises and small enterprises	70,73,05,144	83,51,45,906
	Total	**71,40,19,308**	**84,30,73,476**
	***Note relating to micro, small and medium enterprises**		
i	Principal Amount remaining unpaid at the end of the year	33,72,992	53,70,392
ii	Interest Amount remaining unpaid at the end of the year	33,41,172	25,57,178
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	**67,14,164**	**79,27,570**
Note - 27	**Other Current Financial Liabilities**		
	Unpaid Dividend	3,04,982	3,30,742
	Total	**3,04,982**	**3,30,742**
Note - 28	**Other Current Liabilities**		
	Other Payable (including expenses payable)	35,19,61,855	32,58,66,275
	Advance from Customers	7,74,82,092	7,22,41,199
	Statutory Dues	90,74,469	1,37,44,222
	Total	**43,85,18,416**	**41,18,51,696**
Note - 29	**Current Provisions**		
	Gratuity	46,80,417	35,67,306
	Leave Encashment	12,05,956	12,15,574
	Total	**58,86,373**	**47,82,880**

TECHNOFAB ENGINEERING LIMITED

Notes to the standalone financial statements

Amount in ₹

	Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
		₹	₹
Note - 30	**Revenue from Operations**		
	Construction Contract	26,62,89,712	56,53,73,373
	Export Incentives	-	22,006
	Total	**26,62,89,712**	**56,53,95,379**
Note - 31	**Other Income**		
	Miscellaneous Income	24,61,119	30,77,483
	Interest from Others	32,092	75,590
	Rent Received	1,45,337	1,06,803
	Dividend Income from Non-Current Investments	5,429	23,659
	Interest received on Income Tax Refund	51,45,531	22,97,910
	Interest Income on fair valuation of Security Deposit	-	76,814
	Exchange Rate Variation (Net)	-	2,79,41,686
	Interest received on FDR	1,306	1,99,95,679
	Liability no Longer Required	10,58,84,870	-
	Total	**11,36,75,684**	**5,35,95,624**
Note - 32	**Cost of Materials Consumed**	**15,85,04,140**	**49,91,00,631**
Note - 33	**(Increase) / Decrease in Raw Material & Work in progress**		
	(a) Opening Stock		
	Raw Material	8,85,07,059	13,66,33,982
	Work-in-Progress	-	-
	Total a	**8,85,07,059**	**13,66,33,982**
	(b) Closing Stock		
	Raw Material	1,88,95,552	8,85,07,059
	Work-in-Progress	-	-
	Total b	**1,88,95,552**	**8,85,07,059**
	Total (a-b)	**6,96,11,507**	**4,81,26,923**
Note - 34	**Expenditure on Contracts**		
	Power and Fuel	11,77,278	31,21,519
	Inspection and Testing	59,40,288	73,12,979
	Repairs and Maintenance	52,82,915	1,19,89,299
	Freight, Forwarding and Clearing	80,92,939	1,87,55,832
	Rates and Taxes	1,01,08,104	1,37,35,372
	Rent and Hire Charges	1,36,28,916	3,79,17,125
	Insurance	32,14,744	4,27,67,750
	Other Site Expenses	3,40,61,768	8,65,66,189
	Rent Expense on fair valuation of Security Deposit	-	68,282
	Total	**8,15,06,952**	**22,22,34,347**
Note - 35	**Employee Benefit Expense**		
	Salaries, Wages and Other Allowances	9,39,13,340	29,46,93,590
	Contribution to Provident and Other Funds	1,38,71,440	2,31,77,503
	Workmen and staff Welfare	14,13,638	56,65,363
	Total	**10,91,98,418**	**32,35,36,456**

Amount in ₹

	Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Note - 36	**Finance Cost**	₹	₹
	Interest	6,28,37,070	21,80,00,858
	Bank Charges	6,09,70,610	11,34,27,888
	Total	**12,38,07,680**	**33,14,28,746**
Note - 37	**Other Expenses**		
	Power and Fuel	23,91,592	31,77,639
	Repairs to Others	62,87,891	58,62,186
	Insurance	19,39,869	25,14,475
	Rates and Taxes	10,61,992	1,37,25,631
	Exchange Rate Variation (Net)	65,45,675	-
	Interest on TDS	14,50,713	28,09,846
	Auditors Remuneration	64,500	1,05,000
	Miscellaneous Expenditure	5,35,552	23,24,159
	Director's Sitting Fees	10,80,000	13,20,000
	Legal and Professional	1,88,76,776	3,37,84,658
	Rent and Hire Charges	7,42,463	10,07,750
	Communication Charges	8,50,305	14,34,905
	Printing and Stationary	6,87,530	9,92,066
	Travelling and Conveyance	11,33,852	29,36,895
	Vehicle Running and Maintenance Charges	1,39,203	-
	Bad Debts and Sundry Balance w/off	58,30,52,909	75,07,233
	Loss on Sale and Discard of Assets (Net)	2,33,29,213	99,23,757
	Total	**65,01,70,035**	**8,94,26,200**
Note - 38	**Exceptional Items**		
	BG Invoked by customers/balance written off	43,71,40,052	1,31,35,11,298
	BG Invoked by us	-	(1,66,97,604)
	Total	**43,71,40,052**	**1,29,68,13,694**

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.

39. **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, 2020 and March 31, 2019.

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 Receivables / (Payables)	Change in currency Exchange Rate	Effect on profit /(Loss) before tax (In Rs.)
For the year ended March 31, 2021			
USD	25,23,568	+ 5%	93,23,789
		-5%	(93,23,789)
EURO	5,20,654	+ 5%	22,36,782
		-5%	(22,36,782)
Others (INR Equivalent)	(3,34,72,547)	+ 5%	(16,73,627)
		-5%	16,73,627
For the year ended March 31, 2020			
USD	38,45,159	+ 5%	1,45,28,826
		-5%	(1,45,28,826)
EURO	14,83,808	+ 5%	61,63,737
		-5%	(61,63,737)
Others (INR Equivalent)	(4,13,96,114)	+ 5%	(20,69,806)
		-5%	20,69,826

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:

Amount in Rs.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Currency fluctuations		
Net foreign exchange gain/(losses) shown as operating expenses	(65,45,675)	2,79,41,686
Total	**(65,85,857)**	**2,79,41,686**

The details of balances with foreign banks are as follows

NAME OF BANKS	Currency	As on 31.03.2021		As on 31.03.2020	
		Outstanding Balance (INR)	Maximum balance during the year (INR)	Outstanding Balance (INR)	Maximum balance during the year (INR)
EQUITY BANK ISIOLO (KENYA)	KSH	-	-	-	423
CRDB BANK (BUKOBA)	TZS	-	-	-	-
CRDB BANK (SUMBAWANGA)	TZS	-	-	-	702
CRDB BANK (BUKOBA)	USD	-	-	-	-
CRDB BANK (SUMBAWANGA)	USD	-	-	-	3,848
ECO BANK (ZIMBABWE)	USD	417	1,057	1,055	2,40,815
ECO BANK (ZIMBABWE) FCA	USD	50	18,178	18,140	26,64,325
BANK OF ABYSSINIA (ETHIOPIA)	ETB	72,475	86,297	91,501	15,90,290
PRUDENTIAL BANK LTD (GHANA)	GHS	4,197	4,332	4,332	5,92,677
INTERNATIONAL BANK LIBERIA LTD (LIBERIA)	USD	2,71,123	3,11,586	3,10,935	8,71,686
STANDARD BANK S.A. (MOZAMBIQUE)	MZN	1,26,28,941	1,30,68,126	1,30,68,127	1,33,62,475
STANDARD BANK S.A. (MOZAMBIQUE)	USD	-	-	-	-
STANBIC BANK (UGANDA)	UGX	2,652	53,48,291	2,800	55,96,150
BANK OF BHUTAN (BHUTAN)	BTN	17,89,326	5,17,37,940	89,45,845	3,33,91,541
SEYCHELLES COMMERCIAL BANK (SEYCHELLES)	SCR	13,823	20,29,747	848	1,25,36,467
SEYCHELLES COMMERCIAL BANK (SEYCHELLES)	USD	36,583	37,763	37,682	37,682
I & M BANK LTD. (RWANDA)	RWF	11,929	17,758	17,759	71,24,729
I & M BANK LTD. (RWANDA)	USD	21,410	25,470	25,470	74,06,737

The balance appearing in BANK OF ABYSSINIA (ETHIOPIA), PRUDENTIAL BANK OF GHANA & 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.

(Amount in Rs.)

Interest rate sensitivity	Increase/Decrease in basis points	Effect on profit/(loss) before tax
For the year ended March 31, 2021		
INR borrowings	+50	-1,61,59,330
	-50	1,61,59,330
USD borrowings	+25	-46,407
	-25	46,407
For the year ended March 31, 2020		
INR borrowings	+50	-1,44,27,893
	-50	1,44,27,893
USD borrowings	+25	-47,803
	-25	47,803

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:

Amount in Rs.

Particulars	Past due			Total
	upto 6 months	6 to 12 months	Above 12 months	
As at March 31, 2021				
Trade receivable				
Unsecured, Considered Good	16,46,26,202	2,70,81,702	2,46,76,62,319	2,65,93,70,223
Gross Total	**16,46,26,202**	**2,70,81,702**	**2,46,76,62,319**	**2,65,93,70,223**
Provision for doubtful	-	-	-	-
Net Total	**16,46,26,202**	**2,70,81,702**	**2,46,76,62,319**	**2,65,93,70,223**
As at March 31, 2020				
Trade receivable				
Unsecured, Considered Good	12,89,88,210	24,54,27,438	2,94,42,05,662	3,31,86,21,310
Gross Total	**12,89,88,210**	**24,54,27,438**	**2,94,42,05,662**	**3,31,86,21,310**
Provision for doubtful	-	-	-	-
Net Total	**12,89,88,210**	**24,54,27,438**	**2,94,42,05,662**	**3,31,86,21,310**

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.

Amount in Rs.

Particulars	Carrying Amount	On demand	Ageing as on 31st March 2021			Total
			< 6 months	6-12 months	> 1 years	
Interest bearing borrowings	3,41,86,72,999	-	1,04,88,143	3,40,78,88,547	2,96,310	3,41,86,72,999
Trade payable	71,40,19,308	-	71,40,19,308	-	-	71,40,19,308
Other liabilities	3,04,982	3,04,982	-	-	-	3,04,982
Total	**4,13,29,97,289**	**3,04,982**	**72,45,07,451**	**3,40,78,88,547**	**2,96,310**	**4,13,29,97,289**

Particulars	Carrying Amount	On demand	Ageing as on 31st March 2020			Total
			< 6 months	6-12 months	> 1 years	
Interest bearing borrowings	3,03,43,87151	-	1,02,37,634	3,02,41,49,517	-	3,03,43,87151
Trade payable	84,30,73,476	-	84,30,73,476	-	-	84,30,73,476
Other liabilities	3,30,742	3,30,742	-	-	-	3,30,742
Total	**3,87,77,91,369**	**3,30,742**	**85,33,11,110**	**3,02,41,49,517**	**-**	**3,87,77,91,369**

Interest rate & currency of borrowings

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

Amount in Rs.

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted Average Rate of Borrowing (%)
INR	3,40,04,15,281	3,23,18,65,976	16,85,49,305	11.17
USD (INR Equivalent)	1,85,62,700	1,85,62,700	-	3.78
Total as at March 31, 2021	**3,41,89,77,981**	**3,25,04,28,676**	**16,85,49,305**	
INR	3,01,55,96,657	2,88,55,78,680	13,00,17,977	11.17
USD (INR Equivalent)	1,91,21,235	1,91,21,235	-	4.65
Total as at March 31, 2020	**3,03,47,17,893**	**2,90,46,99,915**	**13,00,17,977**	

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 2020-21 and FY 2019-20 is as under:

(Amount in Rs.)

Particulars	As of March 31, 2021	As of March 31, 2020
Loans and borrowings	3,41,89,77,981	3,03,47,17,893
Less: Cash and cash equivalents	95,78,914	4,30,63,170
Net debt	3,40,93,99,067	2,99,16,54,723
Equity	(1,22,26,78,864)	5,67,64,742
Total capital	2,18,67,20,203	3,04,84,19,465
Gearing ratio	155.91%	98.14%

The Company Plan to reduce its gearing ratio.

40. 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.

(Amount in Rs.)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets designated at amortised cost				
Fixed deposits with banks	20,914	20,914	4,41,68,578	4,41,68,578
Cash and bank balances	95,78,914	95,78,914	4,30,63,170	4,30,63,170
Investment	2,56,750	2,56,750	1,44,445	1,44,445
Trade and other receivables	2,65,93,70,223	2,65,93,70,223	3,31,86,21,310	3,31,86,21,310
Other financial assets	15,24,176	15,24,176	27,71,734	27,71,734
	2,67,07,50,977	**2,67,07,50,977**	**3,40,87,69,237**	**3,40,87,69,237**
Financial liabilities designated at amortised cost				
Borrowings- fixed rate	16,85,49,305	16,85,49,305	13,00,17,977	13,00,17,977
Borrowings- floating rate	3,25,04,28,676	3,25,04,28,676	2,90,46,99,915	2,90,46,99,915
Trade & other payables	71,40,19,308	71,40,19,308	84,30,73,476	84,30,73,476
Other financial liabilities	3,04,982	3,04,982	3,30,742	3,30,742
	4,13,33,02,271	**4,13,33,02,271**	**3,87,81,22,111**	**3,87,81,22,111**

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)

Amount in Rs.

Particulars	As at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets			
Non Current Investments			
- In Quoted Investments	2,56,750	-	-

Particulars	As at March 31, 2020		
	Level 1	Level 2	Level 3
Financial assets			
Non Current Investments			
- In Quoted Investments	1,44,445	-	-

Assets / Liabilities for which fair value is disclosed

Amount in Rs.

Particulars	As at March 31, 2021		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		16,85,49,305	
Other financial liabilities		3,04,982	

Particulars	As at March 31, 2020		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		13,00,17,977	
Other financial liabilities		3,30,742	

During the year ended March 31, 2021 and March 31, 2020, 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, 2021 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	---

41. 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.

42. Income tax expense

Amount in Rs.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	-	-
	-	**-**
Deferred tax liability/(Asset)		
- Relating to origination and reversal of temporary differences	-	12,45,49,876
Tax expense attributable to current year's profit	**-**	**12,45,49,876**
Tax related to earlier years	-	2,13,95,147
Total Tax expense	**-**	**14,59,45,023**

In view of current year losses, no provision for current tax is required to be made.

43. 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.

44. Retirement benefit obligations

a. Expense recognised for Defined Contribution plan

Amount in Rs.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Company's contribution to provident fund	32,39,593	90,99,455
Company's contribution to ESI	84,419	2,19,184
Total	**33,24,012**	**93,18,639**

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, 2021 and March 31, 2020, being the respective measurement dates:

b. Movement in defined benefit obligation

Amount in Rs.

Particulars	Gratuity (funded)	leave encashment (unfunded)
Present value of obligation - April 1, 2019	1,81,97,211	41,13,142
Current service cost	19,24,917	7,83,347
Interest cost	10,44,520	2,36,094
Benefits paid	(56,25,482)	(30,35,277)
Re-measurements - actuarial loss/ (gain)	9,15,382	33,24,541
Present value of obligation - March 31, 2020	**1,64,56,548**	**54,21,847**
Present value of obligation - April 1, 2020	1,64,56,548	54,21,847
Current service cost	12,31,088	6,99,574
Interest cost	9,44,606	3,11,214
Benefits paid	(47,23,745)	(15,82,853)
Re-measurements - actuarial loss/ (gain)	(4,60,182)	2,23,015
Present value of obligation - March 31, 2021	**1,34,48,315**	**50,72,797**

c. Movement in Plan Assets – Gratuity

Amount in Rs.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Fair value of plan assets at beginning of year	21,52,131	74,38,695
Expected return on plan assets	(69,742)	5,13,078
Employer contributions	30,00,000	-
Benefits paid	(47,23,745)	(56,25,482)
Actuarial gain / (loss)	15,506	(1,74,159)
Fair value of plan assets at end of year	**3,74,150**	**21,52,131**
Present value of obligation	1,34,48,315	1,64,56,548
Net funded status of plan	**(1,30,74,165)**	**(1,43,04,417)**

The components of the gratuity &leave encashment cost are as follows:

d. Recognised in profit and loss

(Amount in Rs.

Particulars	Gratuity	Leave encashment
Current Service cost	19,24,917	7,83,347
Interest cost	10,44,520	2,36,094
Expected return on plan assets	(5,40,793)	-
Re-measurement - Actuarial loss/(gain)	-	33,24,541
For the year ended March 31, 2020	**24,28,644**	**43,43,982**
Current Service cost	12,31,088	6,99,574
Interest cost	9,44,606	3,11,214
Expected return on plan assets	(1,23,532)	-
Re-measurement - Actuarial loss/(gain)	-	2,23,015
For the year ended March 31, 2021	**20,52,162**	**12,33,803**

e. Recognised in other comprehensive income

Amount in Rs.

Particulars	Gratuity
Re-measurement - Actuarial gain/(loss)	
For the year ended March 31, 2020	(10,89,541)
Re-measurement - Actuarial gain/(loss)	
For the year ended March 31, 2021	4,75,688

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, 2021	As at March 31, 2020
Attrition rate	20.00%	20.00%
Discount Rate	5.10%	5.74%
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)	15.31	18.85

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, 2020

Particulars	change in Assumption	Effect on Gratuity obligation	Effect on leave encashment obligation
Discount rate	+1%	(6,21,113)	(2,29,119)
	-1%	6,08,381	2,46,643
Salary Growth rate	+1%	6,00,957	2,46,634
	-1%	(6,25,584)	(2,30,679)

For the year ended March 31, 2021

Particulars	change in Assumption	Effect on Gratuity obligation	Effect on leave encashment obligation
Discount rate	+1%	(3,74,622)	(1,94,385)
	-1%	4,00,562	2,08,484
Salary Growth rate	+1%	3,93,208	2,04,652
	-1%	(3,74,963)	(1,94,562)

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)

Amount in Rs.

Particulars	Gratuity
Year – 2022	43,12,933
Year – 2023	23,55,568
Year – 2024	42,09,998
Year – 2025	31,93,148
Year – 2026	27,50,783
Year - 2027 to 2031	1,01,77,179

i. Statement of Employee benefit provision

Amount in Rs.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gratuity	1,34,48,315	1,64,56,548
Leave encashment	50,72,797	54,21,847
Total	**1,85,21,112**	**2,18,78,395**

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

For the year ended March 31, 2020

Amount in Rs.

Particulars	Gratuity	Leave Encashment
Current provision	35,67,306	12,15,574
Non- current provision	1,28,89,242	42,06,273
Total Provision	**1,64,56,548**	**54,21,847**

For the year ended March 31, 2021

(Amount in Rs.)

Particulars	Gratuity	Leave Encashment
Current provision	42,73,617	12,05,956
Non- current provision	91,74,698	38,66,841
Total Provision	**1,34,48,315**	**50,72,797**

k. Employee benefit expenses

Amount in Rs.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	9,39,13,340	29,46,93,590
Costs-defined contribution plan	1,38,71,440	2,31,77,503
Welfare expenses	14,13,638	56,65,363
Total	**10,91,98,418**	**32,35,36,456**

Figures in no.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Average no. of people employed	92	203

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.

45. Other disclosures

a) Auditors Remuneration*

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1. Statutory Auditors		
i. Audit Fee	47,500	47,500
ii. Other Services	17,000	57,500
Total	**64,500**	**1,05,000**

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).

c) Commitments

Performance guarantee issued by banks on behalf of the company.

Amount in Rs.

PARTICULARS	31st March 2021	31st March 2020
Performance Bank Guarantee	1,89,20,00,094	2,61,92,78,804

Also refer Note No. 38.

46. Contingent liabilities

a)

Amount in Rs.

PARTICULARS	31st March 2021	31st March 2020
Disputed demand of Income Tax and Sales Tax	3,23,74,034	3,23,74,034
Claim against the Company not acknowledged as debt	1,02,55,37,483	44,07,89,400

47. 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 Whole Time Managing Director
(b) Arun Mittar (Non Executive - Independent Director)
(c) Pawan Chopra (Non Executive - Independent Director) Resigned 18.03.2021
(d) Anju Banerjee (Non Executive - Independent Director) Resigned 31.03.2021

(B) Relatives of Key management personnel where persons described in "A"

(a) Avinash Chander Gupta
(b) Meera Gupta
(c) Gunjan Gupta
(d) Sucheta Sarvadaman Nakul
(e) Techfab International Private Limited

(C) Executive Officers

(a) Sandeep Kumar Vij (Chief Financial Officer - Upto 28.01.2020 further relived on 30.06.2020)
(b) Shiam Narain Tandon Chief Financial Officer (w.e.f. 31.12.2020)
(c) Suman Kumar Verma (Company Secretary)

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

(a) Techfab Systems Private Limited
(b) Bakool Venture Private Limited

(2) Wholly owned Subsidiary Company

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

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

Related Party Transactions

RPT Transactions **Standalone**

Amount (In Rs.)

Description	Current Year 2020-21				Previous Year 2019-20			
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								
Avinash Chander Gupta	-	-	-	-	-	-	-	50,95,161
Arjun Gupta	-	-	-	-	-	-	1,48,50,000	-
Sandeep Kumar Vij	-	-	8,87,013	-	-	-	50,27,373	-
Shiam Narain Tandon	-	-	3,05,643	-	-	-	-	-
Suman Kumar Verma	-	-	12,85,512	-	-	-	14,15,339	-
Sitting Fees Paid								
Pawan Chopra	-	-	2,80,000	-	-	-	4,40,000	-
Arun Mitter	-	-	4,00,000	-	-	-	4,40,000	-
Anju Banerjee	-	-	4,00,000	-	-	-	4,40,000	-
Rent Paid								
Arihant Flour Mills Pvt. Ltd.	-	-	-	-	2,94,30,000	-	-	-
Interest Paid								
Arihant Flour Mills Pvt. Ltd.	1,54,26,003	-	-	-	1,39,08,772	-	-	-
Woodlands Instruments Pvt. Ltd.	16,02,971	-	-	-	14,48,454	-	-	-
Advance Given								
Arihant Flour Mills Pvt. Ltd.	1,55,887	-	-	-	1,99,23,751	-	-	-
Woodlands Instruments Pvt. Ltd.	4,056	-	-	-	37,39,837	-	-	-
Advance Repayment								
Arihant Flour Mills Pvt. Ltd.	-	-	-	-	44,81,184	-	-	-
Woodlands Instruments Pvt. Ltd.	-	-	-	-	4,03,246	-	-	-
Loan / Advance Received								
Arihant Flour Mills Pvt. Ltd.	29,38,858	-	-	-	-	-	-	-
Woodlands Instruments Pvt. Ltd.	6,56,400							

RPT Balances

Amount (In Rs.)

Description	Current Year 2020-21				Previous Year 2019-20			
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								
Avinash Chander Gupta	-	-	-	90,42,642 .00	-	-	-	90,42,642.00
Arjun Gupta	-	-	40,27,353.00	-	-	-	89,03,911.00	-
Nakul Gupta	-	-	-	13,57,601.00	-	-	-	13,57,601.00
Sandeep Kumar Vij	-	-	17,60,199.00	-	-	-	33,83,740.00	-
Shiam Narain Tandon			12,55,796.00					
Suman Kumar Verma	-	-	12,55,093.00	-	-	-	8,50,203.00	-
Payable in respect of Rent								
Arihant Flour Mills Pvt. Ltd.	2,02,89,855.50	-	-	-	2,02,89,855.50	-	-	-
Payable in respect of Loan								
Arihant Flour Mills Pvt. Ltd.	14,06,22,828.00	-	-	-	12,67,39,427.00	-	-	-
Woodlands Instruments Pvt. Ltd.	1,46,12,619.50	-	-	-	1,31,69,947.50	-	-	-
Payable in respect Advance								
Arihant Flour Mills Pvt. Ltd.	27,82,971.00							
Techfab International Pvt. Ltd.	-	-	-	22,57,322.00	-	-	-	22,57,322.00
Receivable in respct of advance to subsidiaries & other related parties								
Woodlands Instruments Pvt. Ltd.	18,00,474.00	-	-	-	24,52,818.00	-	-	-
Rivu Infrastruture Developers P Ltd	98,69,064.00		-	-	98,69,064.00	-	-	-

Remuneration to Key Managerial Personnel (KMP)

Amount (in Rs.)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Short Term Employee benefits	24,78,168	2,63,87,873
Post Employment benefits		
- Defined Contribution Plans	63,504	18,07,881
Total	**25,41,672**	**2,81,95,754**

48. 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, 2021	Year ended March 31, 2020
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

Amount (in Rs.)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (Loss) after tax – B	(1,28,00,31,599)	(2,40,53,99,762)
Basic Earnings per share (B/A) (`)	(122.02)	(229.30)
Diluted Earnings per share (B/A) (`)	(122.02)	(229.30)

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

49. Un-hedged Position of Foreign Currency

Particulars	As on 31.03.2021		As on 31.03.2020	
	Amount (in Foreign Currency)	Amount (in Rs.)	Amount (in Foreign Currency)	Amount (in Rs.)
-In Respect of Receivable				
USD	34,23,641	25,04,71,108	46,90,458	35,35,28,898
EURO	5,41,525	4,65,28,879	15,16,776	12,60,13,797
ETB - (Ethiopian Birr)	39,821	72,475	39,821	91,501
GHS - (Ghanian Cedi)	2,58,267	32,68,054	3,06,720	40,06,406
KSH - (Kenya Shilling)	14,33,672	9,58,983	40,17,148	28,82,304
MZN - (Mozambican Metical)	1,16,80,485	1,26,28,941	1,16,80,485	1,30,68,127
TZS - (Tanzanian Shilling)	13,43,70,156	42,39,502	15,72,72,941	51,21,034
UGX - (Ugandan Shilling)	92,98,11,673	1,85,60,671	80,46,21,264	1,59,73,233
RWF - (Rwandan Franc)	8,40,160	62,578	45,92,465	3,70,441
ZWD- (Zimbabwean Dollar)	2,065	417	5,065	1,055
FJD- (Fijian Dollar)	7,288	2,57,490	7,303	2,41,424
BTN - (Bhutanese Ngultrum)	1,16,06,737	1,16,06,737	1,78,31,007	1,78,31,007
SCR - (Seychellois Rupee)	47,065	1,67,137	6,01,370	32,96,952
TOTAL		**34,88,22,972**		**54,24,26,178**
-In Respect of Payable				
USD	9,00,073	6,39,95,537	8,45,339	6,29,63,180
USD ECB			-	-
EURO	20,871	17,93,239	32,968	27,39,052
ETB - (Ethiopian Birr)	-	-	64,071	1,47,223
GHS - (Ghanian Cedi)	91,198	11,53,998	3,17,277	41,44,435
KSH - (Kenya Shilling)	1,01,68,010	68,01,382	1,38,37,638	99,28,505
MZN - (Mozambican Metical)	-	-	-	-
TZS - (Tanzanian Shilling)	17,07,98,990	53,88,865	18,29,12,387	59,55,536
UGX - (Ugandan Shilling)	73,47,62,466	1,46,67,147	56,79,28,365	1,12,74,437
RWF - (Rwandan Franc)	16,49,27,704	1,22,84,477	15,38,75,415	1,24,12,010
BTN - (Bhutanese Ngultrum)	4,19,21,780	4,19,21,780	5,19,95,891	5,19,95,891
SCR - (Seychellois Rupee)	8,66,717	30,77,885	15,36,108	84,21,560
TOTAL		**15,10,84,179**		**16,99,81,829**

50. 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

51. Interest in respect of Bank Loan with various banks amounting to Rs. 6142.93 lakhs for the period starting from July-2019 to Mar 2021 (Rs. 2786.99 lakhs for the period from Jan 2021 to Mar 2021) was not charged by bank.

52. The Company has incurred significant losses for the year ended 31st March 2021 and the networth is negative as at 31st March 2021. 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.

53. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

54. Notes 1 to 54 are annexed and form integral part of Standalone Financial Statements

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 & Whole Time Director
DIN- 00012092

Suman Kumar Verma
Company Secretary
M. No. F7409

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

PLACE : New Delhi
Dated: - 26-08-2021

G.C.AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

240, Ghalib Apartments
Parwana Road,
Pitampura , Delhi-110034
Phone : 9873342220
E-mail: ca_gca@yahoo.co.in

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, 2021, 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, 2021, 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 50, 51& 52 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 50, 51& 52 to the consolidated financial statements, which states that the company has significant accumulated losses at the year ended March 31, 2021 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 50, 51& 52 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.

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, 2021 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.19,70,14,608/- as at 31st March, 2021, total revenues of Rs. 1,70,28,974/-,net profit after tax of Rs. 15,10,145/-for the year ended 31st March, 2021 and net cash flows amounting to Rs 3,99,724/- 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, 2021, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31st March, 2021 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 46 in the Consolidated Financial Statements.

        ii. The Group did not have any long-term contracts including derivative contracts as at 31stMarch,2021

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

h. With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(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: 26.08.2021
UDIN: 21083820AAAADF4878

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, 2021, we have audited the internal financial controls over financial reporting of **TECHNOFAB ENGINEERING LIMITED** ("the Holding Company") and its subsidiary company 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, 2021, 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: 26.08.2021

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

Amount in ₹

Particulars	Note no.	As at 31-Mar-21	As at 31-Mar-20
		₹	₹
ASSETS			
(1) Non-Current Assets			
Property, Plant and Equipment	5	41,68,83,822	57,64,70,162
Investment in Property	6	53,18,617	54,10,077
Intangible assets	7	8,20,056	14,15,940
Goodwill		5,65,00,960	5,65,00,960
Financial Assets			
(i) Investments	8	2,56,750	1,44,445
(ii) Loans	9	1,87,63,933	1,69,69,116
(iii) Other Financial Assets	10	-	19,608
Other Non Current Assets	11	17,55,264	40,00,380
Deferred Tax Assets (Net)	12	-	(47,578)
		50,02,99,402	66,08,83,110
(2) Current Assets			
Inventories	13	2,01,54,913	11,55,91,699
Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	14	2,65,93,70,223	3,31,86,21,310
(iii) Cash and Cash Equivalents	15	1,00,89,774	4,39,47,995
(iv) Other Bank balances other than (iii) above	16	3,25,896	4,44,79,712
(v) Other Financial Assets	17	90,25,776	1,05,15,365
Current Tax Assets (Net)	18	43,25,711	90,93,927
Other Current Assets	19	56,35,92,830	62,72,19,935
		3,26,68,85,123	4,16,94,69,943
Total		**3,76,71,84,525**	**4,83,03,53,053**
EQUITY AND LIABILITIES		—	—
(1) Shareholder's Funds:			
Equity Share Capital	20	10,49,00,000	10,49,00,000
Other Equity	21	(1,20,07,30,909)	7,72,02,552
		(1,09,58,30,909)	18,21,02,552
(2) Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	22	2,96,310	10,76,452
(ii) Other Financial Liabilities		-	-
Provisions	23	1,26,67,389	1,56,39,927
Other non current liabilities	24	43,90,65,185	40,93,66,792
		45,20,28,884	42,60,83,171
(3) Current Liabilities			
Financial Liabilities			
(i) Borrowings	25	3,25,20,42,935	2,98,20,52,575
(ii) Trade Payables			
Dues to Micro and Small Enterprises	26	67,14,164	56,19,008
Dues to Others	26	70,73,05,144	83,51,45,907
(iii) Other Financial Liabilities	27	3,04,982	3,30,742
Other Current Liabilities	28	43,87,32,952	39,42,36,218
Provisions	29	58,86,373	47,82,880
		4,41,09,86,550	4,22,21,67,330
Total		**3,76,71,84,525**	**4,83,03,53,053**

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

Suman Kumar Verma
Company Secretary
Mem. No.F7409

Date : 26-08-2021
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Amount in ₹

Particulars	Note no.	Year Ended 31-Mar-21	Year Ended 31-Mar-20
REVENUE :		₹	₹
Revenue from Operations	30	26,62,89,712	56,53,95,379
Other Income	31	11,36,75,684	5,42,89,439
Total Revenue		**37,99,65,396**	**61,96,84,818**
EXPENSES :			
Cost of Materials Consumed	32	15,85,04,140	49,91,00,631
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	6,96,11,507	4,81,26,923
Expenditure on Contracts	34	8,15,07,352	19,30,62,735
Employee Benefit Expense	35	10,92,00,975	32,56,52,474
Finance Costs	36	11,06,63,571	33,34,07,405
Depreciation and Amortization Expense	5, 6 & 7	3,03,07,318	6,85,27,474
Other Expenses	37	66,05,53,887	9,10,27,851
Total Expenses		**1,22,03,48,750**	**1,55,89,05,493**
Profit / (Loss) before Exceptional items and Tax		**(84,03,83,354)**	**(93,92,20,675)**
Exceptional Items	38	43,71,40,052	1,29,68,13,694
Profit / (Loss) after Exceptional items but Before Tax		**(1,27,75,23,406)**	**(2,23,60,34,369)**
Tax Expense :			
- Current Tax		-	47,39,500
- Deferred Tax		(47,578)	12,45,55,295
- Tax Adjustment for Earlier Years		10,45,626	2,14,41,439
Total Tax Expenses		**9,98,048**	**15,07,36,234**
Profit / (Loss) for the period from continuing operations		**(1,27,85,21,454)**	**(2,38,67,70,603)**
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(a) Re-measurement Gains / (Losses) of defined benefit plans		4,75,688	(10,89,541)
Income tax effect on above		-	-
(b) Equity Instruments through Other Comprehensive Income Gains / (Losses) on Fair valuation of Long Term Investment		1,12,305	(1,16,710)
Income tax effect on above		-	-
Total Other Comprehensive Income		**5,87,993**	**(12,06,251)**
Total Comprehensive Income for the year		**(1,27,79,33,461)**	**(2,38,79,76,854)**
Earning per share (₹)			
Basic		**(121.88)**	**(227.53)**
Diluted		**(121.88)**	**(227.53)**
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

Suman Kumar Verma
Company Secretary
Mem. No.F7409

Date : 26-08-2021
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Amount in ₹

A. Equity Share Capital	Balance as at 31st March, 2019	Changes in equity share capital during the period 2019-20	Balance as at 31st March, 2020	Changes in equity share capital during the period 2020-21	Balance as at 31st March, 2021
	10,49,00,000	-	10,49,00,000	-	10,49,00,000

Amount in ₹

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, 2019	**73,62,21,323**	**81,07,94,058**	**91,42,58,600**	**39,27,451**	**(22,027)**	**2,46,51,79,406**
Profit for the period ended 31st March, 2020			(2,38,67,70,603)			**(2,38,67,70,603)**
Re-measurement gains (losses) on defined benefit plans				(10,89,541)		**(10,89,541)**
Gain (losses) on Fair valuation of Long Term Investment					(1,16,710)	**(1,16,710)**
Balance as at March 31, 2020	**73,62,21,323**	**81,07,94,058**	**(1,47,25,12,003)**	**28,37,910**	**(1,38,737)**	**7,72,02,552**
Profit for the year ended 31st March, 2021			(1,27,85,21,454)			**(1,27,85,21,454)**
Re-measurement gains (losses) on defined benefit plans				4,75,688		**4,75,688**
Gain (losses) on Fair valuation of Long Term Investment					1,12,305	**1,12,305**
Balance as at March 31, 2021	**73,62,21,323**	**81,07,94,058**	**(2,75,10,33,457)**	**33,13,598**	**(1,43,142)**	**(1,20,07,30,909)**

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
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Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

Suman Kumar Verma
Company Secretary
Mem. No.F7409

Date :26-08-2021
Place : New Delhi

TECHNOFAB ENGINEERING LIMITED

CIN NO.L74210DL1971PLC005712

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Amount in ₹

Particulars		Year Ended 31-Mar-21	Year Ended 31-Mar-20
		₹	₹
(A) CASH FLOW OPERATING ACTIVITIES			
Net Profit Before Tax and Extraordinary Item		**(1,27,75,23,406)**	**(2,23,60,34,369)**
Adjustment for :			
Depreciation		3,03,07,318	6,85,27,474
Interest Expenses		4,90,08,240	21,99,63,778
Interest Income		51,76,317	(1,69,28,364)
Loss on Sale of Property, Plant and Equipments (Net)		2,97,44,415	1,04,23,757
Dividend Income		(5,429)	(23,659)
Bad debts		(58,30,52,909)	(75,07,233)
Liability no longer Required		10,58,84,870	-
Interest Income on fair valuation of Security Deposit		-	(76,814)
Operating Profit before Working Capital Changes		**(1,64,04,60,584)**	**(1,96,16,55,430)**
Adjustment for :			
Trade receivables		1,24,23,03,996	68,11,55,454
Loans and Advances and other assets		10,97,40,416	57,63,03,961
Inventories		9,54,36,786	10,24,95,079
Trade and Other payables		(15,97,42,162)	(83,34,87,198)
Cash Generated from Operation		**(35,27,21,548)**	**(1,43,51,88,135)**
Direct Taxes Paid		37,22,590	1,61,71,536
Net Cash Flow from Operating Activities	**(A)**	**(34,89,98,958)**	**(1,41,90,16,599)**
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		-	(23,21,009)
Sale of Fixed Assets		10,02,21,951	3,63,32,526
Interest Income		(51,76,317)	1,69,28,364
Sale / (Purchase) of Investments (Net)		(1,12,305)	11,69,123
Dividend Received		5,429	23,659
Net Cash from (-used) in Investing Activities	**(B)**	**9,49,38,758**	**5,21,32,663**
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid		(4,90,08,240)	(21,98,86,964)
Proceeds / (Repayment) from / of Long term Borrowings (Net)		(7,80,142)	(9,89,45,558)
Proceeds / (Repayment) from / of Short term Borrowings (Net)		(16,71,49,692)	(1,63,58,579)
Increase in Borrowings due to Invocation of Bank Guarantees		43,71,40,052	1,72,45,88,843
Net Cash Flow From Financing Activities	**(C)**	**22,02,01,978**	**1,38,93,97,742**
Net Increase in Cash and Cash Equivalents	**(A+B+C)**	**(3,38,58,221)**	**2,25,13,806**
Cash & Cash Equivalents (Opening Balance)		**4,39,47,995**	**2,14,34,189**
Cash & Cash Equivalents (Closing Balance)		**1,00,89,774**	**4,39,47,995**

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

Suman Kumar Verma
Company Secretary
Mem. No.F7409

Date :26-08-2021
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 2021
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 includes 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 Recent accounting development

Standards issued but not yet effective:

Ind AS 116- Leases

Ind AS 116 was notified by Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value assets. The company is evaluating the same in the financial statement going forward.

3.19 COVID-19 Policy

COVID-19 has impacted the normal business operation by way of supply chain disruption, unavailability of personnel, closure/lock down etc. during the lock down period. 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.

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.

TECHNOFAB ENGINEERING LIMITED

Notes to the consolidated financial statements

Note - 5 Property, Plants and Equipments

Amount in ₹

Particulars	Land	Buildings	Plant and Equipments	Right-of-Use Assets	Temporary Structure	Barges	Furniture and Fixture	Office Equipment	Vehicles	Computer	Total
Gross Block											
As at March 31, 2019	35,87,85,000	5,83,22,715	18,79,39,673		11,19,31,436	8,04,01,884	35,21,165	26,51,120	7,20,28,859	1,06,61,499	88,62,43,350
Additions				16,10,16,039	20,50,899					32,110	16,30,99,048
Adjustment	3,55,00,000		2,70,53,853	16,10,16,039	11,21,29,342		7,33,853		1,05,17,463	9,87,703	34,79,38,253
As at March 31, 2020	32,32,85,000	5,83,22,715	16,08,85,820	-	18,52,993	8,04,01,884	27,87,312	26,51,120	6,15,11,396	97,05,906	70,14,04,145
Additions	-	-	-		-	-	-	-	-	-	-
Adjustment	8,97,00,000	1,70,04,177	5,71,58,221		-	-	4,33,732	13,19,749	90,57,844	45,27,037	17,92,00,760
As at March 31, 2021	**23,35,85,000**	**4,13,18,538**	**10,37,27,599**	**-**	**18,52,993**	**8,04,01,884**	**23,53,580**	**13,31,371**	**5,24,53,552**	**51,78,869**	**52,22,03,385**
Accumulated Depreciation											-
As at March 31, 2019	-	68,22,054	4,61,77,781		9,43,34,089	1,79,98,686	11,29,813	18,71,175	2,33,62,804	60,34,843	19,77,31,245
Charge for the year		21,14,989	1,69,35,688	2,23,50,072	83,23,506	60,15,999	3,39,136	2,14,007	91,86,915	18,88,358	6,73,68,670
Adjustment			82,32,066	2,23,50,072	10,13,68,395	-	3,02,626	-	69,78,690	9,34,082	14,01,65,931
As at March 31, 2020	-	89,37,043	5,48,81,403	-	12,89,200	2,40,14,685	11,66,323	20,85,182	2,55,71,029	69,89,119	12,49,33,983
Charge for the year	-	16,40,350	1,22,18,082		3,64,421	59,99,562	2,74,535	1,21,796	77,79,769	12,21,459	2,96,19,974
Adjustment	-	1,04,09,966	2,84,22,026		-	-	2,49,152	12,53,760	47,28,595	41,70,895	4,92,34,394
As at March 31, 2021	**-**	**1,67,427**	**3,86,77,459**	**-**	**16,53,621**	**3,00,14,247**	**11,91,706**	**9,53,218**	**2,86,22,203**	**40,39,683**	**10,53,19,563**
Net Carrying Amount											
As at March 31, 2020	32,32,85,000	4,93,85,672	10,60,04,417	-	5,63,793	5,63,87,199	16,20,989	5,65,938	3,59,40,367	27,16,787	57,64,70,162
As at March 31, 2021	**23,35,85,000**	**4,11,51,111**	**6,50,50,140**	**-**	**1,99,372**	**5,03,87,637**	**11,61,874**	**3,78,153**	**2,38,31,349**	**11,39,186**	**41,68,83,822**

Note - 6 Investment in Property

Amount in ₹

Particulars	Buildings	Total
Gross Block		
As at March 31, 2019	57,76,419	57,76,419
Additions	-	-
As at March 31, 2020	57,76,419	57,76,419
Additions	-	-
As at March 31, 2021	57,76,419	57,76,419
Accumulated Depreciation	-	-
As at March 31, 2019	2,74,631	2,74,631
Charge for the year	91,711	91,711
As at March 31, 2020	**3,66,342**	**3,66,342**
Charge for the year	91,460	91,460
As at March 31, 2021	**4,57,802**	**4,57,802**
Net Carrying Amount		
As at March 31, 2020	54,10,077	54,10,077
As at March 31, 2021	**53,18,617**	**53,18,617**

Note - 7 Intangible assets

Amount in ₹

Particulars	Software	Total
Gross Block		
As at March 31, 2019	63,30,400	63,30,400
Additions	2,38,000	2,38,000
As at March 31, 2020	**65,68,400**	**65,68,400**
Additions		-
As at March 31, 2021	**65,68,400**	**65,68,400**
Accumulated Depreciation		
As at March 31, 2019	40,85,367	40,85,367
Charge for the year	10,67,093	10,67,093
As at March 31, 2020	**51,52,460**	**51,52,460**
Charge for the year	5,95,884	5,95,884
As at March 31, 2021	**57,48,344**	**57,48,344**
Net Carrying Amount		-
As at March 31, 2020	14,15,940	14,15,940
As at March 31, 2021	**8,20,056**	**8,20,056**

Notes to the consolidated financial statements

Amount in ₹

Particulars	Face Value	Qty. in nos.	As at 31-Mar-21	Qty. in nos.	As at 31-Mar-20
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	29,920	100	17,160
C & C Construction Ltd.	10	100	420	100	110
Hind Dorr-Oliver Ltd.	2	74037	-	74037	-
Hindustan Construction Ltd.	1	100	805	100	395
IVRCL Infrastructure Ltd.	2	100	-	100	-
Larsen & Toubro Ltd.	2	225	2,12,835	225	1,21,275
Nagarjuna Construction Ltd.	2	100	7,900	100	1,875
Patel Engineering Ltd.	1	100	1,170	100	900
Shriram EPC Ltd.	10	200	400	200	230
Unitech Ltd.	2	2000	3,300	2000	2,500
Total (I) of Investments measured at Fair Value Through			**2,56,750**		**1,44,445**
(II) Unquoted Equity shares, Fully Paid up					
Hydro Air Tectonics (PCD) Ltd.	10	390000	**-**	390000	**-**
Total (II) of Investments measured at Fair Value Through			**-**		**-**
Total (Non-current Investments)			**2,56,750**		**1,44,445**
Note - 9 Loans Non-Current (Unsecured, Considered good)					
Security Deposit / Earnest Money			1,87,63,933		1,69,69,116
Total			**1,87,63,933**		**1,69,69,116**
Note - 10 Other Non Current Financial Assets					
Fixed deposits having remaining maturity of more than 12 months *			-		19,608
Total			**-**		**19,608**
Note - 11 Other Non Current Assets					
Prepaid Expenses			17,55,264		40,00,380
Total			**17,55,264**		**40,00,380**
Note - 12 Deferred tax Assets comprised of the following: -					
Assets					
(i) Disallowance under Income Tax Act			**(46,068)**		-
(ii) Carried Forward losses			-		-
Total Deferred tax assets			**(46,068)**		**-**
Liability					
Difference between book and tax base related to fixed assets			**(46,068)**		**47,578**
Total Deferred tax liabilities			**(46,068)**		**47,578**
Net Deferred Tax Assets			**-**		**(47,578)**
Deferred Tax (Assets) / Liability provided for					
Profit and Loss Account			(47,578)		12,45,55,295
Other Comprehensive Income			-		-
Net Deferred Tax (Assets) / Liability			**(47,578)**		**12,45,55,295**
Note - 13 Inventories					
Raw Material			2,01,54,913		11,55,91,699
Total			**2,01,54,913**		**11,55,91,699**

Notes to the consolidated financial statements

Amount in ₹

	Particulars	Qty. in nos.	As At 31-Mar-21	Qty. in nos.	As At 31-Mar-20
Note - 14	**Trade Receivables #**		₹		₹
	Trade Receivables considered good-Secured		-		-
	Trade Receivables considered good-Unsecured		2,65,93,70,223		3,31,86,21,310
	Trade Receivables which have significant increase in Credit Risk		-		-
	Trade Receivables - Credit impared		-		-
	Total		**2,65,93,70,223**		**3,31,86,21,310**
	# Trade receivables includes Retention Money				
Note - 15	**Cash and Cash Equivalents**				
	Balance with Banks				
	in Current Account with Domestic Banks		69,37,513		1,99,30,286
	in Current Account with Foreign Banks*		21,47,318		2,25,24,494
	DD on Hand		1,28,458		1,28,458
	Cash on Hand		8,76,485		13,64,757
	Total		**1,00,89,774**		**4,39,47,995**
Note - 16	**Other Bank Balances**				
	In Earmarked Dividend Bank Accounts		3,04,982		3,30,742
	Fixed deposits having remaining maturity of more than three months and less than twelve months and other than considered in cash and cash equivalents *		20,914		4,41,48,970
	Total		**3,25,896**		**4,44,79,712**
	* Pledged / under lien with bank for issue of Bank Guarantees and Letter of Credit				
Note - 17	**Loans Current (Unsecured, Considered good)**				
	Security Deposits		15,24,176		27,71,734
	Marging against Finance				
	Other Receivable		75,01,600		77,43,631
	Total		**90,25,776**		**1,05,15,365**
Note - 18	**Current Tax Assets (Net)**				
	Advance Taxes and Tax Deducted at Source (Net of Provisions)		43,25,711		90,93,927
	Total		**43,25,711**		**90,93,927**
Note - 19	**Other Current Assets (Unsecured, Considered good)**				
	Recoverable from Revenue Authorities		24,05,37,297		23,65,19,538
	Income Tax Refund Receivable		15,80,304		7,27,28,795
	Prepaid Expenses		1,76,37,231		2,73,82,805
	Unbilled Revenue		24,84,10,629		24,57,05,121
	Advances for supply of raw materials & Others		4,27,25,955		4,48,83,676
	Other Advances		1,27,01,414		-
	Total		**56,35,92,830**		**62,72,19,935**

Notes to the consolidated financial statements

Amount in ₹

	Particulars	As At 31-Mar-21	As At 31-Mar-20
Note - 20	**Share Capital**	₹	₹
	Authorised Capital		
	180,00,000 Equity shares of ₹10/- each	18,00,00,000	18,00,00,000
	Issued, Subscribed & Paid up		
	104,90,000 Equity shares of ₹10/- each	10,49,00,000	10,49,00,000
	Total	**10,49,00,000**	**10,49,00,000**

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

Particulars	As At 31-Mar-21		As At 31-Mar-20	
	No. of shares	**Amount in ₹**	**No. of shares**	**Amount in ₹**
Shares at the beginning of the year	10490000	10,49,00,000	10490000	10,49,00,000
Addition during the year	-	-	-	-
Shares at the end of the year	**10490000**	**10,49,00,000**	**10490000**	**10,49,00,000**

(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

Note - 21	**Other Equity**		
	(i) Securities Premium (Refer Note 21a)	**73,58,01,573**	**73,58,01,573**
	(ii) General Reserve (Refer Note 21b)		
	As per last accounts	81,10,44,494	81,10,44,494
	Closing Balance	**81,10,44,494**	**81,10,44,494**
	(iii) Other Comprehensive Income (Refer Note 21c)		
	As per last accounts	26,99,173	39,05,424
	Add : Profit (-Loss) after tax for the year	5,87,993	(12,06,251)
	Closing Balance	**32,87,166**	**26,99,173**
	(iv) Surplus		
	As per last accounts	(1,47,23,42,688)	91,42,58,600
	Add : Profit (-Loss) after tax for the year	(1,27,85,21,454)	(2,38,67,70,603)
	Misc. Adjustments	-	1,69,315
	Closing Balance	**(2,75,08,64,142)**	**(1,47,23,42,688)**
	Total	**(1,20,07,30,909)**	**7,72,02,552**

Nature of Reserves

21a 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

21b 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.

21c 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

Amount in ₹

	Particulars	As At 31-Mar-21	As At 31-Mar-20
Note - 22	**Non Current borrowings {Term Loans (from Banks)}**	₹	₹
	Secured		
	Vehicle Loans*	2,96,310	10,76,452
	Total	**2,96,310**	**10,76,452**
		—	—
Note - 23	**Provisions**		
	Long Term Provisions		
	Gratuity	88,00,548	1,14,33,654
	Leave Encashment	38,66,841	42,06,273
	Total	**1,26,67,389**	**1,56,39,927**
Note - 24	**Other Non Current Liabilities**		
	Others Payables		
	Advance from Customers	43,90,65,185	40,93,66,792
	Total	**43,90,65,185**	**40,93,66,792**
Note - 25	**Current borrowings (Secured)**		
	From Banks		
	Working Capital*	3,23,18,65,976	2,88,55,78,680
	Current maturity of :		
	Vehicle Loans	16,14,259	13,54,032
	Equipment Loans**	1,85,62,700	1,91,21,235
	Loans from NBFC	-	7,59,98,628
	Total	**3,25,20,42,935**	**2,98,20,52,575**

* 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 253,707/- equivalent Rupees 18,562,700/- 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	10,02,41,044
(ii) BANK OF BARODA	10,66,72,084
(iii) BANK OF INDIA	25,25,67,109
(iv) IDBI BANK	2,53,87,282
(v) STATE BANK OF INDIA	6,67,26,429
(vI) UNITED BANK OF INDIA	6,26,98,917
Total	**61,42,92,864**

For the period July-2019 to March-2021 was not charged by banks during the year.

Notes to the consolidated financial statements

Amount in ₹

	Particulars	As At 31-Mar-21	As At 31-Mar-20
Note - 26	**Trade Payables**	₹	₹
	Total outstanding dues of micro enterprises and small enterprises*	67,14,164	56,19,008
	Total outstanding dues of creditors other than micro enterprises and small enterprises	70,73,05,144	83,51,45,907
	Total	**71,40,19,308**	**84,07,64,915**
	***Note relating to micro, small and medium enterprises**		
i	Principal Amount remaining unpaid at the end of the year	33,72,992	53,70,392
ii	Interest Amount remaining unpaid at the end of the year	33,41,172	2,48,616
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	**67,14,164**	**56,19,008**
Note - 27	**Other Current Financial Liabilities**		
	Unpaid Dividend	3,04,982	3,30,742
	Total	**3,04,982**	**3,30,742**
Note - 28	**Other Current Liabilities**		
	Other Payable (including expenses payable)	35,21,76,391	29,14,29,265
	Advance from Customers	7,74,82,092	7,22,41,199
	Statutory Dues	90,74,469	3,05,65,754
	Total	**43,87,32,952**	**39,42,36,218**
Note - 29	**Current Provisions**		
	Gratuity	46,80,417	35,67,306
	Leave Encashment	12,05,956	12,15,574
	Total	**58,86,373**	**47,82,880**

TECHNOFAB ENGINEERING LIMITED

Notes to the consolidated financial statements

Amount in ₹

	Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
		₹	₹
Note - 30	**Revenue from Operations**		
	Construction Contract	26,62,89,712	56,53,73,373
	Export Incentives	-	22,006
	Total	**26,62,89,712**	**56,53,95,379**
Note - 31	**Other Income**		
	Miscellaneous Income	24,61,119	30,77,483
	Interest from Others	32,092	7,56,745
	Rent Received	1,45,337	1,06,803
	Dividend Income from Non-Current Investments	5,429	23,659
	Interest received on Income Tax Refund	51,45,531	23,10,570
	Interest Income on fair valuation of Security Deposit	-	76,814
	Exchange Rate Variation (Net)	-	2,79,41,686
	Liability no Longer Required	10,58,84,870	-
	Interest received on FDR	1,306	1,99,95,679
	Total	**11,36,75,684**	**5,42,89,439**
Note - 32	**Cost of Materials Consumed**	**15,85,04,140**	**49,91,00,631**
Note - 33	**(Increase) / Decrease in Raw Material & Work in progress**		
	(a) Opening Stock		
	Raw Material	8,85,07,059	13,66,33,982
	Work-in-Progress	-	-
	Total a	**8,85,07,059**	**13,66,33,982**
	(b) Closing Stock		
	Raw Material	1,88,95,552	8,85,07,059
	Work-in-Progress	-	-
	Total b	**1,88,95,552**	**8,85,07,059**
	Total (a-b)	**6,96,11,507**	**4,81,26,923**
Note - 34	**Expenditure on Contracts**		
	Power and Fuel	11,77,278	31,21,519
	Inspection and Testing	59,40,288	73,12,979
	Repairs and Maintenance	52,82,915	1,19,89,299
	Freight, Forwarding and Clearing	80,93,339	1,87,55,832
	Rates and Taxes	1,01,08,104	1,37,35,372
	Rent and Hire Charges	1,36,28,916	84,87,125
	Insurance	32,14,744	4,27,67,750
	Other Site Expenses	3,40,61,768	8,68,24,577
	Rent Expense on fair valuation of Security Deposit	-	68,282
	Total	**8,15,07,352**	**19,30,62,735**
Note - 35	**Employee Benefit Expense**		
	Salaries, Wages and Other Allowances	9,39,13,340	29,67,91,884
	Contribution to Provident and Other Funds	1,38,71,440	2,31,77,503
	Workmen and staff Welfare	14,16,195	56,83,087
	Total	**10,92,00,975**	**32,56,52,474**

Amount in ₹

	Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Note - 36	**Finance Cost**	**₹**	**₹**
	Interest	4,90,08,240	21,99,63,778
	Bank Charges	6,16,55,331	11,34,43,627
	Total	**11,06,63,571**	**33,34,07,405**
Note - 37	**Other Expenses**		
	Power and Fuel	23,91,592	31,77,639
	Repairs to Others	62,87,891	58,62,186
	Insurance	20,09,725	25,43,604
	Rates and Taxes	17,30,952	1,44,57,147
	Exchange Rate Variation (Net)	65,45,675	-
	Interest on TDS	14,50,713	28,09,846
	Auditors Remuneration	94,260	1,33,230
	Miscellaneous Expenditure	18,60,745	23,33,623
	Director's Sitting Fees	10,80,000	13,20,000
	Legal and Professional	2,07,50,642	3,38,84,228
	Rent and Hire Charges	7,42,463	10,07,750
	Communication Charges	8,50,305	14,49,005
	Printing and Stationary	6,87,530	9,92,066
	Travelling and Conveyance	11,34,867	31,26,537
	Vehicle Running and Maintenance Charges	1,39,203	-
	Bad Debts and Sundry Balance w/off	58,30,52,909	75,07,233
	Loss on Sale and Discard of Assets (Net)	2,97,44,415	1,04,23,757
	Total	**66,05,53,887**	**9,10,27,851**
Note - 38	**Exceptional Items**		
	BG Invoked by customers/balance written off	43,71,40,052	1,31,35,11,298
	BG Invoked by us	-	(1,66,97,604)
	Total	**43,71,40,052**	**1,29,68,13,694**

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.

39. 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, 2021 and March 31, 2020.

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 (Rs) 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 (Rs) 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:

Amount in `

Particulars	Net Receivables / (Payables)	Change in currency Exchange Rate	Effect on profit /(Loss) before tax (In Rs.)
For the year ended March 31, 2021			
USD	25,23,568	+ 5%	93,23,789
		-5%	(93,23,789)
EURO	5,20,654	+ 5%	22,36,782
		-5%	(22,36,782)
Others (INR Equivalent)	(3,34,72,547)	+ 5%	(16,73,627)
		-5%	16,73,627
For the year ended March 31, 2020			
USD	38,45,159	+ 5%	1,45,28,286
		-5%	(1,45,28,286)
EURO	14,83,808	+ 5%	61,63,737
		-5%	(61,63,737)
TZS			
Others (INR Equivalent)	(4,13,96,114)	+ 5%	(20,69,806)
		-5%	20,69,806

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:

Amount in `

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Currency fluctuations		
Net foreign exchange gain/(losses) shown as operating expenses	65,45,675	2,79,41,686
Total	**65,45,675,**	**2,79,41,686,**

The details of balances with foreign banks are as follows

Amount in `

NAME OF BANKS	Currency	As on 31.03.2021		As on 31.03.2020	
		Outstanding Balance	Maximum balance during the year	Outstanding Balance	Maximum balance during the year
EQUITY BANK ISIOLO (KENYA)	KSH	-	-	-	423
CRDB BANK (BUKOBA)	TZS	-	-	-	-
CRDB BANK (SUMBAWANGA)	TZS	-	-	-	702
CRDB BANK (BUKOBA)	USD	-	-	-	-
CRDB BANK (SUMBAWANGA)	USD	-	-	-	3,848
ECO BANK (ZIMBABWE)	USD	417	1,057	1,055	2,40,815
ECO BANK (ZIMBABWE) FCA	USD	50	18,178	18,140	26,64,325
BANK OF ABYSSINIA (ETHIOPIA)	ETB	72,475	86,297	91,501	15,90,290
PRUDENTIAL BANK LTD (GHANA)	GHS	4,197	4,332	4,332	5,92,677
INTERNATIONAL BANK LIBERIA LTD (LIBERIA)	USD	2,71,123	3,11,586	3,10,935	8,71,686
STANDARD BANK S.A. (MOZAMBIQUE)	MZN	1,26,28,941	1,30,68,126	1,30,68,127	1,33,62,475
STANDARD BANK S.A. (MOZAMBIQUE)	USD	-	-	-	-
STANBIC BANK (UGANDA)	UGX	2,652	53,48,291	2,800	55,96,150
BANK OF BHUTAN (BHUTAN)	BTN	17,89,326	5,17,37,940	89,45,845	3,33,91,541
SEYCHELLES COMMERCIAL BANK (SEYCHELLES)	SCR	13,823	20,29,747	848	1,25,36,467
SEYCHELLES COMMERCIAL BANK (SEYCHELLES)	USD	36,583	37,763	37,682	37,682
I & M BANK LTD. (RWANDA)	RWF	11,929	17,758	17,759	71,24,729
I & M BANK LTD. (RWANDA)	USD	21,410	25,470	25,470	74,06,737

The balance appearing in BANK OF ABYSSINIA (ETHIOPIA), PRUDIENTIAL BANK OF GHANA & 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

Amount in `

Interest rate sensitivity	Increase/Decrease in basis points	Effect on profit/(loss) before tax
For the year ended March 31, 2021		
INR borrowings	+50	(1,61,59,330)
	-50	1,61,59,330
USD borrowings	+25	(46,407)
	-25	46,407
For the year ended March 31, 2020		
INR borrowings	+50	(1,48,07,887)
	-50	1,48,07,887
USD borrowings	+25	(47,803)
	-25	47,803

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:

Amount in `

Particulars	Past due			Total
	upto 6 months	6 to 12 months	Above 12 months	
As at March 31, 2021				
Trade receivable				
Unsecured, Considered Good	16,46,26,202	2,70,81,702	2,46,76,62,319	2,65,93,70,223
Gross Total	**16,46,26,202**	**2,70,81,702**	**2,46,76,62,319**	**2,65,93,70,223**
Provision for doubtful	-	-	-	-
Net Total	**16,46,26,202**	**2,70,81,702**	**2,46,76,62,319**	**2,65,93,70,223**

As at March 31, 2020				
Trade receivable				
Unsecured, Considered Good	12,89,88,210	24,54,27,438	2,94,42,05,662	3,31,86,21,310
Gross Total	**12,89,88,210**	**24,54,27,438**	**2,94,42,05,662**	**3,31,86,21,310**
Provision for doubtful	-	-	-	-
Net Total	**12,89,88,210**	**24,54,27,438**	**2,94,42,05,662**	**3,31,86,21,310**

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.

Amount in `

Particulars	Carrying Amount	On demand	Ageing as on 31st March 2021			Total
			< 6 months	6-12 months	> 1 years	
Interest bearing borrowings	3,25,20,34,263	-	1,04,88,143	3,24,12,49,811	2,96,310	3,25,20,34,263
Trade payable	71,40,19,308	-	71,40,19,308	-	-	71,40,19,308
Other liabilities	3,04,982	3,04,982	-	-	-	3,04,982
Total	**3,96,63,58,553**	**3,04,982**	**72,45,07,451**	**3,24,12,49,811**	**2,96,310**	**3,96,63,58,553**
Particulars	**Carrying Amount**	**On demand**	**Ageing as on 31st March 2020**			**Total**
			< 6 months	**6-12 months**	**> 1 years**	
Interest bearing borrowings	2,98,31,29,028	-	8,62,36,262	2,89,58,16,314	10,76,452	2,98,31,29,028
Trade payable	84,07,64,915	-	84,07,64,915	-	-	84,07,64,915
Other liabilities	3,30,742	3,30,742	-	-	-	-
Total	**3,82,42,24,685**	**3,30,742**	**92,70,01,177**	**2,89,68,92,766**	**-**	**3,82,42,24,685**

Interest rate & currency of borrowings

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

Amount in `

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted Average Rate of Borrowing (%)
INR	3,23,37,76,545	3,23,18,65,976	19,10,569	11.17
USD (INR Equivalent)	1,85,62,700	1,85,62,700	-	3.78
Total as at March 31, 2021	**3,25,23,39,245**	**3,25,04,28,676**	**19,10,569**	
INR	2,96,40,07,792	2,96,15,77,308	24,30,484	11.17
USD (INR Equivalent)	1,91,21,235	1,91,21,235	-	4.65
Total as at March 31, 2020	**2,98,31,29,028**	**2,98,06,98,543**	**24,30,484**	

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 2020-21 and FY 2019-20 is as under:

Amount in `

Particulars	**As of March 31, 2021**	**As of March 31, 2020**
Loans and borrowings	3,25,23,39,245	2,98,31,29,028
Less: Cash and cash equivalents	1,03,94,756	4,42,78,737
Net debt	3,24,19,44,489	2,93,88,50,291
Equity	(1,09,58,30,909)	18,21,02,550
Total capital	2,14,61,13,580	3,12,09,52,840
Gearing ratio	151.06%	94.17%

The Group Plan to reduce its gearing ratio.

40. 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

Amount in `

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets designated at amortised cost				
Fixed deposits with banks	20,914	20,914	4,41,68,578	4,41,68,578
Cash and bank balances	1,03,94,756	1,03,94,756	4,42,78,737	4,42,78,737
Investments	2,56,750	2,56,750	1,44,445	1,44,445
Trade and other receivables	2,65,93,70,223	2,65,93,70,223	3,31,86,21,310	3,31,86,21,310
Other financial assets	90,25,776	90,25,776	1,05,15,365	1,05,15,365
	2,67,90,68,419	**2,67,90,68,419**	**3,41,77,28,436**	**3,41,77,28,436**
Financial liabilities designated at amortised cost				
Borrowings- fixed rate	19,10,569	19,10,569	24,30,484	24,30,484
Borrowings- floating rate	3,25,04,28,676	3,25,04,28,676	2,98,06,98,543	2,98,06,98,543
Trade & other payables	71,40,19,308	71,40,19,308	84,07,64,915	84,07,64,915
Other financial liabilities	3,04,982	3,04,982	3,30,742	3,30,742
	3,96,66,63,535	**3,96,66,63,535**	**3,82,42,24,685**	**3,82,42,24,685**

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)

Amount in `

Particulars	**As at March 31, 2021**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Non Current Investments			
- In Quoted Investments	2,56,750	-	-
Particulars	**As at March 31, 2020**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Non Current Investments			
- In Quoted Investments	1,44,445	-	-

Assets / Liabilities for which fair value is disclosed

Amount in `

Particulars	As at March 31, 2021		
	Level 1	Level 2	Level 3
Borrowings-Fixed rate		19,10,569	
Other financial liabilities		3,04,982	
Particulars	**As at March 31, 2020**		
	Level 1	**Level 2**	**Level 3**
Borrowings-Fixed rate		24,30,484	
Other financial liabilities		3,30,742	

During the year ended March 31, 2021 and March 31, 2020, 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, 2021 and March 31, 2020, 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

41 (a) Un-hedged Position of Foreign Currency

Amount in `

Particulars	As on 31.03.2021		As on 31.03.2020	
	Amount (in Foreign Currency)	Amount (In INR)	Amount (in Foreign Currency)	Amount (In INR)
-In Respect of Receivable				
USD	34,23,641	25,04,71,108	46,90,458	35,35,28,898
EURO	5,41,525	4,65,28,879	15,16,776	12,60,13,797
ETB - (Ethiopian Birr)	39,821	72,475	39,821	91,501
GHS - (Ghanian Cedi)	2,58,267	32,68,054	3,06,720	40,06,406
KSH - (Kenya Shilling)	14,33,672	9,58,983	40,17,148	28,82,304
MZN - (Mozambican Metical)	1,16,80,485	1,26,28,941	1,16,80,485	1,30,68,127
TZS - (Tanzanian Shilling)	13,43,70,156	42,39,502	15,72,72,941	51,21,034
UGX - (Ugandan Shilling)	92,98,11,673	1,85,60,671	80,46,21,264	1,59,73,233
RWF - (Rwandan Franc)	8,40,160	62,578	45,92,465	3,70,441
ZWD- (Zimbabwean Dollar)	2,065	417	5,065	1,055
FJD- (Fijian Dollar)	7,288	2,57,490	7,303	2,41,424
BTN - (Bhutanese Ngultrum)	1,16,06,737	1,16,06,737	1,78,31,007	1,78,31,007
SCR - (Seychellois Rupee)	47,065	1,67,137	6,01,370	32,96,952
TOTAL		**34,88,22,972**		**54,24,26,178**
-In Respect of Payable				
USD	9,00,073	6,39,95,537	8,45,339	6,29,63,180
USD ECB	-	-	-	-
EURO	20,871	17,93,239	32,968	27,39,052
ETB - (Ethiopian Birr)	-	-	64,071	1,47,223
GHS - (Ghanian Cedi)	91,198	11,53,998	3,17,277	41,44,435
KSH - (Kenya Shilling)	1,01,68,010	68,01,382	1,38,37,638	99,28,505
MZN - (Mozambican Metical)	-	-	-	-
TZS - (Tanzanian Shilling)	17,07,98,990	53,88,865	18,29,12,387	59,55,536
UGX - (Ugandan Shilling)	73,47,62,466	1,46,67,147	56,79,28,365	1,12,74,437
RWF - (Rwandan Franc)	16,49,27,704	1,22,84,477	15,38,75,415	1,24,12,010
BTN - (Bhutanese Ngultrum)	4,19,21,780	4,19,21,780	5,19,95,891	5,19,95,891
SCR - (Seychellois Rupee)	8,66,717	30,77,885	15,36,108	84,21,560
TOTAL		**15,10,84,179**		**16,99,81,829**

41 (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.

42. Income tax expense

Amount in `

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	-	47,39,500
	-	**47,39,500**
Deferred tax liability/(Asset)		
- Relating to origination and reversal of temporary differences	(47,578)	12,45,55,295
Tax expense attributable to current year's profit	**(47,578)**	**12,45,55,295**
Tax related to earlier years	10,45,626	2,14,41,439
Total Tax expense	**9,98,048**	**15,07,36,234**

43. Deferred income tax

The Group has accounted for deferred tax on the various adjustments between Indian GAAP and IND AS at the tax rate at which they are expected to be reversed.
The analysis of deferred tax asset is as follows:

Amount in `

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Book base and tax base of Fixed Assets	-	(47,578)
Carried Forward losses	-	-
Disallowance/Allowance(net) under Income Tax	-	-
Total :	**-**	**(47,578)**

44. Retirement benefit obligations

a. Expense recognised for Defined Contribution plan

Amount in `

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Company's contribution to provident fund	32,39,593	90,99,455
Company's contribution to ESI	84,419	2,19,184
Total	**33,24,012**	**93,18,639**

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, 2021 and March 31, 2020, being the respective measurement dates:

b. Movement in defined benefit obligation

Amount in `

Particulars	Gratuity (funded)	leave encashment (unfunded)
Present value of obligation - April 1, 2019	1,81,97,211	41,13,142
Current service cost	19,24,917	7,83,347
Interest cost	10,44,520	2,36,094
Benefits paid	(56,25,482)	(30,35,277)
Re-measurements - actuarial loss/ (gain)	9,15,382	33,24,541
Present value of obligation - March 31, 2020	**1,64,56,548**	**54,21,847**
Present value of obligation - April 1, 2020	1,64,56,548	54,21,847
Current service cost	12,31,088	6,99,574
Interest cost	9,44,606	3,11,214
Benefits paid	(47,23,745)	(15,82,853)
Re-measurements - actuarial loss/ (gain)	(4,60,182)	2,23,015
Present value of obligation - March 31, 2021	**1,34,48,315**	**50,72,797**

c. Movement in Plan Assets – Gratuity

Amount in `

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Fair value of plan assets at beginning of year	21,52,131	74,38,695
Expected return on plan assets	(69,742)	5,13,078
Employer contributions	30,00,000	-
Benefits paid	(47,23,745)	(56,25,482)
Actuarial gain / (loss)	15,506	(1,74,159)
Fair value of plan assets at end of year	**3,74,150**	**21,52,131**
Present value of obligation	1,34,48,315	1,64,56,548
Net funded status of plan	**(1,30,74,165)**	**(1,43,04,417)**

The components of the gratuity & leave encashment cost are as follows:

d. Recognised in profit and loss

Amount in `

Particulars	Gratuity	Leave encashment
Current Service cost	19,24,917	7,83,347
Interest cost	10,44,520	2,36,094
Expected return on plan assets	(5,40,793)	-
Re-measurement - Actuarial loss/(gain)	-	33,24,541
For the year ended March 31, 2020	**24,28,644**	**43,43,982**
Current Service cost	12,31,088	6,99,574
Interest cost	9,44,606	3,11,214
Expected return on plan assets	(1,23,532)	-
Re-measurement - Actuarial loss/(gain)	-	2,23,015
For the year ended March 31, 2021	**20,52,162**	**12,33,803**

e. Recognised in other comprehensive income

Amount in `

Particulars	Gratuity
Re-measurement - Actuarial gain/(loss) the year ended March 31, 2020	(10,89,541)
Re-measurement - Actuarial gain/(loss) For the year ended March 31, 2021	(4,75,688)

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, 2021	As at March 31, 2020
Attrition rate	20.00%	20.00%
Discount Rate	5.10%	5.74%
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)	15.31	18.85

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, 2020

Amount in `

Particulars	change in Assumption	Effect on Gratuity obligation	Effect on leave encashment obligation
Discount rate	+1%	(6,21,113)	(2,29,119)
	-1%	6,08,381	2,46,643
Salary Growth rate	+1%	6,00,957	2,46,634
	-1%	(6,25,584)	(2,30,679)

For the year ended March 31, 2021

Particulars	change in Assumption	Effect on Gratuity obligation	Effect on leave encashment obligation
Discount rate	+1%	(3,74,622)	(1,94,385)
	-1%	4,00,562	2,08,484
Salary Growth rate	+1%	3,93,208	2,04,652
	-1%	(3,74,963)	(1,94,562)

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)

Amount in `

Particulars	Gratuity
Year – 2022	43,12,933
Year – 2023	23,55,568
Year – 2024	42,09,998
Year – 2025	31,93,148
Year – 2026	27,50,783
Year - 2027 to 2031	1,01,77,179

i. Statement of Employee benefit provision

Amount in `

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gratuity	1,34,48,315	1,64,56,548
Leave encashment	50,72,797	54,21,847
Total	**1,85,21,112**	**2,18,78,395**

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, 2020

Amount in `

Particulars	Gratuity	Leave Encashment
Current provision	35,67,306	12,15,574
Non- current provision	1,28,89,242	42,06,273
Total Provision	**1,64,56,548**	**54,21,847**

For the year ended March 31, 2021

Amount in `

Particulars	Gratuity	Leave Encashment
Current provision	42,73,617	12,05,956
Non- current provision	91,74,698	38,66,841
Total Provision	**1,34,48,315**	**50,72,797**

k. Employee benefit expenses

Amount in `

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	9,39,13,340	29,67,91,884
Costs-defined contribution plan	1,38,71,440	2,31,77,503
Welfare expenses	14,16,195	56,83,087
Total	**10,92,00,975**	**32,56,52,474**

Figures in no.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Average no. of people employed	92	203

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.

45. Other disclosures

a) **Auditors Remuneration**

Amount in `

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1. Statutory Auditors		
i. Audit Fee	77,820	75,730
ii. Other Services	18,440	57,500
Total	**94,260**	**1,33,230**

b) **Commitments**

Performance guarantee issued by banks on behalf of the Group. However, none of these BG has been revoked till date.

Amount in `

PARTICULARS	31st March 2021	31st March 2020
Performance Bank Guarantee	1,89,20,00,094	2,61,92,78,804

46. Contingent liabilities

Amount in `

PARTICULARS	31st March 2021	31st March 2020
Disputed demand of Income Tax and Sales Tax	3,23,74,034	3,23,74,034
Claim against the Company not acknowledged as debt	1,02,55,37,483	44,07,89,400

47. 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 Whole Time Managing Director

(b) Arun Mittar (Non Executive - Independent Director)

(c) Pawan Chopra (Non Executive - Independent Director) Resigned 18.03.2021

(d) Anju Banerjee (Non Executive - Independent Director) Resigned 31.03.2021

(e) Vijay Nagarajan (Director of Subsidiary) Resigned 07.02.2020

(f) Rajesh Kumar Gupta (Director of Subsidiary)

(g) Karunamoy Roy (Director of Subsidiary)

(h) Balan Padmanabhan (Director of Subsidiary)

(B) Relatives of Key Management personnel where person described in "A"

(a) Avinash Chander Gupta
(b) Meera Gupta
(c) Gunjan Gupta
(d) Sucheta Sarvadaman Nakul
(e) Techfab International Private Limited

(C) Executive Officers

(a) Sandeep Kumar Vij (Chief Financial Officer – Upto 28.01.2020 further relived on 30.06.2020)

(b) Shaim Marain Tandon Chief Financial Officer (w.e.f. 31.12.2020)

(c) Suman Kumar Verma (Company Secretary)

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

Related Party Transactions

Description	Current Year 2020-21				Previous Year 2019-20			
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								
Avinash Chander Gupta	-	-	-	-	-	-	-	50,95,161
Arjun Gupta	-	-	-	-	-	-	1,48,50,000	-
Vijay Nagarajan	-	-	-	-	-	-	28,75,640	-
Ashutosh Jagga	-	-	-	-	-	-	-	-
Sandeep Kumar Vij	-	-	8,87,013	-	-	-	50,27,373	-
Shaim Narain Tandon	-	-	3,05,642	-	-	-	-	-
Suman Kumar Verma	-	-	12,85,512	-	-	-	14,15,339	-
Sitting Fees Paid								
Pawan Chopra	-	-	2,80,000	-	-	-	4,40,000	-
Arun Mitter	-	-	4,00,000	-	-	-	4,40,000	-
Anju Banerjee	-	-	4,00,000	-	-	-	4,40,000	-
Professional Fees Paid								
Balan Padmanabhan	-	-	3,70,528	-	-	-	13,78,200	-

Related Party Balances

Description	Current Year 2020-21				Previous Year 2019-20			
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								
Avinash Chander Gupta	-	-	-	90,42,642	-	-	-	90,42,642
Arjun Gupta	-	-	40,27,353	-	-	-	89,03,911	-
Nakul Gupta	-	-	-	13,57,601	-	-	-	13,57,601
Vijay Nagarajan	-	-	15,51,210	-	-	-	15,51,210	-
Balan Padmanabhan	-	-	5,77,258,	-	-	-	8,57,929	-
Sandeep Kumar Vij	-	-	17,60,199	-	-	-	33,83,740	-
Shaim Narain Tandon	-	-	12,55,796	-	-	-	-	-
Suman Kumar Verma	-	-	12,55,093	-	-	-	850,203	-
Payable in respect Advance								
Techfab International Pvt. Ltd.	-	-	-	2,257,322	-	-	-	2,257,322

Remuneration to Key Managerial Personnel (KMP)

Amount in `

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Short Term Employee benefits	24,78,168	2,92,63,513
Post Employment benefits		
- Defined Contribution Plans	63,504	18,98,181
Total	**25,41,672**	**3,11,61,694**

48. 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, 2021	Year ended March 31, 2020
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

Amount in `

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (Loss) after tax – B	(1,27,85,21,454)	(2,38,67,70,603)
Basic Earnings per share (B/A)	(121.88)	(227.53)
Diluted Earnings per share (B/A)	(121.88)	(227.53)

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

49. Financial information pursuant to Schedule III of the Companies Act, 2013

(Amount in Rs.`)

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	112%	(1,22,26,78,864)	100%	(1,28,00,31,599)	100%	5,87,993	100%	(1,27,94,43,606)
Subsidiaries									
1	Arihant Flour Mills Pvt Ltd	-14%	15,64,39,489	0%	(10,627)	-	-	0%	(10,627)
2	Woodlands Instruments Pvt Ltd	-2%	2,31,31,398	0%	15,61,468	-	-	0%	15,61,468
3	Rivu Infrastructural Developers Pvt Ltd	0%	(23,76,892)	0%	(40,696)	-	-	0%	(40,696)
	Consol adjustments	5%	(5,03,46,040)	-	-	-	-	-	-
	Total	**100%**	**(1,09,58,30,909)**	**100%**	**(1,27,85,21,454)**	**100%**	**5,87,993**	**100%**	**(1,27,79,33,461)**

50. 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

51. Interest in respect of Bank Loan with various banks amounting to Rs. 6142.93 lakhs for the period starting from July-2019 to Mar 2021 (Rs. 2786.99 lakhs for the period from Jan 2021 to Mar 2021) was not charged by bank.

52. The Company has incurred significant losses for the year ended 31st March 2021 and the networth is negative as at 31st March 2021. 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.

53. Previous year figures have been regrouped / rearranged, wherever considered necessary to conform to current year's classification.

54. Notes 1 to 54 are annexed and form integral part of Financial Statements.

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 & Whole Time Director
DIN- 00012093

Suman Kumar Verma
Company Secretary
M. No. F7409

Shiam Narain Tandon
Chief Financial Officer
PAN. ACTPT4052A

PLACE : New Delhi
Dated: 26-08-2021