



# Technocraft Industries (India) Limited

**Registered Office:** A-25, Technocraft House, MIDC, Marol Industrial Area, Road No.03, Opp. ESIS Hospital, Andheri (East), Mumbai - 400093, Maharashtra, India  
Tel: 4098 2222/0002; Fax No. 2835 6559; **CIN No.** L28120MH1992PLC069252  
E-mail: [investor@technocraftgroup.com](mailto:investor@technocraftgroup.com); website: [www.technocraftgroup.com](http://www.technocraftgroup.com)

**October 1, 2016**

To,  
The Manager,  
Listing Department,  
National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051

To,  
The Manager,  
Listing Department,  
BSE Ltd.  
P.J.Tower, Dalal Street, Fort,  
Mumbai-400001

**NSE Symbol: TIIL**

**BSE Security Code No.: 532804**

Dear Sirs,

**Sub: Annual Report for Financial Year ended on March 31, 2016**

Pursuant to Regulation 34 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), please find enclosed Annual Report of the Company for Financial Year ended on March 31, 2016.

Kindly take the above information on your record.

Thanking you,

Yours truly,

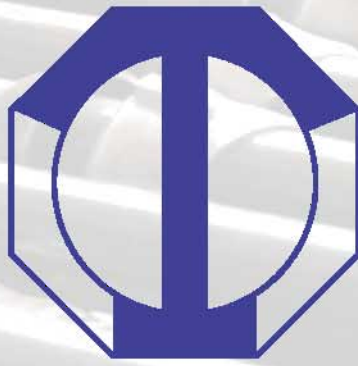
for **Technocraft Industries (India) Limited**

**Neeraj Rai**  
Company Secretary



**Encl. : a.a.**



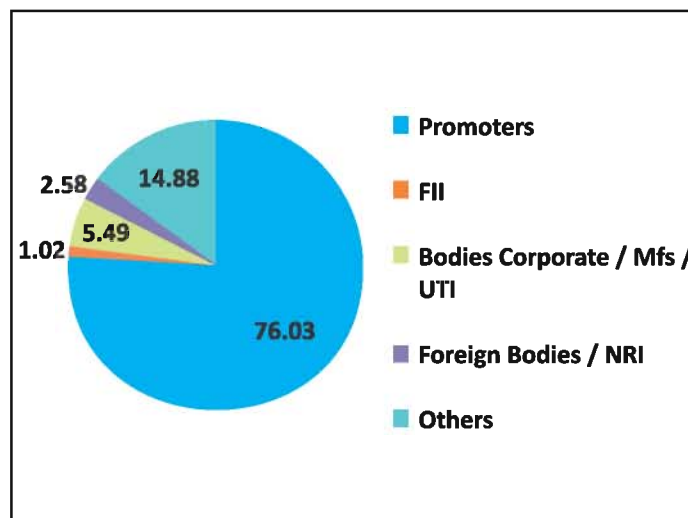
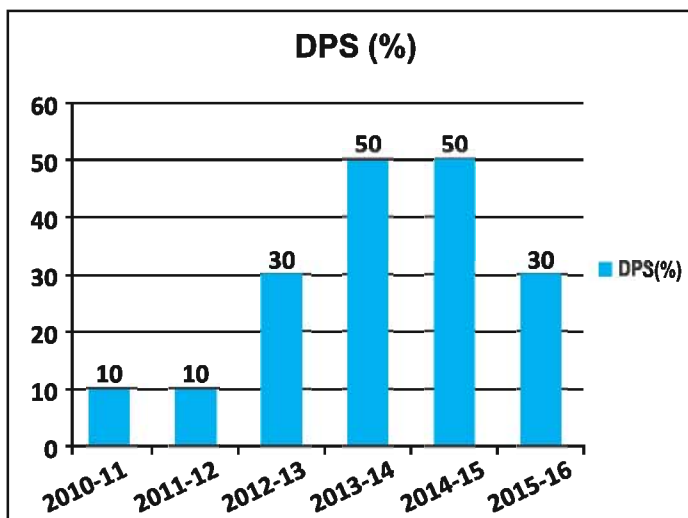
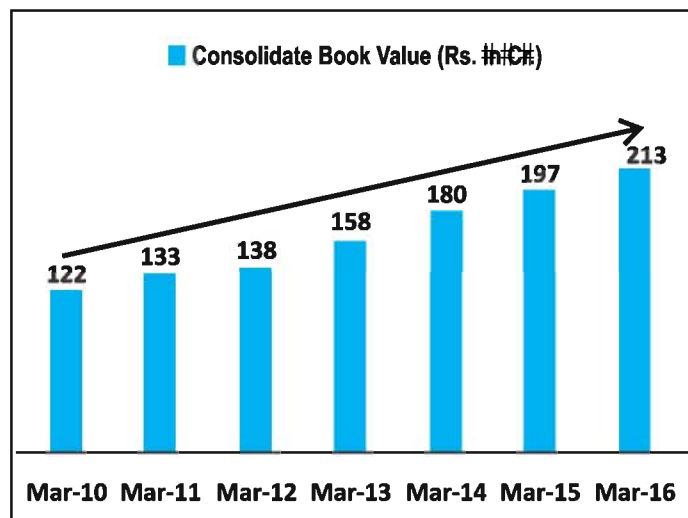
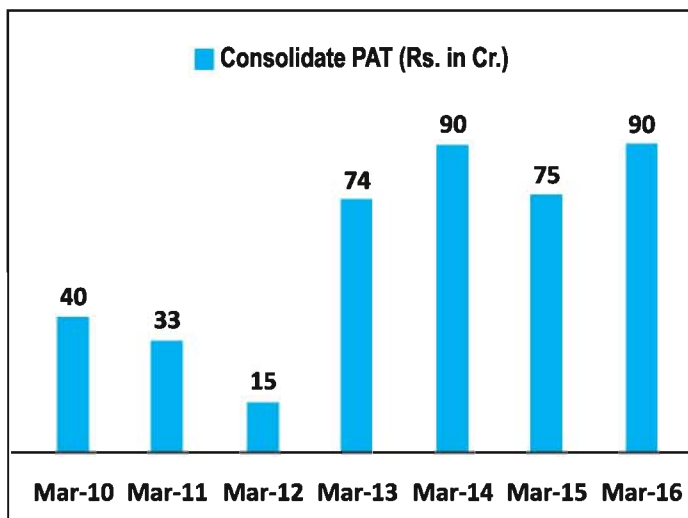
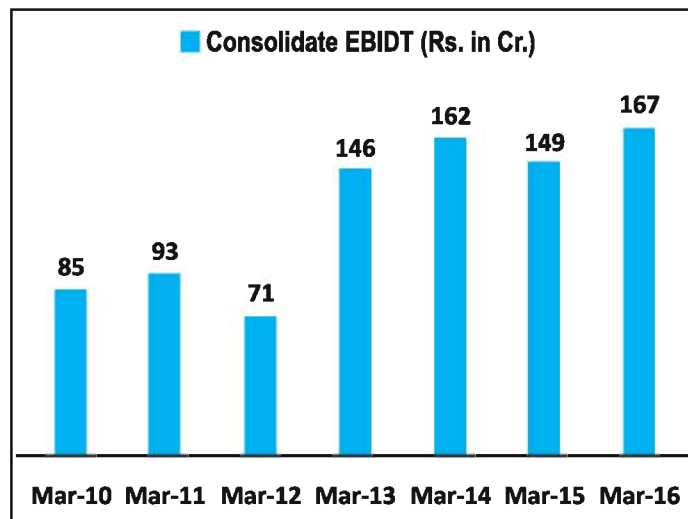
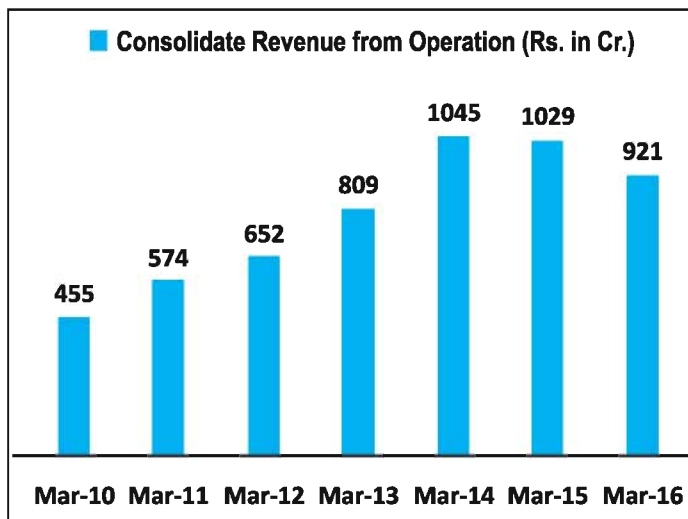


# Technocraft Industries (India) LTD.



## Annual Report 2015-2016

# FINANCIAL SNAPSHOT





## GENERAL INFORMATION

### BOARD OF DIRECTORS

Mr. Sharad Kumar Saraf	(Chairman & Managing Director)
Mr. Sudarshan Kumar Saraf	(Co- Chairman & Managing Director)
Mr. Navneet Kumar Saraf	(Whole-time Director & COO)
Mr. Ashish Kuamr Saraf	(Whole-time Director & CFO)
Mr. Atanu Choudhary	(Whole-time Director)
Dr. Shri Bhagwan Agarwal	(Independent Director)
Mr. Jagdeesh Mal Mehta	(Independent Director)
Ms. Vaishali Choudhari	(Independent Director)
Mr. Vinod B. Agarwala	(Independent Director)
Mr. Vishwambhar C. Saraf	(Independent Director)

### COMPANY SECRETARY

Mr. Neeraj Rai

### BANKERS

Bank of India  
IDBI Bank  
HDFC Bank  
Citi Bank NA

### AUDITORS

M/S. M.L. Sharma & Co,  
Chartered Accountants, Mumbai

### REGISTERED OFFICE

Technocraft House  
A-25, Technocraft House, MIDC,  
Marol Industrial Area, Road No. 3,  
Opp.ESIS Hospital, Andheri (E),  
Mumbai, 400093  
[www.technocraftgroup.com](http://www.technocraftgroup.com)

**CIN NO.** L28120MH1992PLC069252

### REGISTRAR & TRANSFER AGENT

#### System Support Services,

Gala No.209, Shivai Industrial Estate,  
Near Logitech Park, 89, Andheri Kurla Road,  
Sakinaka Andheri (E), Mumbai-400072

#### Link Intime India Private Limited

(Appointed w.e.f. 01.10.2016)  
C-13, Pannalal Silk Milks Compound L.B.S. Marg, Bhandup (West)  
Mumbai 400 078

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## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of the Technocraft Industries (India) Limited will be held on Friday, September 30, 2016 at 11.00 a.m. at the Registered Office of the Company at A-25, Technocraft House, MIDC, Marol Industrial Area, Road No. 3, Opp. ESIS Hospital, Andheri (E), Mumbai, 400093, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors' thereon.
  - (ii) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Auditors' thereon.
2. To confirm the payment of interim dividend of ₹ 3 per equity share, already paid, for the year ended March 31, 2016.
3. To appoint a Director in place of Mr. Navneet Kumar Saraf (holding DIN 00035686) who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ashish Kumar Saraf (holding DIN 00035549) who retires by rotation, and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the Members of the Company at the 22<sup>nd</sup> Annual General Meeting held on September 30, 2014; the appointment of M/s. M.L. Sharama & Co, Chartered Accountants, Mumbai (ICAI Firm Registration No. 109963W), as the Auditors of the Company for a term of three years i.e., till the conclusion of the 25<sup>th</sup> Annual General Meeting of the Company to be held in the year 2017; be and is hereby ratified for the balance term at such remuneration, as may be determined and recommended by Audit Committee in consultation with the Statutory Auditors and approved by the Board of Directors of the Company."

### SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s NKJ & Associates, Cost Accountants, (Firm Registration No.101893) who was appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2016-17, amounting to 75,000/- (Rupees Seventy Five thousand only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.





7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to charge from a member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode if any request has been made by such member for delivery of such document to him through such mode of service provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, directors or key managerial personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to Section 94 of the Companies Act, 2013 (hereinafter called 'the Act') read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Articles of Association of the Company, the Company hereby approves that the Registers of Members, Indices of Members, copies of all Annual Returns prepared by the Company under Section 88(1) of the Act together with copies of Certificates and Documents required to be annexed thereto and other related books have, with effect from October 1, 2016, been kept and maintained at the office of the new Registrars & Share Transfer Agents, Messrs. Link Intime India Private Limited, at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 Maharashtra, or at such other place within Mumbai, where the Registrar and Transfer Agent may shift its office from time to time.

**RESOLVED FURTHER THAT** the Board of Directors (including a Committee thereof, if any, constituted by the Board) and/or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this Resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution and to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official of the Company or any other Officer(s)/ Authorized Representative(s) of the Company or to engage any advisor, consultant, agent or intermediary".

**By Order of the Board**  
For Technocraft Industries (India) Limited

**Place:** Mumbai  
**Date:** September 2, 2016

**Neeraj Rai**  
Company Secretary

**Registered Office:**  
A-25, Technocraft House, MIDC,  
Marol Industrial Area, Road No. 3,  
Opp.ESIS Hospital, Andheri (E), Mumbai.  
CIN NO. L28120MH1992PLC069252  
[www.technocraftgroup.com](http://www.technocraftgroup.com)



## NOTES FORMING PART OF THE NOTICE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HERewith.
2. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, September 26, 2016 to Friday, September 30, 2016 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
4. Effective October 1, 2016, the Company has appointed Messrs. Link Intime India Private Limited having their office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 as the Registrars & Share Transfer Agents of the Company in place of Messrs. System Support Services having their office at 209, Shivai Industrial Estate, 89, Andheri-Kurla Road, next to Logitech Park, Above McDonalds, Sakinaka, Andheri (E), Mumbai – 400072, India. The change in Registrars & Share Transfer Agents had already been notified to BSE Limited and the National Stock Exchange of India Limited on September 2, 2016, where the Company's shares are listed.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
6. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
7. In compliance with the provisions of Section 129(3) of the Companies Act, 2013, the Audited Financial Statements of the Company include the Consolidated Financial Statements of the Company and all its Subsidiaries for consideration and adoption by the Members of the Company.
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.
9. The Members are requested to:
  - (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, System Support Services, 209, Shivai Industrial Estate, 89, Andheri-Kurla Road, (Next to Logitech Park, Above McDonalds), Sakinaka, Andheri (E), Mumbai – 400072, India in respect of their holdings in physical form.
  - (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in demat form.
  - (c) Register their email address and changes therein from time to time with. System Support Services for shares held in physical form and with their respective Depository Participants for shares held in demat form.
10. Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting of the Company.
11. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents, System Support Services and have it duly filled and sent back to them.
12. Electronic copy of the Annual Report for 2015-16 is being sent to all Members whose email Ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 are being sent to them in the permitted mode.



13. Electronic copy of the Notice of the Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Notice of the Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to them in the permitted mode.
14. As required under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) the relevant details of Directors retiring by rotation and seeking appointment / re-appointment at the ensuing Annual General Meeting are given in the annexure to the notice of the Annual General Meeting.
15. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website [www.technocraftgroup.com](http://www.technocraftgroup.com).
16. Even after registering for e-communication, members are entitled to receive such communication in physical form by post free of cost, upon making a request for the same. For any such communication, the members may also send requests to the Company's investor email id: [investor@technocraftgroup.com](mailto:investor@technocraftgroup.com).
17. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with System Support Services, Registrar & Share Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education Protection Fund, as per Section 205 A of the Companies Act, 1956.
18. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide the members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on September 27, 2016 (9:00 am) and ends on September 29, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participant(s)]:

- i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii) Click on Shareholder - Login
- iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.





- vii) Select “EVEN” of “Technocraft Industries (India) Limited”.
- viii) Now you are ready for remote e-voting as Cast Vote page opens.
- ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csniteshjain@gmail.com with a copy marked to evoting@nsdl.co.in.

In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- i) Initial password is provided at the Attendance Slip for the AGM:
- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 23, 2016.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 23, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail with the facility of remote e-voting or voting at the AGM through ballot paper.

Mr. Nitesh Jain, proprietor of M/s Nitesh Jain & Co., Practising Company Secretary (Membership No. FCS 6069 and Certificate of Practice No. 8582) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.technocraftgroup.com](http://www.technocraftgroup.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

19. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am and 1 pm on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.



## **ANNEXURE TO THE NOTICE**

### **Item No. 5**

The Members of the Company had, at the 22<sup>nd</sup> Annual General Meeting held on September 30, 2014, approved the appointment of M/s M.L. Sharma & Co, Chartered Accountants, Mumbai, bearing ICAI Registration No. 109963W, as Auditors, to hold office from the conclusion of that AGM until the conclusion of the 25<sup>th</sup> AGM (subject to ratification of the appointment by the Members at every AGM held after that AGM).

Rule 3(7) of Companies (Audit and Auditors) Rules, 2014, states that appointment of the auditor shall be subject to ratification by the members at every AGM till the expiry of the term of the Auditor.

In view of the above, the existing appointment of M/s M.L. Sharma & Co, Chartered Accountants, Mumbai covering the period from the conclusion of this ensuing AGM until the conclusion of the next Annual General Meeting to be held in the FY 2016-17, is being placed for members' ratification.

The Board of Directors of the Company recommends the Ordinary Resolution as set out in the Notice for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Resolution as set out in the Notice, except to the extent of their shareholding, if any, in the Company.

## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 6**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual/ firm of cost accountant(s) in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of the Audit Committee at its meeting held on May 30, 2016 the Board has considered and approved appointment of M/s NKJ & Associates, Cost Accountants having Registration No.101893, for the conduct of the Cost Audit of the Company at a remuneration of ₹ 75,000 plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2017.

The Board of Directors of the Company recommends the Ordinary Resolution as set out in the Notice for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Resolution as set out in the Notice, except to the extent of their shareholding, if any, in the Company.

### **Item No. 7**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed.

Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on September 2, 2016 has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

The Board of Directors of the Company recommends the Ordinary Resolution as set out in the Notice for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Resolution as set out in the Notice, except to the extent of their shareholding, if any, in the Company.

### **Item No. 8**

The Company had appointed M/s. System Support Services (hereinafter referred to as "SSS") as its Registrar and Transfer Agent (hereinafter referred to as "R&TA"). RTA division of SSS is proposed to be merged with M/s. Link Intime India Private Limited

Effective October 1, 2016 the Board of Directors of the Company at its meeting held on September 2, 2016, have approved the appointment of M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg,



Bhandup West, Mumbai, 400078, as the R&TA of the Company who shall maintain the Registers of Members, Indices of Members, copies of all Annual Returns prepared by the Company under Section 88(1) of the Companies Act, 2013 ("the Act") together with copies of Certificates and Documents required to be annexed or any one or more of them and other related books at the office of Messrs. Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.

In accordance with Section 94 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014, the Register and Index of Members under Section 88 of the Act and copies of Annual Returns under Section 92 of the Act are required to be kept and maintained at the Registered Office of the Company, unless a Special Resolution is passed in a general meeting authorizing keeping of the register at any other place within the city, town or village in which the Registered Office is situated.

The approval of shareholders by a Special Resolution is sought to the above arrangement under Section 94 of the Act.

The Board of Directors of the Company recommends the Special Resolution as set out in the Notice for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Special Resolution as set out in the Notice, except to the extent of their shareholding, if any, in the Company.

**By Order of the Board**  
For Technocraft Industries (India) Limited

**Place:** Mumbai  
**Date:** September 2, 2016

**Neeraj Rai**  
Company Secretary

**Registered Office:**

A-25, Technocraft House, MIDC,  
Marol Industrial Area, Road No. 3,  
Opp. ESIS Hospital, Andheri (E), Mumbai.  
CIN NO. L28120MH1992PLC069252  
www.technocraftgroup.com

**ANNEXURE TO THE NOTICE**

Details of Directors seeking re-appointment/appointment at the Annual General Meeting in pursuance of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the Directors	Mr. Ashish Kumar Saraf	Mr. Navneet Kumar Saraf
Date of Birth	November 25, 1981	September 25, 1977
Age	35 Years	39 Years
Date of Appointment	06 <sup>th</sup> February, 2015	06 <sup>th</sup> February, 2015
DIN No.	00035549	00035686
Expertise in specific functional areas	He has over 10 years of experience in the yarn, garment, fabrication etc.	He has over 10 years of experience in Information Technology operations, engineering software services etc.
No. of equity shares held in TIIL	59,843	9,51,060
Qualifications	Master in Textile Technology from University of Manchester	B.E.(Mech.) from University of Manchester
List of other directorships in listed entities (Other than TIIL)	NIL	NIL
Membership/ Chairman of Committees of the other listed entities (Other than TIIL)	NIL	NIL
Relationships, if any, between Directors inter-se	He is the son of Mr. Sharad Kumar Saraf – Chairman & Managing Director of the Company	He is the son of Mr. Sudarshan Kumar Saraf – Co-Chairman & Managing Director of the Company



## BOARD'S REPORT

To,

The Members,

Your Directors have pleasure in present, twenty fourth Annual Report on the business and operations of the Company together with the audited accounts for the Financial Year ended March 31, 2016.

### Financial highlights

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Gross Turnover & Other Income	77957.89	80138.30	93,769.43	104347.21
Profit before Interest, Depreciation and Tax	14,840.91	13427.70	16,705.36	14935.08
Less: Finance Costs	(607.96)	(549.27)	(985.20)	(861.71)
Depreciation	(2,107.24)	(2711.18)	(2,602.69)	( 3188.16)
Profit before Tax	12125.71	10167.25	13117.47	10885.21
Less: Tax Expense	(3,916.53)	(3179.48)	(4,146.50)	(3364.79)
Profit after Tax	8,209.18	6987.77	8,970.96	7520.42
Add: Balance brought forward from last year	19675.49	16022.96	21423.80	17389.21
Profit Available for appropriation	27884.66	23010.73	30394.76	24909.63
Less Appropriation:				
Transfer to General Reserve	-	1250.00	-	1250.00
Dividend	789.00	1576.34	789.00	1576.34
Dividend Distribution Tax	160.62	320.91	160.62	320.91
Other Appropriation	174.10	11.26	155.98	338.58
Balance Carried to Balance Sheet	26760.94	19675.49	29289.16	21423.80

(Previous year's figures have been regrouped wherever necessary to conform to the current year's presentation).

### Dividend

Your Directors had approved an interim dividend of 30% i.e. ₹ 3 per equity share for the financial year 2015-16, which already paid.

### Buy-Back of Shares

In terms of decision of the Board of Directors (Board) dated November 6, 2015 and in accordance with the provisions of the Companies Act, 2013 (hereinafter as the "Act") and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and with the approval of shareholders by Postal Ballot on December 25, 2015, the Company had offered to buy-back 52,26,750 fully paid up equity shares of ₹10 each, at a price of ₹270 per share for an aggregate amount of up to ₹1,41,12.22 lakhs from the existing shareholders of the Company under Tender Offer mechanism. The offer size was 24.11% of the aggregate paid up capital and free reserves of the Company as at March 31, 2015. The offer was kept open from February 2, 2016 to February 15, 2016. Your Company has bought back 52,26,750 equity shares representing 100.00% of the issue size and extinguished all the shares bought under buy-back on February 25, 2016.

### Reserves

Your Company does not propose to transfer amounts to the general reserve out of the amount available for appropriation and an amount of ₹ 8209.18 Lakhs is proposed to be retained in the profit and loss account.

### Operations

During the year under review the Company has closed the year with total standalone revenue of ₹ 76,552.04 Lakhs. On Consolidated basis the total revenue is ₹ 92,114.14 Lakhs.

Standalone Operating profit before tax improved to ₹12,125.71 Lakhs, compared to ₹ 10,167.25 Lakhs, of previous year, which is higher by 19.26%. Consolidated Operating profit before tax improved to ₹ 13,117.47 Lakhs compared to ₹ 10885.21 Lakhs, which is higher by 20.51%.





### **Employee Stock Option Scheme (ESOP)**

Your Company does not have any Employee Stock Option Scheme (ESOP).

### **Deposits**

During the year, your Company has not accepted any deposits under Section 73 of Act.

### **Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under the Companies (Accounts) Rules, 2014, is given in Annexure-I forming part of this Report.

### **Statutory Auditors**

The Members of the Company had, at the 22<sup>nd</sup> Annual General Meeting ("AGM") held on September 30, 2014, approved appointment of M/s. M.L. Sharma & Co., Chartered Accountants, Mumbai, bearing ICAI Registration No.109963W, as the Statutory Auditors of the Company, to hold office from the conclusion of that AGM until the conclusion of the third AGM held thereafter (subject to ratification of the appointment by the Members at every AGM held after the above said AGM).

Rule 3(7) of Companies (Audit and Auditors) Rules, 2014, states that appointment of the Auditor shall be subject to ratification by the members at every Annual General Meeting till the expiry of the term of the Auditor.

In view of the above, the existing appointment of M/s. M.L. Sharma & Co., Chartered Accountants, Mumbai, covering the period from the conclusion of this ensuing AGM until the conclusion of the next AGM to be held in the FY 2016-17, is being placed for member's ratification.

As required under Section 139 of the Act, the Company has obtained a written consent from the Auditors to such continued appointment and also a certificate from them to the effect that their appointment, if ratified, would be in accordance with the conditions prescribed under the Act and the rules made thereunder, as may be applicable.

### **Auditors' Report**

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended March 31, 2016 does not contain any qualification, reservation or adverse remark.

### **Secretarial Audit**

Secretarial Audit for the Financial Year 2015-16 was conducted by M/s Pramod Jain & Co, Company Secretaries in Practice in accordance with the provisions of Section 204 of the Act. The Secretarial Auditor's Report is attached to this Report as Annexure –II. There are no qualifications or observations or remarks made by the Secretarial Auditor in his Report.

### **Cost Audit**

In compliance with the provisions of Section 148 of the Act, the Board of Directors of the Company at its meeting held on May 30, 2016 has appointed M/s NKJ & Associates, Cost Accountant as Cost Auditors of the Company for the Financial Year 2016-17.

In terms of the provisions of Section 148 (3) of the Act read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for Financial Year 2016-17.

### **Particulars of Loans, Guarantees or Investments**

Particulars of Loans, Guarantees and Investments made during the year as required under the provisions of Section 186 of the Act are given in the notes to the Standalone Financial Statements.

Also, pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Hereinafter as the "SEBI Listing Regulations"), particulars of Loans/ Advances given to Subsidiaries have been disclosed in the notes to the Standalone Financial Statements.

### **Subsidiaries:**

As on March 31, 2016 there were 12 subsidiaries of the Company:

#### **Direct Indian subsidiaries:**

1. Technosoft Engineering Projects Limited
2. Technocraft Tabla Formwork Systems Private Limited

#### **Limited Liability Partnership:**

3. Shreyan Infra & Power LLP

**Direct foreign Subsidiaries:**

4. Technocraft International Limited, UK (WOS of the Company)
5. Technocraft Spolka Zoo, Poland (WOS of the Company)
6. Technocraft Australia Pty. Australia) (WOS of the Company)
7. Anhui Reliable Steel Technology Co Ltd, China (WOS of the Company)

**First step down subsidiaries:**

8. Technosoft Engineering, Inc, USA (WOS of Technosoft Engineering Projects Limited)
9. Swift Engineering Inc., Canada, (Subsidiary of Technosoft Engineering Projects Limited)
10. Highmark International Trading FZE, UAE (WOS of Technocraft International Limited, UK)

**Second step down subsidiaries**

11. Swift Projects Inc., USA (WOS of Swift Engineering Inc. Canada)
12. AAIT / Technocraft Scaffold Distribution LLC, USA [Erstwhile known as AA International trading, L.L.C] (Subsidiary of Highmark International Trading FZE, UAE).

AAIT / Technocraft Scaffold Distribution LLC, USA has become subsidiary during the year, except this no other company has become/ceased to be a subsidiary, Joint venture or associate during the financial year 2015-16.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of each of the subsidiary in the prescribed form AOC-1 is annexed to the Annual Report the financial statements of the subsidiaries are kept for inspection by the shareholders at the Registered Office of the Company. The said financial statements of the subsidiaries are also available on the website of the Company [www.technocraftgroup.com](http://www.technocraftgroup.com) under the Investors Section.

A report on the performance and financial position of the each of the subsidiaries in the AOC-1 is annexed to the report and hence not repeated here for the sake of brevity, under Rule 8 of the Companies (Accounts) Rules, 2014.

The Company has also formulated a Policy for determining material subsidiaries, which is uploaded on the website of the Company i.e. [www.technocraftgroup.com](http://www.technocraftgroup.com) and can be accessed at <http://www.technocraftgroup.com/pdf/Policy-For-Determining-Material-Subsidiary-Companies.pdf>

**Consolidated Financial Statements**

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Act and SEBI Listing Regulations and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard

In accordance with the Section 129(3) of the Act and Accounting Standard (AS) – 21 on Consolidated Financial Statements, the audited Consolidated Financial Statements are provided in this Annual Report.

**Corporate Governance**

Your Company is in compliance with the Corporate Governance guidelines, as laid out in the Listing Agreements/ SEBI Listing Regulations.

As per Regulation 34 (3) read with Schedule V of the SEBI Listing Regulations, a separate section on corporate governance practices, followed by the Company, together with a certificate from M/s. Pramod Jain & Co. Company Secretaries, confirming compliance forms an integral part of this Report.

The annual report of the Company contains a certificate by the Chairman and Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from the Directors and the Senior Management personnel and a Certificate by M/s. Pramod Jain & Co. Company Secretaries, who have examined the requirements of Corporate Governance with reference to SEBI Listing Regulations and have certified the compliance, as required under SEBI Listing Regulations.

**Significant and material Orders passed by the Regulators/Courts, if any**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.

**Internal Control systems and their Adequacy**

The Company has Internal Control Systems, Commensurate with the size, scale and complexity of its operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, accounting



procedures and policies within the Company. Based on the report of internal audit function, process owners undertake corrective action in respective areas and thereby strengthen the controls. Significant observations and corrective actions thereon are presented to the Audit Committee from time to time.

### **Internal Financial Controls and their adequacy**

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Act.

### **Extract of the Annual Return**

The details forming part of the extract of Annual Return in prescribed Form MGT 9 is annexed hereto as Annexure-III and forms the part of this Report

### **Share Capital**

The Paid-up Equity Capital of the Company as on March 31, 2016 stood at ₹ 2,630.00 Lakhs. During Financial Year ended March 31, 2016, the Company has completed the buyback of 52,26,750 equity shares of ₹ 10/- each. Therefore, the Paid-up Equity Share Capital decreased from ₹ 3,152.68 Lakhs to ₹ 2,630.00 Lakhs.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2016, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

### **Directors and Key Managerial Personnel**

As per the provisions of Section 152 of the Act, Mr. Navneet Kumar Saraf, Whole-time Director and Mr. Ashish Kumar Saraf, Whole-time Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations.

Details of the Director seeking appointment at the Annual General Meeting, as required in terms of Regulation 36(3) of the SEBI Listing Regulations is provided in the Annexure to the Explanatory Statement to the Notice.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Sharad Kumar Saraf, Chairman & Managing Director, Mr. Sudarshan Kumar Saraf, Co-Chairman & Managing Directors, Mr. Navneet Kumar Saraf, Whole-time Director & Chief Operating Officer, Mr. Ashish Kumar Saraf, Whole-time Director & Chief Financial Officer, Mr. Atanu Choudhary, Whole-time Director and Mr. Neeraj Rai was the Company Secretary of the Company. There has been no change in the Key Managerial Personnel during the period under review.

The Remuneration and other details of Key Managerial Personnel for the financial year ended March 31, 2016 are mentioned in the Extract of the Annual Return which is attached to the Board's Report.

### **Meetings of the Board of Directors**

The Board of Directors of your Company met 4 (four) times during 2015-16. The Meetings were held on May 27, 2015, August 10, 2015, November 6, 2015 and February 1, 2016. The time gap between any two consecutive meetings did not exceed one hundred and twenty days.

### **Audit Committee**

As at March 31, 2016, the Audit Committee comprised of five Independent Directors namely Mr. Vinod Agarwala, Mr. S. B. Agarwal, Mr. Jagdeesh Mal Mehta, Mr. Vishwambhar C. Saraf and Ms. Vaishali Choudhari, all the recommendations made by the Audit Committee were accepted by the Board.

### **Whistle Blower Policy/ Vigil Mechanism**

In Compliance with the provisions of Section 177 of the Act and Regulation 22 of the SEBI Listing Regulations the Company has a Whistle Blower Policy (the "WB Policy") with a view to provide vigil mechanism to Directors, employees and other stakeholders to disclose instances of wrongdoing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The WB Policy also states that this mechanism should also provide for adequate safeguards against victimization of Director(s)/ Employees who avail of the mechanism and



also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy has been posted on the website of the Company at the link <http://www.technocraftgroup.com/pdf/Whistle-Blower-Policy.pdf>.

### **Nomination and Remuneration Committee**

As at March 31, 2016, the Nomination and Remuneration Committee comprised of three Independent Directors namely Mr. S. B. Agarwal, Ms. Vaishali Choudhari and Mr. Vishwambhar C. Saraf.

### **Nomination and Remuneration Policy**

The Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee is duly approved by the Board of Directors of the Company and the Remuneration Policy of the Company is attached to the Board's Report as Annexure-IV

### **Corporate Social Responsibility (CSR)**

Pursuant to Section 135 of the Act a Corporate Social Responsibility (CSR) Committee was constituted. As at March 31, 2016, the CSR Committee comprised of two Executive Directors and one Independent Director namely Mr. Sharad Kumar Saraf, Mr. Sudarshan Kumar Saraf and Ms. Vaishali Choudhari.

Corporate Social Responsibility Policy recommended by CSR Committee of the Directors has been approved by the Board of Directors of the Company. The same is available on the website of the Company i.e. [www.technocraftgroup.com](http://www.technocraftgroup.com) and also attached to this Report as Annexure-V.

The disclosure relating to the amount spent on Corporate Social Responsibility activities of the Company for the financial year ended March 31, 2016 is attached to this Report as Annexure-VI.

### **Transfer to Investor Education and Protection Fund (IEPF)**

During the year under review, the Company has transferred a sum of ₹ 96,519.00 to Investor Education and Protection Fund (IEPF) pursuant to Section 205 C of the Companies Act, 1956. The said amount represents dividend for the Financial Year 2007-08 which remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment.

### **Particulars of contracts or arrangements with related parties**

All related party transactions entered during the year were in the ordinary course of business and on an arm's length basis.

The related party transactions attracting compliance under Section 177 of the Act and / or erstwhile Clause 49 of the Listing Agreement / Regulation 23 of the SEBI Listing Regulations were placed before the Audit Committee for approval.

There are no transactions to be reported in Form AOC- 2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

Prior omnibus approval of the Audit Committee was also sought for transactions which are of a foreseen and repetitive nature. A statement of all related party transactions entered was presented before the Audit Committee on a quarterly basis, specifying the nature, value etc. and also before the Board on annual basis.

Further the details of the transactions with related parties are provided in the Company's financial statements in accordance with the Accounting Standards.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available on website of the Company at the link: <http://www.technocraftgroup.com/pdf/Policy-On-Related-Party-Transactions.pdf>

### **Particulars of Employees and other additional information**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (as amended vide notification dated June 30, 2016), form part of this Report and are annexed as Annexure-VII.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (as amended vide notification dated June 30, 2016), a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules form part of this Report and is annexed as Annexure-VIII.

### **Risk management policy**

Pursuant to the requirement of Section 134 (3) (n) of the Act, the Company has in place a structured risk management





policy. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business.

### **Performance Evaluation**

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Act and Regulation 17 of the SEBI Listing Regulations, annual Performance Evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration has been carried out.

The Performance Evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

### **Independent Directors Meeting**

During the year under review, the Independent Directors of the Company met on February 1, 2016, inter-alia, to discuss:

- i) Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- ii) Evaluation of performance of the Chairman of the Company, taking into view of Executive and Non-Executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### **Directors' Responsibility Statement**

In accordance with the provisions of Section 134 (5) of the Act, your Directors based on the representation/confirmation received from the Chief financial Officer, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) the selected accounting policies were applied consistently and the Directors 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 March 31, 2016 and of the profit of the Company for the year ended on that date.
- c) proper and sufficient care has been taken for 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 fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.
- e) the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are operating effectively
- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating effectively.

### **Requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committee (ICC). During the year under review, there were no cases received/ filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### **Material changes & commitment if any, affecting financial position of the Company from the end of financial year till the date of the report.**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

### **Reporting of Frauds:**

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

### **Familiarisation Programmes for Board Members**

The Familiarisation program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.



All the Directors of the Company are updated as and when required, of their role, rights, responsibilities under applicable provisions of the Companies Act and the SEBI Listing Regulations, Secretarial Standards; nature of industry in which the Company operates, business model of the Company, etc. The Company holds Board and the Committee Meetings from time to time. The Board of Directors has complete access to the information within the Company. The Independent Directors have the freedom to interact with the Company's management. Directors are also informed of the various developments in the Company through various modes of communications. All efforts are made to ensure that the Directors are fully aware of the current state of affairs of the Company and the industry in which it operates.

The details of such familiarization programmes for Independent Directors of the Company are posted on the website of the Company <http://www.technocraftgroup.com/pdf/Details-of-the-familiarization-programmes-imparted-to-independent-directors.pdf>

### **Acknowledgements**

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, clients, Financial Institutions, Bank, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

**By Order of the Board**  
For Technocraft Industries (India) Limited

**Place:** Mumbai  
**Date:** September 2, 2016

**Sharad Kumar Saraf**  
Chairman & Managing Director

### **Registered Office:**

A-25, Technocraft House, MIDC,  
Marol Industrial Area, Road No. 3,  
Opp. ESIS Hospital, Andheri (E), Mumbai.  
CIN NO. L28120MH1992PLC069252  
[www.technocraftgroup.com](http://www.technocraftgroup.com)



## ANNEXURE-I TO THE BOARD'S REPORT

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

### A) Conservation of energy:

The Company is continuing with energy saving measures initiated earlier and also took following steps during the period under review:

- Replaced Liquefied Petroleum Gas [LPG]:- During the period under review the Company has installed two "Infrared Oven" in place of conventional LPG Ovens in drum closure division thereby, the Company saving 40% LPG. The Capital investment was approx. ₹ 30.00 Lakhs.
- Installation of Heat Pump: During the period under review the Company installed one Heat Pump in Drum Closure division thereby, the Company saving substantial amount of electrical energy. The Capital investment was approx. ₹ 29.00 Lakhs
- Introduced LED Lights in place of conventional lamps: During the period the Company has Installed 1575 LED lamps from 7 Watt to 90 Watt. This step saved around 60% energy. The Capital investment was approx. ₹ 14.49/- Lakhs
- Pnumafil fan motor drivers: During the year the Company has installed 4 Pnumafil fan motor drivers in yarn division thereby the company will able to save 15% energy. The Capital investment was approx. ₹ 2/- Lakhs

The Company is running 15MW thermal power plant since 2010 for captive consumption, which is a good initiative of the Company for conservation of energy.

### (B) Technology absorption:

- the efforts made towards technology absorption; Technology for making the products are already absorbed and the Company continuously works on improving the same. We believe in continual improvement in our designs and products for ensuring full customer satisfaction. Innovation in process control, product development, cost reduction and quality improvement are being made on continuous basis as per the requirements of the market.
- the benefits derived like product improvement, cost reduction, product development or import substitution; quality improvement, cost reduction, increase in demand due to quality improvement are some benefits our out of technology absorption.
- in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - the details of technology imported; ; Compact yarn attachment from Suessen, Germany and Amsler slub attachment from Switzerland were imported.
  - the year of import; Imported in year 2014.
  - whether the technology been fully absorbed; Yes.
  - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not Applicable
- the expenditure incurred on Research and Development: Nil.

### (C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ In Lakhs)

Particulars	2015-16	2014-15
A: Earning		
FOB Value of Export	60187.17	61288.96
Interest Received	68.75	89.72
Guarantee Fees Received	68.41	18.80
<b>Total Earning in foreign exchange</b>	<b>60324.33</b>	<b>61397.48</b>
B: Outgo		
CIF Value of Import of Raw Material, Stores & Spare Parts & Traded Goods	2149.62	9258.43
Other Expenditures	1421.27	1423.87
<b>Total expenditure in foreign exchange</b>	<b>3570.89</b>	<b>10682.30</b>

(Previous year's figures have been regrouped wherever necessary to conform to the current year's presentation)



## **ANNEXURE-II TO THE BOARD'S REPORT**

### **Form -MR-3**

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members of  
Technocraft Industries (India) Limited  
A-25, MIDC, Road No.3  
Marol Industrial Area, Andheri (East)  
Mumbai-400093

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Technocraft Industries (India) 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 my opinion thereon.

Based on our verification of the 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 financial year commencing from April 1, 2015 and ended March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Technocraft Industries (India) Limited ('The Company') for the financial year ended on March 31, 2016, 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 (FDI) and Overseas Direct Investment and External Commercial Borrowings;
  - v. The following Regulations and Guidelines, to the extent applicable, prescribed under The Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013 and dealing with client;
    - d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
    - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - vi. The Laws as are applicable specifically to the Company: Factories Act, 1948, The Contract Labour (Regulation & Abolition) Act, 1970, The Environmental (Protection) Act, 1986, The Water (Prevention & Control of Pollution) Act, 1974, The Air (Prevention & Control of Pollution) Act, 1981, The Hazardous Wastes (Management, Handling and Tran boundary Movements) Rules, 2008 and local laws as applicable to various offices and plants.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:
  - i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;





- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
3. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards with respect to board and general meetings issued by The Institute of Company Secretaries of India.
  - ii. The Listing Agreements entered into by the Company with the Stock Exchanges i.e. National Stock Exchange of India and BSE Limited;
4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
5. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
6. We further report that:
- (a) The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
  - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.
  - (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
7. We further report that based on the review of the Compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Chairman & Managing Director and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
8. We further report that, during the audit period, there were following specific events/actions in pursuance of above referred the laws, rules, regulations, guidelines, standards, etc., having a major bearing on the company's affairs.
- (a) Buy-back of Equity Shares, pursuant to Section 68 of the Act read with Rules made thereunder and pursuant to The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
  - (b) Alteration of the Main Object Clause by inserting Clause no. 1D after the existing Clause No. 1C of the Main Object of the Memorandum of Association of the Company, pursuant to Section 13 of the Act, read with Rules made thereunder.

For **Pramod Jain & Co.**  
Company Secretaries

**Place:** Mumbai  
**Date:** September 2, 2016

**(Pramod Kumar Jain)**  
Proprietor FCS No: 6711 CP No: 11043

This Report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.



'Annexure A'

To,

The Members of  
Technocraft Industries (India) Limited  
A-25, MIDC, Road No.3  
Marol Industrial Area, Andheri (East)  
Mumbai-400093

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the 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 Accounts 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 future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Pramod Jain & Co.**  
Company Secretaries

**Place:** Mumbai  
**Date:** September 2, 2016

**(Pramod Kumar Jain)**  
Proprietor FCS No: 6711 CP No: 11043



**ANNEXURE-III TO THE BOARD'S REPORT**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2016  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. Registration and other details:**

I	CIN:	L28120MH1992PLC069252
II	Registration Date	28/10/1992
III	Name of the Company	Technocraft Industries (India) Limited
IV	Category / Sub-Category of the Company	Company Limited By Shares/Indian Non- Government
V	Address of the Registered office and contact details	A-25, MIDC, Marol Industrial Area, Andheri (East) Mumbai-400093 Tel: 022-2836-2222 Fax: 022-2836-703
VI	Whether listed company Yes / No	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any	System Support Service, Gala No 209, Shivai Industrial Estate, Near Logitech Park, 89, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai-400072 Tel: 022-2850-0835 Fax: 022-2850-1438

**II. Principal business activities of the company**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service (As per NIC Code 2008)	% to total turnover of the company
1	Manufacturing of Drum Closures	24109/25999	31.37%
2	Manufacturing of tubes and Scaffoldings	24106	34.79%
3	Manufacture of knitted and crocheted cotton fabrics, Preparation and spinning of cotton fiber, Manufacture of textile garments.	13111, 13911, 14101	29.03%
4	Power Generation by coal based thermal power plants	35102	4.81%

**III. Particulars of holding, subsidiary and associate Companies -**

Sr. No.	Name of the Company	Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Technosoft Engineering Projects Limited	A-25, MIDC, Andheri (E), Mumbai- 400093	U72200MH2000PLC124541	Subsidiary	90.34%	2(87)(ii)
2	Technocraft Tabla Formwork Systems Private Limited	A-25, MIDC, Andheri (E), Mumbai- 400093	U29300MH2010PTC201272	Subsidiary	65.00%	2(87)(ii)
3	Technocraft International Ltd.	Unit 2 Hammond Court, Hammond Avenue, Whitehill Industrial Estate, Stockport, Cheshire, SK4 1PQ, (UK)	N.A.	Subsidiary	100%	2(87)(ii)



<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Address of the Company</b>	<b>CIN/GIN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of Shares Held</b>	<b>Applicable Section</b>
4	Technocraft Spolka Zoo.	Lodz-92-318, ul AL. Pilsudskiego 133 M. (Poland)	N.A.	Subsidiary	100%	2(87)(ii)
5	Technocraft Australia Pty.	C/GOKANI & Associates, 96 Cahors Road, Padstow, NSW 2211 (Australia)	N.A.	Subsidiary	100%	2(87)(ii)
6	Anhui Reliable Steel Technology Co Ltd	Room No. 401, Block No.1, Building no. 258, Rulin Road, Quanjiao County, Anhui Province, China-239500	N.A.	Subsidiary	100%	2(87)(ii)
7	Highmark International Trading	SM-Office-F1-106C, Ajman Free Zone, UAE	N.A.	Step-down Subsidiary	100%	2(87)(ii)
8	Technosoft Engineering, Inc. (Erstwhile Impact Engineering Solutions INC)	13400 Bishops Lane, Suite 30 Brookfield, WI 53005, USA	N.A.	Step-down Subsidiary	100%	2(87)(ii)
9	Swift Engineering Inc.	Suit 910, 736-8th Avenue, S.W. Calgary, AB T2P 1H4, (Canada)	N.A.	Step-down Subsidiary	59%	2(87)(ii)
10	Swift Projects Inc	1700 N. Highland Road, Suite 200, Pittsburgh, PA 15241 USA	N.A.	Step-down Subsidiary	100%	2(87)(ii)
11	Shreyan Infra & Power LLP	A-25, MIDC, Andheri (E), Mumbai- 400093	AAC-1313	Subsidiary	90%	2(87)(ii)
12	AAIT / Technocraft Scaffold Distribution LLC (Previously AA International Trading LLC), USA	7776 NW 73RD Court, Miami, FL 33166	N.A.	Step-down Subsidiary	100%	2(87)(ii)



#### IV. Share Holding Pattern (Equity Share Capital breakup as percentage of total equity):

##### i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year (As on April 1, 2015)				No. of shares held at the beginning of the year (As on March 31, 2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1)Indian									
a)Individual/HUF	23636562	0	23636562	74.97	19994812	0	19994812	76.03	01.06
b)Central Govt.	0	0	0	00.00	0	0	0	00.00	00.00
c)State Govt.(s)	0	0	0	00.00	0	0	0	00.00	00.00
d)Bodies corporate	0	0	0	00.00	0	0	0	00.00	00.00
e)Banks/FI	0	0	0	00.00	0	0	0	00.00	00.00
f)Any Other	0	0	0	00.00	0	0	0	00.00	00.00
<b>Subtotal (A)(1):</b>	<b>23636562</b>	<b>0</b>	<b>23636562</b>	<b>74.97</b>	<b>19994812</b>	<b>0</b>	<b>19994812</b>	<b>76.03</b>	<b>01.06</b>
2)Foreign									
a)NRIs Individuals	0	0	0	00.00	0	0	0	00.00	00.00
b)Other Individuals	0	0	0	00.00	0	0	0	00.00	00.00
c)bodies Corporate	0	0	0	00.00	0	0	0	00.00	00.00
e)Banks/FI	0	0	0	00.00	0	0	0	00.00	00.00
f)Any Other	0	0	0	00.00	0	0	0	00.00	00.00
Subtotal (A)(2):	0	0	0	00.00	0	0	0	00.00	00.00
Total shareholding of promoter (A)=(A)(1)+(A)(2)	23636562	0	23636562	74.97	19994812	0	19994812	76.03	01.06
B. Public Shareholdings									
1)Institutions									
a)Mutual Funds/ UTI	266910	0	266910	0.85	159957	0	159957	00.61	(00.24)
b)Banks/FI	1572	0	1572	0.00	665	0	665	00.00	(00.00)
c)Central Govt.	0	0	0	00.00	0	0	0	00.00	00.00
d)State Govt.(s)	0	0	0	00.00	0	0	0	00.00	00.00
e)Venture Capital Funds	0	0	0	00.00	0	0	0	00.00	00.00
f)Insurance Companies	0	0	0	00.00	0	0	0	00.00	00.00
g)FIIs	777957	0	777957	2.47	353839	0	353839	01.35	(01.13)
h)Foreign Venture Capital Funds	0	0	0	00.00	0	0	0	00.00	00.00
i)Other (specify)	0	0	0	00.00	0	0	0	00.00	00.00
<b>Sub-Total (B)(1):-</b>	<b>1046439</b>	<b>0</b>	<b>1046439</b>	<b>3.32</b>	<b>514461</b>	<b>0</b>	<b>514461</b>	<b>01.96</b>	<b>(01.36)</b>





Category of Shareholders	No. of shares held at the beginning of the year (As on April 1, 2015)				No. of shares held at the beginning of the year (As on March 31, 2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.Non-Institutions									
a) Bodies Corp.									
i) Indian	1765525	0	1765525	5.60	1283650	0	1283650	04.88	(00.72)
ii) Overseas	385575	0	385575	1.22	385575	0	385575	01.47	00.25
b) Individuals	0	0	0	00.00	0	0	0	00.00	00.00
i) Individual Shareholders Holding nominal Share capital Upto ₹ 1 lakhs	2572945	4	2572949	8.16	2391816	804	2392620	09.09	00.93
ii) Individual Shareholders Holding nominal Share capital excess ₹ 1 lakhs	1886828	0	1886828	5.98	1437313	0	1437313	5.47	(00.51)
c) Other (Specify)	0	0	0	00.00	0	0	0	00.00	00.00
Clearing Members	0	0	0	00.00	0	0	0	00.00	00.00
Foreign Nationals	0	0	0	00.00	0	0	0	00.00	00.00
Non Resident Indians (REPAT)	74746	0	74746	0.24	116724	0	116724	00.45	00.21
Non Resident Indian(NONREPAT)	158126	0	158126	0.50	174845	0	174845	00.67	00.17
Trusts	0	0	0	00.00	0	0	0	00.00	00.00
Sub-total (B)(2):-	6843745	4	6843749	21.71	5789923	804	5790727	22.02	00.31
Total shareholding of Public (B)=(B)(1)+(B)(2)	7890188	4	7890188	25.03	6304384	804	6305188	23.97	(01.06)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	00.00	0	0	0	00.00	00.00
<b>Grand Total (A+B+C)</b>	<b>31526746</b>	<b>4</b>	<b>31526750</b>	<b>100</b>	<b>26299196</b>	<b>804</b>	<b>26300000</b>	<b>100.00</b>	<b>00.00</b>



## (ii). Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
01	Mr. Ashish Kumar Saraf	70742	0.22	NIL	59843	0.23	NIL	0.01
02	Madhoprasad Shantidevi Saraf (HUF)	214561	0.68	NIL	NIL	NIL	NIL	(0.68)
03	Mr. Navneet Kumar Saraf	1124280	3.57	NIL	951060	3.62	NIL	0.05
04	Smt. Nidhi Saraf	56494	0.18	NIL	47790	0.18	NIL	NIL
05	Ms. Ritu Saraf	73605	0.23	NIL	62266	0.24	NIL	0.01
06	Smt. Shakuntala Saraf	6739512	21.38	NIL	5701135	21.68	NIL	0.30
07	Smt. Shatidevi Saraf	3058230	9.70	NIL	2587040	9.84	NIL	0.14
08	Mr. Sharad Kumar Saraf	423080	1.34	NIL	448647	1.71	NIL	0.37
09	Sharad Kumar Madhoprasad Saraf (HUF)	2874946	9.12	NIL	2431995	9.25	NIL	0.13
10	Mr. Sudarshan Kumar Saraf	8750652	27.76	NIL	7493164	28.49	NIL	0.73
11	Sudarshan Kumar Madhoprasad Saraf (HUF)	97506	0.31	NIL	82483	0.31	NIL	NIL
12	Smt. Suman Saraf	152954	0.49	NIL	129389	0.49	NIL	NIL
	<b>Total</b>	<b>23636562</b>	<b>74.98</b>		<b>19994812</b>	<b>76.04</b>		<b>1.06</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
01	Mr. Sharad Kumar Saraf				
	At the beginning of the year	423080	1.34	-	-
	Transmission of shares to the members of HUF Partition of Madhoprasad Shanti HUF 11.08.2015	-	-	107281	0.34
	Shares offered in BuyBack 24.02.2016	-	-	(81714)	(0.37)
	At the end of the year	-	-	<b>448647</b>	<b>1.71</b>
02	Mr. Ashish Kumar Saraf				
	At the beginning of the year	70742	0.22	-	-
	Shares offered in BuyBack 24.02.2016	-	-	(10899)	(0.01)
	At the end of the year	-	-	<b>59843</b>	<b>0.23</b>



Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
03	Smt. Shakuntala Saraf				
	At the beginning of the year	6739512	21.38	-	-
	Shares offered in BuyBack 24.02.2016	-	-	(1038377)	(0.30)
	At the end of the year	-	-	<b>5701135</b>	<b>21.68</b>
04	Ms. Ritu Saraf				
	At the beginning of the year	73605	0.23	-	-
	Shares offered in BuyBack 24.02.2016	-	-	(11339)	(0.01)
	At the end of the year	-	-	<b>62266</b>	<b>0.24</b>
05	Sharadkumar Madhoprasad Saraf (HUF)				
	At the beginning of the year	2874946	9.12	-	-
	Shares offered in BuyBack 24.02.2016	-	-	(442951)	(0.13)
	At the end of the year	-	-	<b>2431995</b>	<b>9.25</b>
06	Mr. Sudarshan Kumar Saraf				
	At the beginning of the year	8750652	27.76	-	-
	Transmission of shares to the members of HUF Partition of Madhoprasad Shanti HUF 11.08.2015	-	-	107280	0.34
	Shares offered in BuyBack 24.02.2016	-	-	(1364768)	(4.34)
	At the end of the year	-	-	<b>7493164</b>	<b>28.49</b>
07	Mr. Navneet Kumar Saraf				
	At the beginning of the year	1124280	3.57	-	-
	Shares offered in BuyBack 24.02.2016	-	-	(173220)	(0.1)
	At the end of the year	-	-	<b>951060</b>	<b>3.62</b>
08	Smt. Suman Saraf				
	At the beginning of the year	152954	0.49	-	-
	Shares offered in BuyBack 24.02.2016	-	-	(23565)	0.00
	At the end of the year	-	-	<b>129389</b>	<b>0.49</b>
09	Sudarshankumar Madhoprasd Saraf (HUF)				
	At the beginning of the year	97506	0.31	-	-
	Shares offered in BuyBack 24.02.2016	-	-	(15023)	0.00
	At the end of the year	-	-	<b>82483</b>	<b>0.31</b>
10	Smt. Nidhi Saraf				
	At the beginning of the year	56494	0.18	-	-
	Shares offered in BuyBack 24.02.2016	-	-	(8704)	0.00
	At the end of the year	-	-	<b>47790</b>	<b>0.18</b>
11	Smt. Shantidevi Saraf				
	At the beginning of the year	3058230	9.70	-	-
	Shares offered in BuyBack 24.02.2016	-	-	(471190)	(1.49)
	At the end of the year	-	-	<b>2587040</b>	<b>9.84</b>
12	Madhoprasad Saraf HUF				
	At the beginning of the year	214561	0.68	-	-
	Transmission of shares to the members of HUF Partition of Madhoprasad Shanti HUF 11.08.2015	-	-	(214561)	(0.68)
	At the end of the year	-	-	<b>0.00</b>	<b>0.00</b>



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2015		Transaction during the year			Cumulative shareholding During the year as on 31.03.2016	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares Increase / Decrease	Reasons	No. of shares held	% of total shares of the Company
1	ORANGE MAURITIUS INVESTMENTS LIMITED	7,08,000	2.69	01.04.2015	-		7,08,000	-
				30.10.2015	(1,00,000)	Sale	6,08,000	2.31
				13.11.2015	(1,50,000)	Sale	4,58,000	1.74
				08.01.2016	(1,00,000)	Sale	3,58,000	1.36
				05.02.2016	(1,50,000)	Sale	2,08,000	0.79
				26.02.2016	90,828	Purchase	2,98,828	1.14
				18.03.2016	(30,000)	Sale	2,68,828	1.02
				<b>31.03.2016</b>			<b>2,68,828</b>	<b>1.02</b>
2	VLS FINANCE LTD	498087	1.89	01.04.2015	-		4,98,087	-
				30.04.2015	(4,77,050)	Sale	21,037	0.08
				10.04.2015	(20000)	Sale	1,037	0.00
				12.06.2015	100000	Purchase	1,01,037	0.38
				26.06.2015	(100000)	Sale	1,037	0.00
				30.6.2015	610000	Purchase	6,11,037	2.32
				30.07.2015	(610000)	Sale	1,037	0.00
				10.07.2015	38950	Purchase	39,987	0.15
				17.07.2015	13600	Purchase	53,587	0.20
				24.07.2015	(44179)	Sale	9,408	0.04
				31.07.2015	22592	Purchase	32,000	0.12
				07.08.2015	(30000)	Sale	2,000	0.01
				14.08.2015	44306	Purchase	46,306	0.18
				21.08.2015	37623	Purchase	83,929	0.32
				28.08.2015	35486	Purchase	1,19,415	0.45
				31.12.2015	680000	Purchase	7,99,415	3.04
				26.02.2016	(158457)	Sale	6,40,958	2.44
				<b>31.03.2016</b>			<b>6,40,958</b>	<b>2.44</b>
3	INUIT U.S. HOLDINGS INC.	385575	1.47	01.04.2015	-		3,85,575	-
				<b>31.03.2016</b>			<b>3,85,575</b>	<b>1.47</b>



Sr. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2015		Transaction during the year			Cumulative shareholding During the year as on 31.03.2016	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares Increase / Decrease	Reasons	No. of shares held	% of total shares of the Company
4	ANIL KUMAR GOEL	3,37,500	1.28	01.04.2015	-	-	3,37,500	-
				10.04.2015	(1,500)	Sale	3,36,000	1.28
				05.06.2015	1,500	Purchase	3,37,500	1.28
				31.12.2015	(2,500)	Sale	3,35,000	1.27
				12.02.2016	(1,00,000)	Sale	2,35,000	0.89
				26.02.2016	46,917	Purchase	2,81,917	1.07
				04.03.2016	2,083	Purchase	2,84,000	1.08
				18.03.2016	1,000	Purchase	2,85,000	1.08
				<b>31.03.2016</b>			<b>2,85,000</b>	<b>1.08</b>
5	SNEHLATA RAJESH NUWAL*	3,00,000	1.14	01.04.2015	-	-	3,00,000	-
				25.12.2015	(2,92,100)	Sale	7,900	0.03
				<b>31.03.2016</b>			<b>7,900</b>	<b>0.03</b>
6	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE	2,49,910	0.95	01.04.2015	-	-	2,49,910	-
				30.10.2015	(10,500)	Sale	2,39,410	0.91
				06.11.2015	(39,910)	Sale	1,99,500	0.76
				26.02.2016	(39,543)	Sale	1,59,957	0.61
				<b>31.03.2016</b>			<b>1,59,957</b>	<b>0.61</b>
7	RADHAKISHAN DAMANI*	32,385.00	0.12	01.04.2015	-	-	32,385	-
				08.05.2015	(8,000)	Sale	24,385	0.09
				04.12.2015	1,076	Purchase	25,461	0.10
				08.01.2016	6,924	Purchase	32,385	0.12
				05.02.2016	(7,500)	Sale	24,885	0.09
				26.02.2016	1,081	Purchase	25,966	0.10
				<b>31.03.2016</b>			<b>25,966</b>	<b>0.10</b>
8	KOTAK MAHINDRA INVESTMENTS LTD*	147167	0.56	01.04.2015	-	-	1,47,167	-
				17.04.2015	10,000	Purchase	1,57,167	0.60
				24.04.2015	1,000	Purchase	1,58,167	0.60
				01.05.2015	(1,061)	Sale	1,57,106	0.60
				08.05.2015	(3,939)	Sale	1,53,167	0.58
				15.05.2015	(10,151)	Sale	1,43,016	0.54
				22.05.2015	(6,600)	Sale	1,36,416	0.52
				<b>31.03.2016</b>			<b>1,36,416</b>	<b>0.52</b>
9	TEJAS B. TRIVEDI*	144131	0.55	01.04.2015	-	-	1,44,131	-
				17.04.2015	(79,476)	Sale	64,655	0.25
				24.04.2015	(19,531)	Sale	45,124	0.17
				<b>31.03.2016</b>			<b>45,124</b>	<b>0.17</b>





Sr. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2015		Transaction during the year			Cumulative shareholding During the year as on 31.03.2016	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares Increase / Decrease	Reasons	No. of shares held	% of total shares of the Company
10	PAT FINANCIAL CONSULTANTS PVT. LTD.*	128738	0.49	01.04.2015	-	-	1,28,738	-
				10.04.2015	(29,179)	Sale	99,559	0.38
				17.04.2015	(40,381)	Sale	59,178	0.23
				19.06.2015	3,352	Purchase	62,530	0.24
				24.07.2015	(3,825)	Sale	58,705	0.22
				31.07.2015	(11,946)	Sale	46,759	0.18
				07.08.2015	7,696	Purchase	54,455	0.21
				14.08.2015	(26,778)	Sale	27,677	0.11
				<b>31.03.2016</b>			<b>27,677</b>	<b>0.11</b>
11	RAJNEESH JHAWAR#	75000	0.29	01.04.2015	-	-	75,000	-
				05.06.2015	2,100	Purchase	77,100	0.29
				21.08.2015	10,750	Purchase	87,850	0.33
				28.08.2015	5,750	Purchase	93,600	0.36
				04.09.2015	2,000	Purchase	95,600	0.36
				11.09.2015	18,000	Purchase	1,13,600	0.43
				18.09.2015	8,500	Purchase	1,22,100	0.46
				25.09.2015	4,500	Purchase	1,26,600	0.48
				30.09.2015	2,000	Purchase	1,28,600	0.49
				<b>31.03.2016</b>			<b>1,28,600</b>	<b>0.49</b>



Sr. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2015		Transaction during the year			Cumulative shareholding During the year as on 31.03.2016	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares Increase / Decrease	Reasons	No. of shares held	% of total shares of the Company
12	RAJIV GARG#	0	0.00	01.04.2015	-	-	-	-
				07.08.2015	7500	Purchase	7500	0.03
				14.08.2015	5000	Purchase	12500	0.05
				28.08.2015	500	Purchase	13000	0.05
				04.09.2015	250	Purchase	13250	0.05
				25.09.2015	1750	Purchase	15000	0.06
				02.10.2015	750	Purchase	15750	0.06
				16.10.2015	2500	Purchase	18250	0.07
				23.10.2015	2000	Purchase	20250	0.08
				20.11.2015	8750	Purchase	29000	0.11
				27.11.2015	6500	Purchase	35500	0.13
				04.12.2015	10000	Purchase	45500	0.17
				11.12.2015	8500	Purchase	54000	0.21
				18.12.2015	5106	Purchase	59106	0.22
				25.12.2015	3000	Purchase	62106	0.24
				31.12.2015	394	Purchase	62500	0.24
				01.01.2016	1500	Purchase	64000	0.24
				08.01.2016	5000	Purchase	69000	0.26
				22.01.2016	9000	Purchase	78000	0.30
				12.02.2016	(69000)	sale	9000	0.03
				26.02.2016	55323	Purchase	64323	0.24
				04.03.2016	13801	Purchase	78124	0.30
				11.03.2016	17650	Purchase	95774	0.36
				18.03.2016	6726	Purchase	102500	0.39
				25.03.2016	500	Purchase	103000	0.39
				31.03.2016	2000	Purchase	105000	0.40
				<b>31.03.2016</b>			<b>105000</b>	<b>0.40</b>



Sr. No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2015		Transaction during the year			Cumulative shareholding During the year as on 31.03.2016	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares Increase / Decrease	Reasons	No. of shares held	% of total shares of the Company
13	KESHAV GARG#	1	0.00	01.04.2015	-	-	1	-
				07.08.2015	5,000	Purchase	5,001	0.02
				14.08.2015	500	Purchase	5,501	0.02
				21.08.2015	750	Purchase	6,251	0.02
				28.08.2015	(6,250)	Sale	1	0.00
				25.09.2015	5,000	Purchase	5,001	0.02
				13.11.2015	2,000	Purchase	7,001	0.03
				20.11.2015	4,000	Purchase	11,001	0.04
				27.11.2015	1,000	Purchase	12,001	0.05
				04.12.2015	12,594	Purchase	24,595	0.09
				11.12.2015	4,906	Purchase	29,501	0.11
				18.12.2015	7,500	Purchase	37,001	0.14
				31.12.2015	12,500	Purchase	49,501	0.19
				01.01.2016	7,500	Purchase	57,001	0.22
				08.01.2016	18,000	Purchase	75,001	0.29
				15.01.2016	1,300	Purchase	76,301	0.29
				22.01.2016	699	Purchase	77,000	0.29
				12.02.2016	(75,001)	Sale	1,999	0.01
				26.02.2016	60,135	Purchase	62,134	0.24
				04.03.2016	(7,134)	Sale	55,000	0.21
				11.03.2016	22,500	Purchase	77,500	0.29
				25.03.2016	500	Purchase	78,000	0.30
				31.03.2016	2,000	Purchase	80,000	0.30
				<b>31.03.2016</b>			<b>80,000</b>	<b>0.30</b>
14	OPPORTUNITY EQUITIES#	-	-	01.04.2015	-	-	-	-
			0.12	01.05.2015	30,300	Purchase	30,300	0.12
				08.05.2015	16,490	Purchase	46,790	0.18
				15.05.2015	18,210	Purchase	65,000	0.25
				<b>31.03.2016</b>			<b>65,000</b>	<b>0.25</b>

\*Ceased to be in the list of Top 10 as on 31.03.2016. The same is reflected above since the shareholders were one of the Top 10 shareholders as on 01.04.2015.

#Not in the list of Top 10 shareholders as on 01.04.2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2016

- (v) Shareholding of Directors and Key Managerial Personnel: Mr. Sharad Kumar Saraf, Mr. Sudarshan Kumar Saraf, Mr. Ashish Kumar Saraf and Mr. Navneet Kumar Saraf are only Directors and Key Managerial person who holds the shares and the details of Shareholding at the beginning of the year, Cumulative Shareholding during the year of them given above under the head of "Change in Promoters' Shareholding"



## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	10933.46	4688.34	0	15621.80
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>10933.46</b>	<b>4688.34</b>	<b>0</b>	<b>15621.80</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	8208.20	1670.98	0	9879.18
· Reduction				
Net Change	8208.20	1670.98	0	9879.18
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	19141.66	6359.32	0	25500.98
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>19141.66</b>	<b>6359.32</b>	<b>0</b>	<b>25500.98</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particular of Remuneration	Name of MD/WTD/Manager					Total Amount
		Mr. Sharad Kumar Saraf, Chairman & MD	Mr. Sudarshan Kumar Saraf Co-Chairman & MD	Mr. Navneet Kumar Saraf, WTD	Mr. Ashish Kumar Saraf, WTD	Mr. Atanu Choudhary, WTD	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	146.40	146.40	73.20	73.20	7.53	446.73
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	As % of profit	-	-	-	-	-	-
	Others specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	<b>Total (A)</b>	<b>146.40</b>	<b>146.40</b>	<b>73.20</b>	<b>73.20</b>	<b>7.53</b>	<b>446.73</b>



## B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No.	Particular of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Mr. S.B. Agarwal	Mr. V.C. Saraf	Mr. Jagdeesh Mehta	Mr. Vinod Agarwala	Ms. Vaishali Choudhari	
	Fee for attending board/ committee meetings	0.90	0.60	0.70	0.70	0.70	3.60
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)						
2	Other Non-Executive Directors						
	Fee for attending board/ committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>0.90</b>	<b>0.60</b>	<b>0.70</b>	<b>0.70</b>	<b>0.70</b>	<b>3.60</b>

## C. Remuneration to key managerial personnel other than MD/Manager/WTD

(₹ in Lakhs)

Sr. No.	Particular of Remuneration	Key Managerial Personnel		
		Company Secretary & Compliance Officer	Chief Financial Officer	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.70	73.20	83.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	As % of profit	-	-	-
	Others specify...	-	-	-
5	Others (Fees)	-	-	-
	<b>Total</b>	<b>10.70</b>	<b>73.20</b>	<b>83.90</b>

## VII. Penalties / Punishment/ Compounding Of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give Details)
A. COMPANY	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICES IN DEFAULT	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-





## **ANNEXURE-IV TO THE BOARD'S REPORT**

### **NOMINATION, REMUNERATION & EVALUATION POLICY**

#### **LEGAL FRAMEWORK**

This Policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of Technocraft Industries (India) Limited (hereinafter referred to as the "Company") in accordance with the requirement of Part – 'D' of Schedule II, read with Regulation 19(4) of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (hereinafter referred "SEBI Listing Regulations") and the provisions of Section 178 of the Companies Act, 2013 read with the Rules thereunder.

This policy is intended to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management and other employees.

#### **DEFINITIONS**

1. "Act" means Companies Act, 2013 & rules made thereunder, including any modifications, clarifications, amendments, circulars or re-enactment thereof.
2. "Board of Directors" or "Board" means the Board of Directors of the Company, as constituted from time to time.
3. "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
4. "Independent Director" means a director who satisfies the criteria for independence as prescribed under Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as SEBI Listing Regulations).
5. "Key Managerial Personnel" in relation to a company, means—
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer; and
  - (v) such other officer as may be prescribed;
6. "Policy" means this Policy, as may be amended from time to time.
7. "Senior Management" means Senior Management means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

#### **MEMBERSHIP**

- i) The Committee shall consist of a minimum 3 Non-Executive Directors, majority of them being Independent.
- ii) The Chairperson of the Company (whether executive or non-executive) may be appointed as a Member of the Committee but shall not chair the Committee
- iii) A minimum of two (2) Members shall constitute a quorum for the Committee Meeting.
- iv) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **CHAIRPERSON**

- i) The Chairperson of the Committee shall be an Independent Director.
- ii) In the absence of the Chairperson, the Members of the Committee present at the Meeting shall choose one amongst them to act as Chairperson.
- iii) The Chairperson of the Committee or in his absence any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company to answer the shareholders' queries

#### **FREQUENCY OF MEETINGS**

The Meeting of the Committee shall be held at such regular intervals as may be required.

#### **POLICY FOR APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

- I) General appointment criteria:
  - i) The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience



of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

- ii) The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel does not stand disqualified under the Act, rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.
- iii) The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the applicable provisions of the Act, rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.

II) Other appointment criteria:

Enhancing the competency of the Board and attracting as well as retaining talented employees for role of KMP/ Senior Management Personnel shall be the basis for the Committee to select a candidate for his/her appointment. When recommending a candidate for appointment, the Committee shall be:

- i) Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits in diversifying the Board;
- ii) The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing Directors/ KMP/ Senior Management Personnel and enhance the efficiency of the Company;
- iii) The qualification, skills and experience that the appointee brings to the designated role and how an appointee will enhance the skill sets and experience of the Board/Company as a whole;
- iv) The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- v) The appointment of Independent Directors shall be subject to compliance of provisions of SEBI Listing Regulations and Section 149 of the Act, read with schedule IV and rules thereunder.

III) Term / Tenure of appointment of Managing Director/Whole-Time Director/ Manager and Independent Director:

i) Managing Director/Whole-time Director/Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who is below the age of 21 years or who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

ii) Independent Director

- a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- b) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

IV) Evaluation

The evaluation/assessment of the Directors of the Company is to be conducted as per the requirements of the Act and the SEBI Listing Regulations.

V) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations



there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### VI) Retirement

The Director, KMP and Senior Management Personnel shall retire as per the Company's rules and as per applicable provisions of the Act, wherever applicable.

### **POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT/OTHER EMPLOYEES**

#### I). Remuneration to Directors, KMP and Senior Management:

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management.

The Directors, KMP and other Senior Management's salary shall be based & determined on the individual person's responsibilities, performance, experience, leadership abilities, initiative taking abilities and knowledge base and also in accordance with the limits as prescribed statutorily, if any.

The remuneration to Directors, KMP and other Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

While recommending the remuneration, the Committee shall take into account the relevant factors such as market, business performance and practices in comparable companies, financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

#### II) Remuneration to Non-executive / Independent Director:

The remuneration to Non-executive / Independent Director shall be in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force.

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee. The Non-Executive / Independent Director may receive Commission within the monetary limit approved by shareholders.

An Independent Director shall not be entitled to any stock option of the Company.

#### III) Remuneration to other employees

The authority to determine remuneration and terms of appointment of other employees stands delegated to the Chairman and Co-Chairman of the Company.

### **DUTIES IN RELATION TO NOMINATION MATTERS**

The duties of the Committee in relation to nomination matters include:

- i) Ensuring that there is an appropriate induction in place for new Directors and Members of Senior Management and reviewing its effectiveness;
- ii) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- iii) Determining the appropriate size, diversity and composition of the Board;
- iv) Developing a succession plan for the Board and Senior Management;
- v) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- vi) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- vii) Recommend any necessary changes to the Board; and
- viii) Considering any other matters, as may be requested by the Board.

### **DUTIES IN RELATION TO REMUNERATION MATTERS**

The duties of the Committee in relation to remuneration matters include:

- i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully



- ii) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- iii) The remuneration to Directors, KMP and Senior Management of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- iv) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

#### **COMMITTEE MEMBERS' INTERESTS**

- i) A Member of the Committee is not entitled to be present when his or her own remuneration is discussed at a Meeting or when his or her performance is being evaluated.
- ii) The Committee may invite such executives, as it considers appropriate, to be present at the Meetings of the Committee.

#### **VOTING**

- i) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- ii) In the case of equality of votes, the Chairman of the Meeting will have a casting vote.

#### **DISCLOSURES**

As per the Act, this Policy shall be disclosed in the Board's Report of the Company.

#### **MISCELLANEOUS**

Any terms used in this policy but not defined herein shall have the same meaning ascribed to it in the Act or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, SEBI Listing Regulations or any other relevant legislation / law applicable to the Company.

#### **AMENDMENT**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any subsequent amendment/modification in the SEBI Listing Regulations, the Act and/or other applicable laws in this regard shall automatically apply to this Policy.

Details of amendment:

Amended on	06/11/2015 (Pursuant to the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and inter alia)



## **ANNEXURE-V TO THE BOARD'S REPORT CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

### **LEGAL FRAMEWORK**

This Policy has been formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors of Technocraft Industries (India) Limited (hereinafter referred to as the "Company") in accordance with the requirement of the provisions of Section 135 of the Act read with the Rules thereunder.

### **DEFINITIONS**

1. "Act" means Companies Act, 2013 & rules made thereunder, including any modifications, clarifications, amendments, circulars or re-enactment thereof.
2. "Board of Directors" or "Board" means the Board of Directors of the Company, as constituted from time to time.
3. "Committee" means Corporate Social Responsibility Committee of the Company as constituted or reconstituted by the Board
4. "Independent Director" means a director who satisfies the criteria for independence as prescribed under Section 149 of the Act and the Listing Agreement with the Stock Exchanges.
5. "Key Managerial Personnel" in relation to a company, means—
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer; and
  - (v) such other officer as may be prescribed;
6. "Policy" means this Policy, as may be amended from time to time.

### **MEMBERSHIP**

- i) The Committee shall consist of a minimum 3 Directors out of which at least one Director shall be an Independent Director.
- ii) A minimum of two (2) Members shall constitute a quorum for the Committee Meeting.
- iii) Term of the Committee shall be continued unless terminated by the Board of Directors.

### **ROLE OF THE COMMITTEE**

The CSR Committee, inter alia, shall-

- i) indicate the activities to be undertaken by the company relating to that specified in Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i) above; and
- iii) monitor the CSR Policy of the Company from time to time.

### **ROLE OF THE BOARD**

The Board shall endeavor to -

- i) ensure that the activities to be undertaken by the Company shall be related to that specified in Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- ii) ensure that the company spends, in every financial year, at least two per cent of the average net profits, if any, (which is calculated in accordance with the provisions of section 198 of the Act) of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy by identifying appropriate projects/activities preferably in the local area where the Company's operations are carried out;
- iii) Consider and give preference to the local area and areas around the Company where it operates, for spending the amount earmarked for CSR activities.





## **CSR ACTIVITIES**

The Company shall endeavour to provide adequate budget for CSR project/program in consonance with Schedule VII of the Act with emphasis on:

- (i) Promoting health care including preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

Surplus, if any, arising out of the CSR project/program/activity shall not form part of the business profit of the Company.

## **SPECIFICATION OF MODALITIES OF EXECUTION OF THE POLICY**

The Committee shall be responsible for laying down operational mechanism, design the implementation model & schedule and recommend the same for the approval of the Board. The CSR project/program shall be initiated in the manner approved by the Board.

## **MONITORING PROCESS**

The Board shall periodically review the status of the CSR project/program being implemented and issue necessary directions to ensure orderly and efficient execution of the CSR project/program in accordance with this Policy. The review shall be in accordance with the COREX principle i.e., Comply or Explain.

## **DISCLOSURES**

As per the Act, the contents of this Policy shall be disclosed in the Board's Report of the Company and also be placed on the Company's website.

## **MISCELLANEOUS**

Any terms used in this policy but not defined herein shall have the same meaning ascribed to it in the Act or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement or any other relevant legislation / law applicable to the Company.

## **AMENDMENT**

The Committee can recommend any amendment to this Policy, as and when it deems fit and implement after Board's approval.

Any subsequent amendment/modification in the Act and/or other applicable laws in this regard shall automatically apply to this Policy.



## ANNEXURE-VI TO THE BOARD'S REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Board of Directors of your Company (hereinafter referred to as the "Board") approved the Corporate Social Responsibility ("CSR") Policy of your Company during the year as recommended by the CSR Committee pursuant to section 135 Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company is aware of the social responsibilities that accompany its leadership status. The Company remains steadfast on its objective of pursuing holistic growth with responsibility towards the people.

As a part of Corporate Social Responsibility, the Company has supported an Institute in tie up with Nettur Technical Training Foundation (NTTF) in the name of NTTF Training Centre (NTC). NTC provides diploma courses in Mechatronics and Tool & Die Design Engineering. It is located on a lush 9 acres landscape site in Murbad, near Mumbai. NTTF is a living symbol of Indo-Swiss Co-operation aimed at promoting a purposeful technical education for the youth in India. The institute consists of Ground plus two floors building with basement, and has an approximate built-up area of 48000 Sq. ft. A hostel block is also provided to accommodate Students and Trainees with mess and recreational facilities. These facilities have a capacity to provide Education/Training to about 600 students. The Job Oriented courses offered by the NTTF training center have resulted into creation of Employment Opportunities and Entrepreneurship among the youth in the stakeholder villages.

The CSR Committee of the Company has identified inter-alias the following thrust areas around which your Company shall be focusing its CSR initiatives and channelising the resources on a sustained basis.

**I Education;**

- a. Support technical training institutes, skill development centers, vocational programmes for the purpose of creating livelihood opportunities, soft skill training etc. to the rural youth;
- b. Enhancing the access to employment opportunity by providing vocational or special training skills;
- c. Support to or collaboration with technical vocational training institutions for overall self- development and capacity building of the youth.

**II Healthcare;**

- a. Providing better sanitation services to the community.
- b. Collaborating with organisations that deliver localized community healthcare programs and awareness campaigns in nearby villages municipalities.
- c. Family Welfare.

Weblink to CSR Policy: The Company's CSR policy is posted at the link [http://www.technocraftgroup.com/pdf/Corporate-Social-Responsibility-\(CSR\)-Policy.pdf](http://www.technocraftgroup.com/pdf/Corporate-Social-Responsibility-(CSR)-Policy.pdf).

**2. The Composition of the CSR Committee:** Pursuant to Section 135 of the Act a Corporate Social Responsibility (CSR) Committee was constituted. As at March 31, 2016, the CSR Committee comprised of two Executive Directors and one Independent Director namely Mr. Sharad Kumar Saraf, Mr. Sudarshan Kumar Saraf and Ms. Vaishali Choudhari.

**3. Average net profit of the company for last three financial years: ₹ 106.06 Cr.**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 2.12 Cr.**

**5. Details of CSR spent during the financial year.**

- (a) Total amount to be spent for the financial year; ₹ 2.12 Cr
- (b) Amount unspent, if any; - ₹ 0.75 Cr



**(c) Manner in which the amount spent during the financial year is detailed below:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector In which The Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1	Providing and Promoting Education	Education	(1) Local area/ Other (2) Maharashtra, Mumbai	₹ 1.00 Cr	₹1.00 Cr	₹ 1.00 Cr	Through: Rajasthani Sammelan Education Trust
2	Providing and Promoting Education	Education	(1) Local area/ Other (2) Maharashtra, Mumbai	₹ 0.25 Cr	₹ 0.25 Cr	₹1.25 Cr	Through: IIT Bombay
3	Empowers weak people by giving them eye care free of cost	Healthcare	(1) Local area/ Other (2) Maharashtra, Mumbai	₹ 0.10 Cr	₹ 0.10 Cr	₹ 1.35 Cr	Through: Vision Foundation of India
4	Training to promote nationally recognized sports	Sports	(1) Local area/ Other (2) Maharashtra, Thane	₹0.02	₹0.02	₹1.37 Cr	Through: Thane City & District Badminton Association

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

The Company has spent ₹ 1.37 Cr. out of ₹ 2.12 Cr. for the Financial Year 2015-16 as above and has utilized 64.62% of the amount. Your Company is in process of finding suitable project(s) in the local area where the Company's operations are carried out and will contribute in in phased manner in future, upon identification of suitable projects within the Company's CSR Policy. For the balance un-spend amount the Company was unable to find-out the suitable projects in the local area where the Company's operations are carried out.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the company.

**Sharad Kumar Saraf**  
**Chairman & Managing Director &**  
**Chairman of the CSR Committee**  
**DIN 00035843**



## ANNEXURE-VII TO THE BOARD'S REPORT

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended vide notification dated June 30, 2016).

**(i) & (ii) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the percentage increase in remuneration of each Director, Managing Director & Chief executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2015-16.**

Name and Designation of Directors & Key Managerial Personnel	Remuneration of each Director & KMP for Financial Year 2015-16 ₹ In Lakhs	% Increase/ Decreased in remuneration in the Financial year 2015-16	Ratio of remuneration of each Director to median remuneration of employees
Mr. Sharad Kumar Saraf, CMD	146.40	0.00	62.48
Mr. Sudarshan Kumar Saraf, Co- CMD	146.40	0.00	62.48
Mr. Ashish Kumar Saraf, WTD	73.20	0.00	31.24
Mr. Navneet Kumar Saraf, WTD	73.20	0.00	31.24
Mr. Atanu Choudhary, WTD	7.53	13.40	3.21
Mr. Jagdeesh Mal Mehta, I-NED	0.70	16.67	0.30
Mr. Vishwambhar C. Saraf, I-NED	0.60	N.A.*	0.26
Mr. S. B. Agarwal, I-NED	0.90	12.50	0.38
Ms. Viashali Choudhari, I-NED	0.70	-12.50	0.30
Mr. Vinod Agarwala, I-NED	0.70	N.A.*	0.30
Mr. Neeraj Rai, CS	10.70	N.A.*	4.57

Legends:

CMD - Chairman & Managing Director; I- NED- Independent Non-Executive Director; WTD- Whole Time Director; CFO – Chief Financial Officer; CS - Company Secretary

Notes:

- \*Since Mr. Vishwambhar C. Saraf, Mr. Vinod Agarwal and Mr. Neeraj Rai were appointed during previous financial year and were paid for the part of the financial year only, thus details are not comparable.
- The above remuneration includes sitting fees paid to all the Non-Executive Directors of the Company.

**(iii) Percentage increase in the median remuneration of employees in the financial year:** During the period under review the median remuneration was increased by 25.80%

**(iv) The number of permanent employees on the rolls of Company;** There were 1284 permanent employees on the rolls of Company as on March 31, 2016.

**(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:**

Average increase in the salaries of employee other than the managerial personnel in the Financial Year 2014-15 was 18.11% and the increase in the salary of the managerial personnel was Nil. The average increase of 18.11% in the salaries of employees was in line with the market projection, the performance of the Company in the financial year 2014-15, the individual performance of the employees, the criticality of the roles they play and skills set they possess.

**(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.



## ANNEXURE-VIII TO THE BOARD'S REPORT

Statement of particulars of employees pursuant to provisions of Section 197(12) of the Companies Act, 2013, read with rule 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended vide notification dated June 30, 2016).

S.N.	Name	Designation	Age in Years	Qualification	Last employment	Experience in Years	Date of Commencement of employment	Gross Remuneration received (₹ In Lakhs)
1	Mr. Sharad Kumar Saraf	Chairman & Managing Director	69	Electronic Engineer from IIT, Mumbai	Nil	45	28.10.1992	146.4
2	Mr. Sudarshan Kumar Saraf	Co-Chairman & Managing Director	67	Electronic Engineer from IIT, Mumbai	Nil	43	28.10.1992	146.4



## MANAGEMENT DISCUSSION & ANALYSIS REPORT 2015-16

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Considering the global economic slowdown, Indian economy appears to be the bright spot growing at 7.5% in 2015-16 as against 7.3% in 2014-15. Services sector in India remained the most vibrant sector in terms of contribution to national and state incomes, trade flows, FDI inflows, and employment. Industrial sector also performed satisfactorily although commodity prices remained low due to weakness in economic activity and global trade especially in China's economy. Manufacturing and construction sectors, the key consuming sectors, had a mixed performance with lot of planned investments, but suffered from lack of implementation on the ground.

Indian iron and steel industry had a challenging time in 2015-16 with oversupply in China and lower demand due to weak industrial activity in India. Export of Iron & Steel articles was dropped by 25% in 2015. Further, Short Range Outlook of World Steel Association for 2016 forecasts that global steel demand will further decrease by 0.8% to 1,488 million tonnes in 2016 which may pose challenges to the steel industry. However, in calendar year 2017, it is forecasted that world steel demand will return to growth of 0.4%.

The government's efforts for quick reforms may result in investments in infrastructure and construction sectors and economic activities will pick up. Manufacturing sector including the casting industry is poised to grow with government's "Make in India" initiatives. Scaffolding/ pipe demand will continue to have a robust growth with the Government's on-going and proposed investments in infrastructure, especially in new states like Telangana, as well as development of 100 smart cities in the country.

#### Drum Closure

Each steel drum requires one set of closure, a precision engineering product so as to ensure that the liquid inside does not spill out. The Company has designed and developed the next generation technology for manufacturing of drum closures. It also manufactures all its gaskets and clamps and offers a full range of drum closure products to its clients. With patented technology, there has been substantial reduction in manufacturing costs, improvement in quality and this has helped catapult TIL to the second largest global manufacturer of steel drum closures.

Your Company is the second largest manufacturer of steel Drum Closures and continues to enjoy a worldwide market share of about 36% (excluding China). The Company produces a wide variety of closures and related equipment ranging from fully automatic flange insertion systems to cap-sealing tools. The Company caters to all leading steel drum manufacturing companies of the world.

The company achieved the revenue from drum Closure segment only ₹ 26,105.72 Lakhs as compared to ₹ 26,933.25 Lakhs for previous year. However, Profit before Tax and interest was increased substantially from previous year i.e. from ₹ 7136.94 Lakhs to ₹ 8826.54 for this year which is improved by 23.67 % as compared to previous year. Almost 88% of revenue was generated from Export Sales & incentives.

#### Scaffoldings & Formwork

Scaffolding is a temporary structure used to support people and material in the construction industries, real estate and any other large structures. It is usually a modular system of metal pipes or tubes, although it can be from other materials also.

The Company is a leading Indian manufacturer and distributor of scaffoldings and formwork systems. The Company exports ~100% of its scaffolding production to North America, South East Asia, Europe, Australia and Middle East. The Company has been supplying scaffoldings to global markets for over 20 years.

The Company has strategically located state-of-the-art manufacturing facilities with installed capacities of 36,000 MT and 25,000 MT in India and China, respectively. The Company is positioned as an end-to-end solution provider owing to its well-integrated manufacturing capability. The Company supplies its products to a diversified set of end markets including oil & gas, power, refineries, petrochemical, infrastructure and commercial construction.

The Company is present in the premium segment of Scaffolding business. Scaffolding segment is growing mainly on the back of the strong demand from the international infrastructure markets.

TIL's Scaffolding segment comprises of Scaffolding, Formwork and Tower business. Its major revenues accrue from overseas markets.

Currently, North American market contributes 10% of total scaffolding revenues, Middle East contributes 20%, Europe contributes 25%, South East Asia market contributes 15%, Australian market contributes 15%, Africa market contributes 5% and India 10%. TIL is increasing its market share in South American market by expanding aggressively in the larger Latin American markets of Brazil, Argentina and Venezuela, etc.





## **Formwork Business**

Formwork is the term given to either temporary or permanent molds into which concrete or similar materials are poured. Traditionally, formwork was built using easy to produce timber and plywood, or moisture-resistant particleboard. Over a period of time formwork is now made more of steels which are more durable and reusable.

Looking at Indian government's focus on rapid infrastructural development across the country by constructing railways, roads, bridges, dams, airports, power plants and many more, construction is now growing at a fast pace. Contractors have started adapting newer technologies, faster systems, advanced concrete techniques and better and established management tools. Engineered Formwork Systems are built out of prefabricated modules with a metal frame - usually of steel or aluminum - and covered on the application (concrete) side with material having the wanted surface structure (steel, aluminum, plastic, timber, etc)

TILL has entered into manufacturing of sophisticated engineered Formwork systems for building, construction and infrastructure projects in India. TILL has state-of-the-art manufacturing plant in India and is well placed to play a larger role in the construction growth in India and overseas, with a network of offices at Mumbai and overseas.

Due to decrease in demand the revenue of Scaffolding segment was decreased during the Financial Year 2015-16 as compared to Financial Year 2014-15. The revenue generated during the Financial Year 2015-16 was ₹ 28,953.94 lakhs as compared to 31,874.78 Lakhs in Financial Year 2014-15. The profit from this segment was ₹ 3,300.54 in Financial Year 2015-16 verses ₹ 3,306.55 Lakhs in Financial Year 2014-15.

## **Yarn**

The Company produces variety of products ranging from NE 20 to NE 40, Carded and Combed varieties of Cotton Yarn. The Spinning mill is equipped with world-class Swiss, Japanese, German, Spanish equipment. Currently, TILL exports 70% of products to Europe & Asia and remaining to Latin American countries.

The Company manufactures premium quality active wear products and provides superior service. Products are custom knit, dyed, finished, cut, sewn, decorated, packaged and distributed.

Being part of a diverse group, the Company has access to the latest trends in the European markets, thus enabling it to offer high quality products and latest fashions with Indian prices in a very short lead-time.

During the Financial Year the revenue of Yarn Division was increased slightly as compared to last Financial Year. Total revenue from the segment in the Financial Year 2015-16 was ₹ 19,417.60 as compared to ₹ 19,092.79 Lakhs for previous year. However, this division has generate Profit before Interest and Tax to ₹ 221.63 Lakhs as compare to loss of ₹ 214.85 lakhs of last year.

## **Fabric/ Garments**

During the Current Financial Year the revenue from the Garment Division was increased to ₹ 4739.86 lakhs as compared to previous year of ₹ 3,186.30 lakhs, which is increased by 48.76 %. Further, the loss reduced to ₹ 301.41 lakhs verses loss of ₹ 509.30 lakhs for previous year.

## **Captive power generation**

The Company has a coal based captive power generation plant of 15MW to cater to its power requirements, resulting into less dependence on state electricity board and surety of continuous power supply to all its divisions.

During the current Financial Year the revenue from power division was increased to ₹ 4,007.95 Lakhs as compared to previous year of ₹ 3,636.40 Lakhs and profit before tax and interest was increased to ₹ 717.16 Lakhs against ₹ 513.36 Lakhs of previous year.

## **Engineering services through Subsidiary**

Technosoft Engineering Projects Limited ('Technosoft') is a subsidiary of the Company. Technosoft is a global technology services company offering broad-based engineering and IT services using a variety of client-partnership models for delivery. Technosoft's client base spans various industry verticals including heavy machinery, automotive, aerospace, manufacturing, oil & gas, high-tech, telecom, healthcare and financial services. The company's client base is primarily centered in the US, Canada, UK and Germany.

Technosoft has a strong team of over 250 engineers and designers located worldwide. Its engineers and designers are equipped with state-of-the-art hardware and software tools, including tools for 3-D modeling, Finite Element Analysis and process simulation.



Technosoft operates in North America through its subsidiaries, Technosoft Engineering Inc. (Erstwhile known as Impact Engineering Solutions Inc.) provides general engineering services and Swift Engineering Inc. Canada provides EPC Management Services in the oil and gas and other industry.

### **OPPORTUNITY & FUTURE PLAN**

Focus of the company is to consolidate and grow its position in each of its core businesses which is Drum Closures, Scaffolding, Engineering Services and Textiles. The Company sees the Drum Closure division growing at same or higher rate next year and it anticipate at least 10% growth and this is certainly one of its core focus areas.

The Company is are working strongly and increasing the sales and profitability in China which is one of the main growing markets for Drum Closures division. Drum Closure division is growing in China and next year the company expect Drum Closure division to do much better in China.

In the drum closures division the Company will add another 50,000 square feet of building and the funding for the same would be through internal accruals.

Scaffolding division can perform better this year as well. Management expects a good growth rate both in top line and bottom line. The Company has received all the approvals, all the sanctions, all the licences that are required from Europe and USA. Therefore the company is expecting good performance in future, the management is also looking for foray into a defence based unit for supply to defence, which is one greenfield area that we are looking at the moment which appears to be quite promising.

In the textile division injected new investment in upgrading both garments and yarn mill side, which will benefited the company in improving productivity and produce value added products. This will result in higher contribution in topline as well as bottom line.

### **RISK & THREAT**

Global Slowdown - More than 80% of TIL's revenue comes from global markets. Any slowdown in economic activities in global markets in general and U.S. market in particular may affect TIL's performance.

Foreign exchange - Being an export oriented company, TIL's competitiveness, revenue growth & margins may be affected in case Indian Rupee appreciates significantly against major global currencies in long run. In the short run, volatility in foreign exchange markets may affect TIL's profitability as it does not hedge its export receivables fully.

Commodity prices - Increase in commodity prices like steel & cotton may affect TIL's performance in case it unable to pass the rise in commodity prices to its customers.

Capital allocation - TIL's certain businesses generate significant cash flows and TIL's cash & cash equivalents and investments were at Rs 27,459.19 lakhs as on March 31, 2016. TIL's management has plans to invest this amount into various businesses and keep looking for inorganic growth opportunities. Inorganic growth opportunities pursued in future may or may not generate economic returns as desired due to various factors. However, management has narrowed down focus to "engineering" area (considering management's background & expertise) while pursuing inorganic growth opportunities and evaluating certain opportunities in specialized drum closures segment and engineering services segment

Market Share- any rise in competitive landscape in domestic or international markets can lead to reduction in market share and can affect profitability.

Financing: Technocrat's growth strategy is dependent on the internal cash generation level and ability to draw external capital for growth projects.

Considering the industry volatility, Technocraft continued its journey of developing new markets and products and enhancing value added services to its customer.

The Company aims to address risks, opportunity and threat posed by the business environment by developing appropriate risk mitigation measure.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company's internal control policies are in line with its size and nature of operations and they provide assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly following all applicable statutes and General Accepted Accounting Principles.

The Company has an Audit Committee, all the members including the Chairman are independent directors in order to maintain objectivity. Internal Auditor of the Company conducts audit in various functional areas. Audit planning and executions are oriented towards assessing the state of internal controls, making them stronger and addressing the risks in



the functional areas of the Company. Internal Auditor reports to the Audit Committee its findings and observations. Audit Committee meets at regular intervals to review audit issues and follow up on implementation of corrective actions.

Besides the above, the Company has also met the Internal Financial Control requirements as per Companies Act, 2013 where policies and procedures have been adopted by the Company 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. Audit Committee also seeks views of the statutory auditors on the adequacy of internal control systems in the Company. In compliance with Section 143(3)(i) of the Act, the Statutory Auditors have issued an unmodified report on the Internal Financial Controls over Financial Reporting which forms a part of the Independent Auditors' Report also forming part of this Annual Report.

### SEGMENT WISE FINANCIAL PERFORMANCE

The summarized segment-wise performance of the Company for the Financial Year 2015-16 is as follows:

(₹ In Lakhs)

	Business Segment	Drum Closures	Scaffolding	Yarn	Fabric	Power	Total
A.	Segment Revenue	26,105.72	28,953.94	19,417.60	4,739.86	4,007.95	83,225.07
B.	Segment Results (profit and loss before interest)	8,826.54	3,300.54	221.63	(301.41)	717.16	12,764.46
	Less:						
	i) Finance Cost						607.96
	ii) Other unallocable expenditure net of unallocable income						30.79
	Total Profit before tax						12,125.71
C.	Capital Employed (Segment assets - Segment liabilities)	8,974.26	15,971.50	13,707.42	3,314.20	2,896.72	44,864.10

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company is working on enhancing its competencies to take care of current and future business. Its employee strength as on March 31, 2016 was 1284. Human Resource and Industrial Relations departments have developed systems and policies on recruitment, performance management, learning and development, and employee engagement.

The Workers union of the Company has maintained healthy and cordial industrial relations, and has been an equal partner in implementing Company's policies and achieving stretched operational targets, year on year. The disruption of generation power in its captive power plant was amicably resolved in short period of time.

### STATUTORY COMPLIANCE

The Chairman & Managing Director makes periodic declarations regarding the compliance with provisions of various statutes after obtaining confirmation from respective process owners.

The Company Secretary, being the Compliance Officer, ensures compliance with the relevant provisions of the Companies Act and SEBI regulations.

### CAUTIONARY STATEMENT

Statements made in Management Discussion and Analysis Report describing the Company's objectives, estimates, expectations or predictions are "Forward looking Statement" within the meaning of applicable laws and regulations. They are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include global and Indian demand- supply condition, raw material availability, trained manpower, changes in Government regulations, tax regimes, economic development within India and the countries within which the Company conducts business and other incidental factors.



## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2016, in terms of Clause 49 of the Listing Agreement with the Stock Exchanges and Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Corporate Governance signifies the role of the management as the trustees to the property of the shareholders and acceptance of the inherent rights of the shareholders by the management. Corporate Governance is a framework which helps various participants' viz. shareholders, Board of Directors and Company's management, in shaping company's performance and the way it is proceeding towards attainment of its goals.

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of Listing Agreement with Stock Exchanges/ SEBI Listing Regulations, but also several voluntary practices at a superior level of business ethics, effective supervision and enhancement of shareholders' value.

The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting the shareholders' interest while maximizing long term corporate values.

The Company is in compliance with the requirements on the Corporate Governance stipulated under SEBI Listing Regulations.

### II. BOARD OF DIRECTORS

#### (a) Size and Composition of the Board of Directors

The Board of Directors has an ideal combination of executive and non-executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations which *inter-alia* stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than fifty percent of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

As on March 31, 2016, the Board comprised ten Directors. Of these, five are Executive Directors, including the Chairman & Managing Director who is a Promoter Director. Remaining five are Independent Directors including one Woman Director.

The Chairman of the Board of Directors is an Executive Director. The composition of the Board of Directors is in conformity with the Regulation 17 of the SEBI Listing Regulations.

Mr. Sharad Kumar Saraf, Chairman & Managing Director and Mr. Sudarshan Kumar Saraf, Co-Chairman & Managing Director are brother and Mr. Ashish Kumar Saraf and Mr. Navneet Kumar Saraf are their sons, respectively, except them other Directors of the Company are not related to each other.

All the Independent Directors of the Company furnish declaration annually that they qualify the conditions of their being independent as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI Listing Regulations. All such declarations are placed before the Board. Further all the Directors provide declarations annually that they have not been disqualified to act as Director under Section 164(2) of the Companies Act, 2013.

#### (b) Number of Board Meetings

The Board of Directors met four (4) times during the financial 2015-16. The Meetings were held on May 27, 2015, August 10, 2015, November 06, 2015 and February 01, 2016. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

#### (c) Directors' attendance record and details of Directorships/Committee Positions held

As mandated by SEBI Listing Regulations, none of the Directors on Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such companies in which he/ she is a Director.

Further, none of the Directors of the Company serves as an Independent Director in more than seven listed companies.

The details of names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and Board-level committee positions held by them as at March 31, 2016 is tabulated hereunder.



Name	Category	No. of Board Meeting attended/ held during 2015-16	Whether attended last AGM held on Sept 29, 2015	Number of Directorships of public Companies including this Company\$	Committee Positions in including this Company #	
					Chairman	Member
Mr. Sharad Kumar Saraf	Promoter, Chairman & Managing Director	4/4	No	4	-	1
Mr. Sudarshan Kumar Saraf	Promoter, Co-Chairman & Managing Director	3/4	Yes	4	-	1
Mr. Ashish Kumar Saraf	Whole-time Director	3/4	Yes	4	-	1
Mr. Navneet Kumar Saraf	Whole-time Director	4/4	Yes	4	-	1
Mr. Atanu Choudhary	Whole-time Director	1/4	No	1	-	-
Mr. S.B. Agarwal	Independent	4/4	No	2	-	2
Mr. Jagdeesh Mal Mehta	Independent	3/4	No	2	-	1
Ms. Vaishali Choudhari	Independent	3/4	Yes	1	-	1
Mr. V. C. Saraf	Independent	3/4	-	4	3	3
Mr. Vinod Agarwala	Independent	3/4	-	3	1	3

Notes \*:-

\$Excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend).

#Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee in public companies (including this Company), have been considered.

**(d) Information to the Board**

A detailed agenda folder is sent to each Director in advance of the Board Meetings. As a policy, all major decisions, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Management as well as steps taken by the Company to rectify instances of non-compliances, if any. Further, the Board also reviews the Annual financial statements of the Unlisted Subsidiary Companies. In addition to the above, pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings of the Company's Unlisted Subsidiary Companies are placed before the Board.

**(e) Directors with pecuniary relationship or business transaction with the Company:**

The Chairman & Managing Director, Co- Chairman & Managing Director and the Whole- time Directors receive Salary, Perquisites and Allowances, while all the Non-Executive Directors receive Sitting Fees.

**(f) Nomination and Remuneration Policy & Remuneration to Directors:**

Remuneration was paid Executive Directors i.e. Mr. Sharad Kumar Saraf, Chairman & Managing Director and Mr.



Sudarshan Kumar Saraf, Co-Chairman & Managing Director, Mr. Ashish Kumar Saraf, Mr. Navneet Kumar Saraf and Mr. Atanu Anil Choudhary, Whole-time Directors pursuant to the approval of the Nomination and Remuneration Committee, the Board of Directors and the Members of the Company, which is within the limits prescribed under the Companies Act, 2013.

The Non-Executive Directors were paid sitting fees for attending the Meetings of the Board of Directors and the Audit Committee, which is within the limits prescribed under the Companies Act, 2013. The Company pays a sitting fee of ₹ 10,000/- for attending each Meeting of the Board of Directors and Audit Committee.

The detailed Remuneration Policy of the Company has been provided in the Board's Report which forms part of this Annual Report.

The details of remuneration paid to Directors during the year ended March 31, 2016 are tabulated hereunder.

(₹ In Lakhs)

Name of the Directors	Salaries, perquisites & Allowances	Sitting fees	Total
Mr. Sharad Kumar Saraf	146.40	0.00	146.40
Mr. Sudarshan Kumar Saraf	146.40	0.00	146.40
Mr. Ashish Kumar Saraf	73.20	0.00	73.20
Mr. Navneet Kumar Saraf	73.20	0.00	73.20
Mr. Atanu Choudhary	7.53	0.00	7.53
Mr. S.B. Agarwal	0.00	0.90	0.90
Mr. Jagdeesh Mal Mehta	0.00	0.70	0.70
Ms. Vaishali Choudhari	0.00	0.70	0.70
Mr. V. C. Saraf	0.00	0.60	0.60
Mr. Vinod Agarwala	0.00	0.70	0.70

**(g) Employee Stock Option Scheme:**

The Company does not have any Employee Stock Option Scheme (ESOS).

**(h) Details of Equity Shares held by the Non- Executive Directors:**

As on March 31, 2016, none of the Non-Executive Directors held any Equity Shares in the Company and there are no convertible instruments in the Company.

**(i) Management Discussion and Analysis**

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

**(j) Code of Conduct**

The Board of Directors has laid down the Codes of Conduct ('Code'), for the all Board members and senior management of the company.

These Codes have been posted on the Company's website [www.technocraftgroup.com](http://www.technocraftgroup.com). All the Board Members and Senior Management personnel of the Company have affirmed Compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2016. A declaration to this effect signed by Mr. Sharad Kumar Saraf, Chairman & Managing Director is annexed to this Report.

**(k) Familiarisation Programmes for Board Members**

The Familiarisation program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities. All the Directors of the Company are updated as and when required, of their role, rights, responsibilities under applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, Secretarial Standards; nature of industry in which the Company operates, business model of the Company, etc. The Company holds Board and the Committee Meetings from time to time. The Board of Directors has complete access to the information within the Company. The Independent Directors have the freedom to interact with the Company's management. Directors are also informed of the various developments in the Company through various modes of communications. All efforts are made to ensure that the Directors are fully aware of the current state of affairs of the Company and the industry in which it operates.





The details of such familiarization programmes for Independent Directors of the Company are posted on the website of the Company <http://www.technocraftgroup.com/pdf/Details-of-the-familiarization-programmes-imparted-to-independent-directors.pdf>

#### **(I) Performance Evaluation and Independent Directors Meeting**

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee has been carried out.

The performance evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors

During the year FY 2015-16, the Independent Directors of the Company also met on February 1, 2016, *inter-alia*, to discuss and carry out the evaluation of performance of (i) Non-Independent Directors and the Board of Directors of the Company as a whole, (ii) the evaluation of performance of the Chairman of the Company, and (iii) evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Criteria for evaluation of independent directors:

The Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- i) uphold ethical standards of integrity and probity;
- ii) act objectively and constructively while exercising their duties;
- iii) exercise their responsibilities in a bona fide manner in the interest of the Company;
- iv) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- v) assist the Company in implementing the best corporate governance practices;
- vi) strive to attend all Meetings of the Board of Directors and of the Board committees of which they are members;
- vii) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and Shareholder's interest;
- viii) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk Management are robust and defensible;
- ix) strive to safeguard the interests of all stakeholders, particularly the minority shareholders;
- x) balance the conflicting interest of the stakeholders;
- xi) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts;
- xii) keep themselves well informed about the Company and the external environment in which it operates;
- xiii) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- xiv) strive to attend the general Meetings of the Company;
- xv) acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xvi) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- xvii) ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xviii) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any;
- xix) maintain confidentiality of information such as commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law;



- xx) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc;
- xxi) they express concerns about the running of the Company or a proposed action and ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that the concerns are recorded in the Minutes of the Board Meeting;
- xxii) develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior Management of the Company;
- xxiii) fairly contribute towards proper functioning of Board or Committees of the Board.

The Independent Directors shall also be evaluated on the basis of the following criteria i.e. whether they:

- i) satisfy the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations;
- ii) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk Management, resources, key appointments and standards of conduct;
- iii) bring an objective view in the evaluation of the performance of Board and Management;
- iv) actively scrutinise the performance of Management in Meeting agreed goals and objectives and monitor the reporting of performance;
- v) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- vi) contribute to determine appointment and remuneration of executive Directors, Key Managerial Personnel (KMP) and senior Management;
- vii) exercise objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.

The Non-Independent Directors along with the Independent Directors, except the one who is being evaluated, will evaluate/assess each of the Independent Directors on the aforesaid parameters. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

### III) BOARD COMMITTEES

Pursuant to SEBI Listing Regulations there were four Committees as on March 31, 2016 viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

#### (a) Audit Committee

As on March 31, 2016, the Audit Committee comprises five Independent Directors. Viz. and Mr. Vinod Agarwala, Mr. S.B. Agarwal, Mr. Jagdeesh Mal Mehta, Ms. Vaishali Choudhari and Mr. V. C. Saraf. All Members of the Audit Committee possess accounting and financial management knowledge.

The senior management team i.e. Chairman & Managing Director, Co-Chairman & Managing Director, Whole-time Director & Chief Operating Officer, Whole-time Director & Chief Financial Officer and President Accounts & Finance, the Internal Auditors and the representative of the statutory auditors are invited for the meetings of the Audit Committee. The Company Secretary is the Secretary to this Committee.

The Audit Committee met four times during the year, i.e. on May 27, 2015, August 10, 2015, November 06, 2015 and February 01, 2016. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder:

Name of the Member	Category	Position	No. of Meeting held	No. of Meeting attended
Mr. S.B. Agarwal	Independent Director	Chairman	4	4
Mr. Jagdeesh Mal Mehta	Independent Director	Member	4	3
Ms. Vaishali Choudhari	Independent Director	Member	4	3
Mr. V. C. Saraf	Independent Director	Member	4	3
Mr. Vinod Agarwala	Independent Director	Member	4	3



The Ms. Vaishali Choudhari, Audit Committee Member was present at the Annual General Meeting of the Company held on September 29, 2015 to answer members' queries on behalf of Chairman of the Audit Committee.

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI Listing Regulations and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI Listing Regulations.

The terms of reference of the Audit Committee include the following:

- 1) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are 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 subsection 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 the 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.
  - (g) Qualifications in the draft audit report.
- 5) Reviewing with the Management, 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Review and monitor 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 Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing with the Management, performance of the 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 the internal auditors of any significant findings and follow-up thereon;
- 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) Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism/Vigil mechanism.
- 19) Approval of appointment of chief Financial officer after assessing the qualifications, experience and background, etc. of the candidate;



- 20) Carrying out any other functions as is mentioned in the terms of reference of audit committee.  
Review of Information by Audit Committee:  
Besides the above, the role of the Audit Committee includes mandatory review of the following information
- 21) Management discussion and analysis of financial condition and results of operations;
- 22) Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
- 23) Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
- 24) Internal audit reports relating to internal control weaknesses; and
- 25) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the auditor committee;
- 26) Statement of deviations:
- Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(i) of the SEBI Listing Regulations.
  - Annual statement of funds utilized for purposes of the than those stated in the offer document/prospectus/ notice in terms of Regulation 32(vii) of the SEBI Listing Regulations.

**(b) Nomination and Remuneration Committee**

As of March 31, 2016, this Committee comprised three Independent Directors. They are Mr. S.B. Agarwal – (Chairman), Mr. V.C. Saraf and Ms. Vaishali Choudhary.

This Committee met two times during the last /previous financial year i.e. on May 27, 2015, and August 10, 2015. The Minutes of the Nomination and Remuneration Committee Meetings are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder:

Name of the Member	Category	Position	No. of Meetings held	No. of Meeting attended
Mr. S.B. Agarwal	Independent Director	Chairman	2	2
Ms. Vaishali Choudhari	Independent Director	Member	2	1
Mr. V. C. Saraf	Independent Director	Member	2	2

In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the role of the Nomination and Remuneration Committee of the Company is as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- Devising a policy on Board diversity.
- 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 their appointment and removal.
- 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

**(c) Stakeholders Relationship Committee**

As of March 31, 2016, this Committee comprises three Directors viz. Mr. V.C. Saraf – (Chairman), Mr. Sharad Kumar Saraf and Mr. Sudarshan Kumar Saraf. The Company Secretary, Mr. Neeraj Rai is the Compliance Officer of the Company. During the Financial Year 2015-16, the Committee met once on July 20, 2015.

The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder

During the Financial Year 2015-16, 25 queries/complaints were received by the Company from members/investors/ authorities, all of which have been redressed / resolved to date, satisfactorily. As on date, there are no pending share transfers/complaints/queries pertaining to the year under review.



The Committee deals with the following matters:

- Noting transfer/transmission of shares.
- Review of dematerialised/rematerialised shares and all other related matters.
- Monitors expeditious redressal of Investor grievance matters received from Stock Exchanges, SEBI, ROC, etc.
- Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of Annual Report, dividend etc.
- All other matters related to shares/debentures.

**(d) Corporate Social Responsibility (CSR) Committee:**

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on May 27, 2015, has constituted the CSR Committee which comprises three directors viz. Mr. Sharad Kumar Saraf (Chairman), Mr. Sudarshan Kumar Saraf and Ms. Vaishali Choudhary and defined the role of the Committee, which is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy
- Monitor the CSR Policy of the Company and its implementation from time to time.
- Such other functions as the Board may deem fit from time to time.

During the Financial Year 2015-16, the Committee met once i.e. on December 02, 2015. The Minutes of the CSR Committee are noted by the Board.

The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Sharad Kumar Saraf	Chairman & Managing Director	Chairman	1	1
Mr. Sudarshan Kumar Saraf	Co-Chairman & Managing Director	Member	1	1
Ms. Vaishali Choudhari	Independent Director	Member	1	0

## IV) DISCLOSURES

**(a) Related Party Transactions**

All related party transactions entered during the financial year were in the ordinary course of business and on an arm's length basis. None of the related party transactions entered during the Financial Year 2015-16, were materially significant related party transactions that may have potential conflict with the interests of Company at large;

Further the details of the transactions with related parties are provided in the Company's financial statements in accordance with the Accounting Standards.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available on website of the Company at the link: <http://www.technocraftgroup.com/pdf/Policy-On-Related-Party-Transactions.pdf>

**(b) Accounting treatment in preparation of financial statements**

The Company has followed the Accounting standards notified by The Companies (Accounting Standards) Rules, 2006, as amended from time to time, read with Companies (Accounts) Rules, 2014 in preparation of its financial statements.

**(c) Risk Management**

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and



mitigate risks in order to minimize its impact on the business. The potential risks are inventorised and integrated with the management process such that they receive the necessary consideration during decision making. It is dealt with in greater details in the management discussion and analysis section.

The Company has a competent Internal Audit System which prepares and executes a vigorous Audit Plan covering various functions such as purchase audit, factory payroll audit, operations, finance, human resources, administration, statutory dues etc. across different factories. The internal auditor presents their key audit findings of every quarter to the Audit Committee. The management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee members are vigilantly incorporated and executed by the Company.

**(d). Subsidiary Companies**

As on March 31, 2016, the Company had 12 subsidiaries. The Company has no material non-listed Indian Subsidiary Company as defined in Regulation 24 of the SEBI Listing Regulations. However, a policy on material subsidiaries has been formulated and the same is available on website of the Company at the link <http://www.technocraftgroup.com/pdf/Policy-For-Determining-Material-Subsidiary-Companies.pdf>. For effective governance, the Company overviews the performance of its subsidiaries, inter alia, in the following manner:

- The financial statements, in particular, the investments made by the unlisted subsidiary companies, are reviewed by the Audit Committee and the Board of Directors of the Company.
- The Minutes of the Board Meetings of the subsidiary companies are placed before the Board of Directors of the Company.

Details of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

**(e) Code for Prevention of Insider Trading Practices**

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a revised Code for Prevention of Insider Trading. Company's Code of Conduct for Prevention of Insider Trading is revised to bring it in line with these Regulations w.e.f May 15, 2015.

The revised code viz "Code of Conduct for Prevention of Insider Trading" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of trading plan subject to certain conditions as mentioned in the said Regulations and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's securities by the Directors, designated person and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. Mr. Neeraj Rai, Company Secretary, has been designated as the Compliance Officer for this Code.

**(f) Whistle Blower Policy/ Vigil Mechanism**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism Policy under which the employees are free to report violations of applicable laws and regulations. The same is posted on the website of the Company <http://www.technocraftgroup.com>.

**(g) CEO/CFO Certification**

As required under Regulation 17 (8) of the SEBI Listing Regulations, the Chairman & Managing Director and the Whole-time Director & Chief Financial Officer of the Company have certified regarding the Financial Statements for the year ended March 31, 2016 which is annexed to this Report.

**(h) Pledge of Equity Shares:**

All the promoters' shareholding is free from any encumbrance.

**(i) Disclosure of Pending Cases/Instances of Non- Compliance**

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.





**(j) Disclosure of Commodity price risks and commodity hedging activities.**

The Company is not dealing in commodities and hence disclosure relating to commodity price risks and commodity hedging activities is not required.

**k) Details of compliance with mandatory requirements and adoption of the non-mandatory requirement of Clause 49 of the Listing Agreement/ SEBI Listing Regulations:**

- (i) Details of non-compliance, if any: There is no Non-Compliance of any requirement of Corporate Governance Report of sub para (2) to (10) of the Part C of Schedule V of the SEBI Listing Regulations.
- (ii) Compliance with mandatory requirements: The Company has complied with all the mandatory items of the erstwhile Clause 49 of the Listing Agreement as applicable till November 30, 2015 and the SEBI Listing Regulations from December 01, 2015 onwards.

**l) Compliance report on discretionary requirements under Regulation 27(1) of SEBI Listing Regulations.**

- (i). The Board: The Chairman of the Company is an Executive Director and maintains the Chairman's office at the Company's expenses for performance of his duties.
- (ii). Shareholders' Rights: The Company did not send half-yearly results to each household of the shareholders in Financial Year 2015-16. However, in addition to displaying its quarterly and half-yearly results on its website [www.technocraftgroup.com](http://www.technocraftgroup.com) and publishing in widely circulated newspapers.
- (iii). Audit Qualifications: The auditors have not qualified the financial statements of the Company.
- (iv). Separate Post of Chairman and CEO: The Company is not having separate post of Chairman and CEO, Mr. Sharad Kumar Saraf is the Chairman & Managing of the Company and Mr. Sudarshan Kumar Saraf is the Co-Chairman, Managing Director of the Company.
- (v). Reporting of Internal Audit: The Internal Auditor regularly updates the Audit Committee on internal audit findings at the Audit Committee meetings.

**V) MEANS OF COMMUNICATION:**

In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at <http://www.technocraftgroup.com> containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

The quarterly and annual consolidated financial results, notices of Board Meetings and Annual General Meetings, are normally published in Business Standard (English) and Mumbai Lakshadeep (Marathi) newspapers.

Further, the Company disseminates to the Stock Exchanges (i.e. BSE and NSE), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/ operations and issues press releases, wherever necessary, for the information of the public at large.

**VI) GENERAL BODY MEETINGS:**

**(i) Location and time of last three Annual General Meetings ('AGM') held:**

AGM No.	Year	Date	Time	Location
23 <sup>rd</sup> AGM	2014-15	September 29, 2015	11.00 A.M.	Technocraft House, A-25, Road No.3, MIDC, Marol Industrial Area, Andheri (E), Mumbai-400 093
22 <sup>nd</sup> AGM	2013-14	September 30, 2014	11.00 A.M.	Technocraft House, A-25, Road No.3, MIDC, Marol Industrial Area, Andheri (E), Mumbai-400 093
21 <sup>st</sup> AGM	2012-13	September 30, 2013	11.00 A.M.	Technocraft House, A-25, Road No.3, MIDC, Marol Industrial Area, Andheri (E), Mumbai-400 093



**(ii) Special Resolutions passed during the previous three AGMs:**

For adoption of new set of Articles of Association of the Company, special Resolution was passed under Section 14 of the Companies Act, 2013, in 22<sup>nd</sup> AGM held on September 30, 2014.

**(iii) Special Resolution passed during the Financial Year 2015-16 through the Postal Ballot:**

During the financial year, the Company passed the following special resolutions by postal ballot:

Special Resolutions	Votes cast in favour		Votes cast against		Date of declaration of results
	No. of votes	%	No. of votes	%	
Special Resolution under Section 13 of the Companies Act, 2013, for Alteration of the Main Object Clause by inserting Clause no. 1D after the existing Clause No. 1C of the Main Object of the Memorandum of Association of the Company	23947893	99.99	1181	0.01	October 7, 2015
Special Resolution under Section 68 of the Companies Act, 2013, for buy-back of Equity Shares by the Company	1110272	99.78	2396	0.22	December 25, 2015

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above, vide postal ballot.

**(iv) Person who conducted the postal ballot exercise:** M/s. Nitesh Jain & Co. Company Secretaries (FCS - 6069 & C.P. No. 8582) was appointed as Scrutinizer for the purpose of Postal Ballot exercise.

**(v) Whether any special resolution is proposed to be conducted through postal ballot:** No Businesses are proposed to be transacted requiring passing of a resolution through Postal Ballot process.

**(vi) Procedure for postal ballot:**

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of NSDL/CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/ list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorized officer. The results are also displayed on the website of the Company, [www.technocraftgroup.com](http://www.technocraftgroup.com), besides being communicated to all resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting

## **VII) GENERAL SHAREHOLDER INFORMATION**

**(i) Annual General Meeting:**

Date: September 30, 2016

Day: Friday

Time: 11.00 a.m.

Venue: A-25, MIDC, Marol Industrial Area, Andheri (E), Mumbai-400093



**(ii) Last date for Receipt of Proxies:** Wednesday, September 28, 2016

**(iii) Financial Year:**

The financial year of the Company covers the financial period from April 1 to March 31. During the financial year under review, the Board Meetings for approval of quarterly and annual financial results were held on the following dates:

- 1st Quarter Results: August 10, 2015
- 2nd Quarter Results: November 06, 2015
- 3rd Quarter Results: February 01, 2016
- 4th Quarter & Annual Results: May 30, 2016

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2016 are as follows:

- 1st Quarter Results: September 14, 2016
- 2nd Quarter Results: Before December 15, 2016
- 3rd Quarter Results: Before February 15, 2017
- 4th Quarter & Annual Results: Before May 30, 2017

**(iv) Dates of Book Closure:** Monday, September 26, 2016 to Friday, September 30, 2016 (both days inclusive)

**(v) Dividend Payment Date:**

Your Directors have approved an interim dividend of 30% i.e. ₹ 3 per equity share for the financial year 2015-16. Interim dividend was paid on March 21, 2016 to the members who were holding equity shares as on record date i.e. March 18, 2016.

**(vi) Listing on Stock Exchanges:**

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees for the year 2016-17 to BSE and NSE.

**(vii) Stock Code:**

ISIN (Equity Shares) in NSDL & CDSL	INE545H01011
BSE Code	532804
NSE Code	TIIL

**(viii) Corporate Identification Number:**

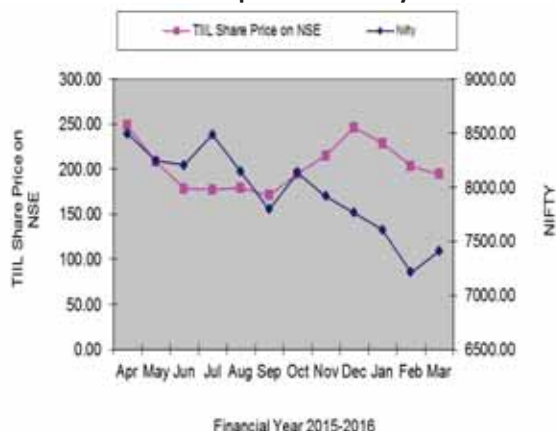
Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L28120MH1992PLC069252.

**(ix) Share Price Data: High/Low and Volume during each month of 2015-16 at BSE and NSE:**

Date	NSE			BSE		
	High Price	Low Price	Total Traded Quantity	High Price	Low Price	Total Traded Quantity
Apr-15	284.05	213.05	1083508	284.50	216.20	272858
May-15	239.05	178.00	444978	238.00	178.10	298141
Jun-15	194.00	162.25	405272	195.00	162.10	153178
Jul-15	192.00	162.60	681626	192.10	164.00	98271
Aug-15	207.50	151.00	922936	208.20	151.80	236322
Sep-15	195.00	147.10	421632	193.00	148.60	305362
Oct-15	213.80	176.05	646028	212.00	176.20	117485
Nov-15	236.00	194.40	1294193	238.00	196.00	162181
Dec-15	259.00	233.00	825341	258.00	231.50	492335
Jan-16	259.85	197.05	625647	258.50	198.50	220920
Feb-16	229.70	177.00	327635	226.00	176.30	185487
Mar-16	203.50	184.60	497072	206.30	184.90	136818



### Stock Performance in comparison to Nifty of NSE



### Stock Performance in comparison to Sensex of BSE:



#### (x) The Registrars and Share Transfer Agents:-

System Support Services Private Limited is the Company's Registrar and Share Transfer Agents. Their contact details are as follows:

System Support Services  
209, Shivai Industrial Estate,  
89, Andheri-Kurla Road,  
(Next to Logitech Park, Above McDonalds),  
Sakinaka, Andheri (E),  
Mumbai – 400072, India  
Phone No. 022- 2850 0835 Fax No. 022- 2850 1438  
Email: sysss72@yahoo.com

#### (xi) Share Transfer System

The Registrars and Share Transfer Agent have put in place an appropriate Share Transfer system to ensure timely share transfers. Share transfers are registered and returned in the normal course within an average period of 30 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days

#### (xii) (a) Distribution of shareholding as on March 31, 2016

Distribution range of Shares	No. of Shares	Percentage of Shares	No. of Shareholders	Percentage of Shareholders
001-100	400370	1.52	8077	66.91
101-500	661789	2.52	2995	24.81
501-1000	370565	1.41	462	3.83
1001-5000	897354	3.41	400	3.31
5001-10000	460277	1.75	62	0.51
10001-100000	1793297	6.82	62	0.51
Greater than 100000	21716348	82.57	14	0.12
Total	26300000	100.00	12072	100.00

#### (b) Shareholding Pattern as on March 31, 2016:

Category	Demat	Physical	total	%
Promoter Group	19994812	0	19994812	76.03*
Mutual Funds/UTI	159957	0	159957	0.61
Banks/FI	665	0	665	0.00
FIs	353839	0	353839	1.35
Indian Bodies Corporates	1283650	0	1283650	4.88
Overseas Bodies Corporates	385575	0	385575	1.46



Individuals				
Individual Shareholders holding nominal share capital up to ₹ 2 lac	2653855	804	2654659	10.09
Individual Shareholders holding nominal share capital in excess of ₹ 2 lac	1175274	0	1175274	4.47
Non Resident Indian	174845	0	174845	0.67
NRI (Repatriation)	116724	0	116724	0.44
Grand Total	26299196	804	26300000	100.00

\*To maintain minimum public shareholding (i.e. 25%) in terms of Rule 19A of Securities Contracts (Regulation) Rules, 1957, ~1.03% of the shareholding of the Company amounting to 2,69,812 shares, have been sold as of May 19, 2016 by Ms. Shantidevi Saraf and thus promoter shareholding was reduced to 19725000 i.e. 75%.

### (xiii) Dematerialization of Shares and Liquidity

As on March 31, 2016, 2,62,99,196 equity shares representing 99.99% of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The break-up of equity shares held in Physical and dematerialised form as on March 31, 2016, is given below:

Category	No of Shares	Percentage
NSDL	2,48,33,397	94.43
CDSL	14,65,799	5.57
Physical	804	Negligible
Total	2,63,00,000	100.00

The Promoters hold their entire equity shareholding in the Company in dematerialized form. The Company's equity shares are regularly traded on the BSE and NSE.

### (xiv) Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity: Not applicable

### (xv) Plant Locations:

Drum Closure	Plot. No. C – 5, Murbad Industrial Area, District Thane.
Scaffoldings	Plot No. 4/1, MIDC Murbad, District Thane.
Textile & Power	Village Dhanivali, Murbad, District Thane.

### (xvi) Address for members' correspondence:

Members are requested to correspond with the Registrars and Share Transfer Agents on all matters relating to transfer/ dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of the Company

The Company has maintained an exclusive email id: investor@technocraftgroup.com which is designated for investor correspondence for the purpose of registering any investor related complaints and the same have been displayed on the Company's website: www.technocraftgroup.com.

Members are required to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters.

Members may contact the Compliance Officer at the following address:

Compliance Officer:

Mr. Neeraj Rai,

Company Secretary

A/25, M.I.D.C., Marol Industrial Area,

Street No. 3, Opp. – ESIS Hospital,

Andheri – East, Mumbai – 400093

Tel: 022-4098 2222

Fax: 022- 2836 7037



## VIII) COMPLIANCE

### (i) Auditors' Certificate on Corporate Governance:

The Company has obtained a Certificate from Pramod Jain & Co, Company Secretaries, regarding compliance of the conditions of Corporate governance, as stipulated Clause 49 of the Listing Agreement with Stock Exchanges and in Regulation 34 (3) and PART E of Schedule II of SEBI Listing Regulations, which together with this Report on Corporate Governance is annexed to this Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

### (ii) Disclosures with respect to demat suspense account/ unclaimed suspense account:

Pursuance to Schedule V (F) of SEBI Listing Regulations, the information in respect of equity shares, which were issued in public issue and remain unclaimed and are lying in the suspense account, in Demat, are as follow : .

Particulars	No. of Shareholders	No of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying on April 1, 2015	17	1382
Number of shareholders who approached to the Company for transfer of shares from suspense account during the year.	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account laying on March 31, 2016	17	1382

Voting rights on above shares shall remain frozen till the rightful owner of such shares claims the shares.

## IX) INVESTOR SAFEGUARDS AND OTHER INFORMATION:

### (i) Revalidation of Dividend warrants:

In respect of members who have either not opted for NECS/ECS mandate or do not have such a facility with their banker and who have not encashed earlier dividends paid by the Company, are requested to write to Company's Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

### (ii) Transfer of Unclaimed Dividend to Investor Education & Protection Fund (IEPF):

Under the Companies Act, 2013, dividends which remain unclaimed for a period of 7 years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government.

Dates of declaration of dividends since Financial Year 2008-09 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are given in the table below.

Financial Year	Type of Dividend	Dividend Per Share ₹.	Date of Declaration	Due date for Transfer	Amount remaining unclaimed / unpaid as on March 31, 2016 (Rs)
31.03.2009	Final	0.5	Sep 30,2009	Oct 29,2016	71339.50
31.03.2010	Final	1.5	Sep 16,2010	Oct 15,2017	82050.00
31.03.2011	Final	1	Sep 30,2011	Oct 29,2018	178365.00
31.03.2012	Final	1	Sep 28,2012	Oct 28,2019	472094.00
31.03.2013	Interim	1	Nov 07,2012	Dec 06,2019	271995.00
31.03.2013	Final	2	Sep 30,2013	Oct 29,2020	127116.00
31.03.2014	Interim	5	May 21,2014	June 20,2021	414920.00
31.03.2015	Interim	5	May 28,2015	June 27,2022	232520.00
31.03.2016	Interim	3	March 10,2016	April 09,2023	844245.00

Members are further requested to note that after completion of 7 years, no claims shall lie against the said Fund or Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claims.





Following amount remitted to IEPF during last three years.

S.N.	Particulars	Financial year	Amount remitted (in ₹)
1	The application money received by companies for allotment of equity shares and due for refund	2006-07	260,100.00
2	Unpaid dividend	2006-07	101,754.00
3	Unpaid dividend	2007-08	96,519.00

**(iii) Update Address/ E-mail Address/ Bank details:**

To receive all communications/corporate actions promptly, members holding shares in dematerialized form are requested to please update their address/email address/bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

**(iv) Electronic Service of Documents to Members at Registered Email Address:**

In accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014 notified under the Companies Act, 2013, the Companies may give Notice of the General Meetings through electronic mode. Further, the said Rule provides that advance opportunity should be given at least once in a financial year to the Members / Members for registering their email address and changes therein, as may be applicable. Further Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such members / members whose shareholding is in dematerialized form and whose email Ids are registered with the Depository for communication purposes. As regards Members / Members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving by electronic mode.

In view of the above, the Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address") and made available to us, which has been deemed to be the member's registered email address for serving the aforesaid documents.

To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/ updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to our RTA, M/s System Supports at their specified address, so as to update their registered email address from time to time.

It may be noted that the Annual Report of the Company will also be available on the Company's website [www.technocraftgroup.com](http://www.technocraftgroup.com) for ready reference. Members are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the member, any time, as a member of the Company.

**Certificate of Compliance with Code of Conduct for Financial Year ended March 31, 2016.**

This is to affirm that the Board of Directors of Technocraft Industries (India) Limited has adopted a Code of Conduct for its Board Members and Senior Management Personnel in compliance with the provisions of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that the Board Members and Senior Management Personnel of the Company have affirmed the compliance of provisions of the said code for the financial year ended March 31, 2016.

**Place:** Mumbai

**Date:** May 30, 2016

**Sharad Kumar Saraf**

**Chairman & Managing Director**





## **Chief Executive Office and Chief financial Officer Certification in compliance with the provisions of Regulation 17(8) of SEBI Listing Regulations**

We, Sharad Kumar Saraf, Chairman & Managing Director and Ashish Kumar Saraf, Chief Financial Officer of Technocraft Industries (India) Limited have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of their knowledge and belief:

- a. (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;  
(ii) these statements together present a true and fair view of the listed entity'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 listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity 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 they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**Place:** Mumbai

**Date:** May 30, 2016

**Ashish Kumar Saraf**

**WTD & Chief Financial Officer**

**Sharad Kumar Saraf**

**Chairman & Managing Director**



## CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members,  
Technocraft Industries (India) Limited

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Technocraft Industries (India) Limited, for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period April 1, 2015 to November 30, 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as the "SEBI Listing Regulation") as referred to in Chapter (IV) of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation on thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/ SEBI Listing Regulations as applicable.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Pramod Jain & Co.**  
Company Secretaries

**Place:** Mumbai  
**Date:** September 2, 2016

**(Pramod Kumar Jain)**  
Proprietor FCS No: 6711 CP No: 11043



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
TECHNOCRAFT INDUSTRIES (INDIA) LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of TECHNOCRAFT INDUSTRIES (INDIA) LIMITED, ("the company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report, under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making, those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (the order); issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by section 143 (3) of the Act, we report 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 purpose of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 - B.
- (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 Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
  - a. The company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer Note II (A) of Note no. 28 to the financial statement.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For M. L. SHARMA & CO.**  
FIRM REG. NO. 109963W  
CHARTERED ACCOUNTANTS

**Place:** Mumbai  
**Date:** May 30, 2016

**(C. H. BANDI) PARTNER**  
Membership No.5385



## ANNEXURE "A" TO THE INDEPENDENT AUDITORS REPORT

**The Annexure referred to in our Report of even date to the Members of TECHNOCRAFT INDUSTRIES (INDIA) LIMITED on the Standalone Financial Statements for the year ended 31st March, 2016, We report that:**

- 1 a According to information and explanations given to us, The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 1 b As explained to us, the fixed assets of the company have been physically verified by the Management in a phased manner as per regular program of verification, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to this program, some of the fixed assets have been physically verified by the management during the year, and no material discrepancies have been noticed on such verification.
- 1 c The title deeds of the property as disclosed in Fixed Assets Note No. 9 to the financial statements are held in the name of the company.
2. The stock of Finished Goods, Goods-in-Process, Raw Materials and Stores & Spares parts have been physically verified during the year by the Management. In our opinion, the procedure of physical verification of the above Inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business. In respect of inventories lying with the third parties, these have substantially been confirmed by.
- 3 a In our opinion and according to the information and explanations given to us, the company has granted unsecured loans to 1 party covered in the Register maintained under section 189 of the Companies Act, 2013.
- 3 b Payment of Principal amount and interest are regular wherever Demanded & stipulated.
- 3 c As the Loan is repayable on demand therefore comment in respect of overdue amount of loans granted to Companies, Firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, loans, guarantees and security provided in respect of loans & other facilities to parties covered under section 185 of the Act and Investments made.
5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under apply.
6. We have broadly reviewed the books of account and records maintained by the company in respect of the products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been specified under section 148 (1) of the Companies Act, 2013 is applicable to the company and are of opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made detailed Examination of the records with view to determining whether they are accurate or complete.
- 7 a According to the information and explanation given to us and the records of the Company examined by us, the Company is generally regular in depositing provident fund dues, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31st March, 2016 for a period exceeding six months from the date they became payable;



- 7 b According to the information and explanation given to us and the records of the Company examined by us, the Particulars of disputed statutory dues under various act as at 31st March, 2016 which have not been deposited with the appropriate authorities are as under: -

Name of the Statute	Nature of dues	Amount (in Lakhs)	Forum where dispute is pending
The Central Excise Act 1944	<b>Excise Duty &amp; Penalty</b>		
	For F.Y 2005-06	38.73	Case pending with CESTAT (Mumbai)
	For period Aug 06 - Feb 07.	4.90	Case pending with CESTAT (Tribunal)
	For F.Y 1999-02 to Sept 2008	1115.67	Case pending with CESTAT (Mumbai)
	For Period before 29-9-2008	195.61	Cases pending with CESTAT (Mumbai)
	For Period before 29-1-2009	266.77	Cases pending with CESTAT (Mumbai)
	For FY 2007-08	15.65	Case pending With High Court, (Mumbai)
	For period Oct 11 - Jan 12.	9.94	Case pending with CESTAT (Tribunal)
	<b>Service Tax &amp; Penalty</b>		
	For period Apr 05 - Jun 09.	59.48	Case pending with CESTAT (Mumbai)
	For F.Y. 2006-07 & F.Y. 2008-09	10.94	Case pending with Commissioner (Appeals)
	For period Apr 09 - Mar 13	43.31	Case pending with Additional Commissioner (ST)
	For F.Y. 2013-14	24.55	Case pending with Additional Commissioner (ST)
	For period Oct 08 – Oct 12	68.09	Case pending with Commissioner (Central Excise)
	For period Oct 09 – Mar 13	38.06	Case pending with Commissioner (Central Excise)
	For period Apr 13 - Dec 13	7.12	Case pending with Commissioner (Central Excise)
	For Period Jan 2014 to June 2014	4.61	Case pending with Commissioner (Central Excise)
	For Period July 2014- March 2015	9.35	Case pending with Commissioner (Central Excise)
	For the Period 2014-15	27.74	Case pending with Additional Commissioner (ST)
	For the Period April 2011 to May 2015	6.49	Case pending with Commissioner (Appeals)
	For the Period May 2011 to March 2015	19.25	Case pending with Commissioner (Central Excise)
The Maharashtra Land Revenue Act, 1966	For Payment of Royalty on extraction & transportation of mud, stones & sand issued by Tahasildar, Tal. Murbad, Dist. Thane	82.48	Additional Commissioner (Appeals) Konkan Division
Electricity Act, 2003	For Payment of Additional Differential Electricity duty	463.18	High Court, Mumbai
The MRTU & PULP Act, 1971	For payment of Variable Dearness Allowances	85.96	The Industrial Court, Maharashtra at Thane.
Income Tax Act, 1961	For A. Y. 2012-13	0.10	CIT (Appeals)



8. According to information and explanations given to us the company has not defaulted in repayment of loans or borrowings to a financial institution or bank and company does not have any outstanding loans or borrowing from Government or dues to debenture holders during the year.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) however the term loans have availed by the company and were applied for the purposes for which those were raised.
10. According to the information and explanations given to us by the management, which has been relied upon by us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion, and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the companies Act, 2013.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company.
13. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard "18", Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any Non-Cash transaction with directors or persons connected with the directors. Accordingly, the provisions of clause 3 (xv) of the order is not applicable to the Company.
16. In our opinion and 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 Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the order is not applicable to the Company.

**For M. L. SHARMA & CO.**  
FIRM REG. NO. 109963W  
CHARTERED ACCOUNTANTS

**Place:** Mumbai  
**Date:** May 30, 2016

**(C. H. BANDI) PARTNER**  
Membership No.5385





## **ANNEXURE – “B” TO THE INDEPENDENT AUDITORS REPORT**

**The Annexure referred to in our Report of even date to the Members of TECHNOCRAFT INDUSTRIES (INDIA) LIMITED for the year ended 31st March, 2016. We report that:**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of TECHNOCRAFT INDUSTRIES (INDIA) LIMITED, (“the Company”) as of March 31, 2016 in conjunction with our audit of the 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 Companies Act, 2013.

### **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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 31, 2016, 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 M. L. SHARMA & CO.**  
FIRM REG. NO. 109963W  
CHARTERED ACCOUNTANTS

**Place:** Mumbai  
**Date:** May 30, 2016

**(C. H. BANDI) PARTNER**  
Membership No.5385



## BALANCE SHEET AS AT MARCH 31, 2016

		(₹ In Lakhs)	
Particulars	Note No.	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Equity &amp; Liabilities</b>			
<b>1. Shareholder's Fund</b>			
A. Share Capital	1	2,630.00	3,152.68
B. Reserves & Surplus	2	49,112.70	55,616.80
		<b>51,742.70</b>	<b>58,769.48</b>
<b>2. Non-Current Liabilities</b>			
A. Long Term Borrowings	3	2,620.25	1,388.23
B. Other Non Current Liabilities	4	276.98	142.64
		<b>2,897.23</b>	<b>1,530.87</b>
<b>3. Current Liabilities</b>			
A. Short Term Borrowings	5	22,880.73	14,233.57
B. Trade Payable	6	3,249.60	4,332.38
C. Other Current Liabilities	7	4,864.40	3,938.49
D. Short Term Provision	8	839.17	2,473.77
		<b>31,833.90</b>	<b>24,978.21</b>
<b>Total</b>		<b>86,473.83</b>	<b>85,278.56</b>
<b>Assets</b>			
<b>1. Non- Current Assets</b>			
A. Fixed Assets	9		
i. Tangible Assets		11,578.20	10,255.00
ii. Intangible Assets		71.89	21.52
iii. Capital WIP		1,196.21	383.02
		<b>12,846.30</b>	<b>10,659.54</b>
B. Non Current Investments	10	9,969.34	21,251.15
C. Deferred Tax Asset		818.91	1,045.32
D. Long Term Loans & Advances	11	884.52	1,182.50
E. Other Non Current Assets	12	1,320.36	734.58
		<b>25,839.43</b>	<b>34,873.09</b>
<b>2. Current Assets</b>			
A. Current Investment	13	14,600.00	350.00
B. Inventories	14	15,527.20	17,236.29
C. Trade Receivables	15	17,808.39	20,671.08
D. Cash And Cash Equivalent	16	4,976.45	4,953.28
E. Short Term Loans And Advances	17	677.60	793.71
F. Other Current Assets	18	7,044.76	6,401.11
		<b>60,634.40</b>	<b>50,405.47</b>
<b>Total</b>		<b>86,473.83</b>	<b>85,278.56</b>
Significant Accounting Policies & Notes Forming Part of Accounts	28		

As per our report of even date

**For M. L. Sharma & Co.**

Firm Reg.No.109963W

Chartered Accountants

**(C. H. Bandi) Partner**

(M.No.5385)

**Place:** Mumbai

**Date :** May 30, 2016

**For and on behalf of Board of Directors**

**Sharad Kumar Saraf**

(Chairman & Managing Director)

[DIN 00035843]

**Ashish Kumar Saraf**

(Whole-time Director & CFO)

[DIN 00035549]

**Sudarshan Kumar Saraf**

(Co-Chairman & Managing Director)

[DIN 00035799]

**Neeraj Rai**

(Company Secretary)



## STATEMENT OF PROFIT & LOSS FOR YEAR ENDED MARCH 31, 2016

(₹ In Lakhs)			
Particulars	Note No.	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Revenue</b>			
Revenue From Operation (Gross)	19	77,356.05	79,664.90
Less: Excise Duty		804.01	794.76
		76,552.04	78,870.14
Other Income	20	1,433.10	1,268.15
Total Revenue		<b>77,985.14</b>	<b>80,138.29</b>
<b>Expenditures</b>			
Cost of Material Consumed	21	35,139.88	38,638.30
Purchase For Trading		2,061.59	9,676.56
Changes In Inventories of Stock	22	2,720.93	(4,214.24)
Employees Benefit Expenses	23	5,007.35	4,479.26
Finance Costs	24	607.96	549.27
Depreciation		2,107.24	2,711.18
Other Expenses	25	18,214.48	18,130.71
Total Expenditure		<b>65,859.43</b>	<b>69,971.04</b>
<b>Profit Before Taxation</b>		<b>12,125.71</b>	<b>10,167.25</b>
Tax Expenses	26		
Current Tax		3,690.12	3,392.05
Deferred Tax (Net)		226.41	(212.57)
<b>Profit After Tax</b>		<b>8,209.18</b>	<b>6,987.77</b>
<b>Earning Per Share -Basic &amp; Diluted (in Rs)</b>	27	<b>26.47</b>	<b>22.16</b>
Significant Accounting Policies & Notes Forming Part of Accounts	28		

As per our report of even date

**For M. L. Sharma & Co.**

Firm Reg.No.109963W

Chartered Accountants

**(C. H. Bandi) Partner**

(M.No.5385)

**Place:** Mumbai

**Date :** May 30, 2016

**For and on behalf of Board of Directors**

**Sharad Kumar Saraf**

(Chairman & Managing Director)

[DIN 00035843]

**Ashish Kumar Saraf**

(Whole-time Director & CFO)

[DIN 00035549]

**Sudarshan Kumar Saraf**

(Co-Chairman & Managing Director)

[DIN 00035799]

**Neeraj Rai**

(Company Secretary)



## CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2016

(₹ In Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax but after exceptional/extraordinary items	12,125.71	10,167.25
Adjustments for:		
Depreciation	2,107.24	2,711.18
Interest Expenses	443.61	347.04
Interest Income	(574.15)	(724.17)
Dividend Received	(0.02)	(0.02)
Rent Received	(152.38)	(142.67)
(Profit) on sale of Fixed Asset	(74.34)	(0.14)
Loss on sale of Fixed Asset	-	0.96
(Profit) on sale of Investments	(323.28)	(227.76)
Loss on Sale of Investment	-	-
(Gain) / Loss on Exchange (Net)	(27.25)	652.05
<b>Operating profit before working capital changes</b>	<b>13,525.14</b>	<b>12,783.73</b>
<b>Adjustments for changes in working capital :</b>		
- (INCREASE)/DECREASE in Sundry Debtors	2,862.68	1,491.06
- (INCREASE)/DECREASE in Other Receivables	1,300.50	(552.41)
- (INCREASE)/DECREASE in Inventories	1,709.09	(4,884.06)
- INCREASE/(DECREASE) in Trade and Other Payables	(4,298.41)	821.84
<b>Cash generated from operations</b>	<b>15,099.00</b>	<b>9,660.15</b>
- Taxes (Paid) / Received	(3,368.11)	(4,316.97)
- Gain on Exchange (Net)	27.25	(652.05)
<b>Net cash from operating activities (A)</b>	<b>11,758.14</b>	<b>4,691.14</b>
<b>B. Cash flow from Investing activities:</b>		
<b>Purchase of fixed assets including Capital Work in Progress</b>	(4,312.69)	(3,249.20)
Proceeds from Sale of fixed assets	93.03	4.06
Net realisation on Sale of Investments	14,042.26	4,582.76
Net additions to investments :		
In subsidiaries	-	(842.38)
In others	(16,687.17)	(9,310.00)
Net Investments In Term Deposits (original Maturity of more than 3 Months)	2,300.85	(297.80)
Net Loan (Given)/ recovered	118.94	2,368.39
Interest Received	619.79	521.87
Dividend Received	0.02	0.02
Rent Received	152.38	142.67
<b>Net cash used in investing activities (B)</b>	<b>(3,672.59)</b>	<b>(6,079.61)</b>

**C. Cash flow from financing activities:**

Term Loans from Bank (net)	1,643.01	1,089.96
Short term borrowings from Banks (net)	8,647.16	3,718.79
Buy Back of Shares	(14,112.23)	-
Interest Paid	(443.61)	(347.04)
Dividend Paid	(789.00)	(1,576.34)
Tax on Dividend Paid	(160.62)	(267.90)
<b>Net cash used in financing activities ( C )</b>	<b>(5,215.29)</b>	<b>2,617.47</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	2,870.26	1,229.00
Cash and cash equivalents at the beginning of the year	1,501.64	272.64
<b>Cash and cash equivalents at the end of the year</b>	<b>4,371.90</b>	<b>1,501.64</b>
<b>Cash and cash equivalents comprises</b>		
Cash on hand	10.51	7.67
Balance with Scheduled Banks		
In Current Account	4,334.44	1,476.68
In Unclaimed Dividend Account	26.95	17.29
	<b>4,371.90</b>	<b>1,501.64</b>

**NOTES**

- 1 The above Cash flow statement has been prepared under the indirect method setout in AS-3 issued by The Institute of Chartered Accountants of India.
- 2 Figures in brackets indicate cash outgo.
- 3 The above Cash & Cash Equivalent does not include Term Deposits having Original Maturity of more than 3 months.
- 4 Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

As per our report of even date

**For and on behalf of Board of Directors****For M. L. Sharma & Co.**

Firm Reg.No.109963W

Chartered Accountants

**(C. H. Bandi) Partner**

(M.No.5385)

**Sharad Kumar Saraf**

(Chairman &amp; Managing Director)

[DIN 00035843]

**Ashish Kumar Saraf**

(Whole-time Director &amp; CFO)

[DIN 00035549]

**Sudarshan Kumar Saraf**

(Co-Chairman &amp; Managing Director)

[DIN 00035799]

**Neeraj Rai**

(Company Secretary)

**Place:** Mumbai**Date :** May 30, 2016



## Notes to the Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	As At 31/03/2016	As At 31/03/2015
<b>Note -1</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
4,00,00,000 (P.Y. 4,00,00,000) Equity Shares of Rs.10/- Each.	4,000.00	4,000.00
	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued,Subscribed &amp; Paid-Up</b>		
2,63,00,000 (P.Y. 3,15,26,750) Equity Shares of Rs.10/- Each Fully Paid Up	2,630.00	3,152.68
	<b>2,630.00</b>	<b>3,152.68</b>

- The Company Has Only One Class of Equity Shares Having A Par Value of Rs. 10 Per Share. Each Shareholder Is Eligible For One Vote Per Share
- The Reconciliation of the Number of Share Outstanding At the Year End Is Set Out Below :

Particulars	Equity Shares			
	As on 31st March 2016		As on 31st March 2015	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the beginning of the year	3,15,26,750	3,152.68	3,15,26,750	3,152.68
Shares Issued during the year	-	-	-	-
Shares bought back during the year	52,26,750	522.68	-	-
Shares outstanding at the end of the year	2,63,00,000	2,630.00	3,15,26,750	3,152.68

- The Details of Shareholders Holding More Than 5% Shares Is Set Out Below :

Name of the Sharholder	Equity Shares			
	As on 31st March 2016		As on 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shakuntala Saraf	57,01,135	21.67	67,39,512	21.37
Shantidevi Saraf	25,87,040	9.84	30,58,230	9.70
Sharad Kumar Madhoprasad HUF	24,31,995	9.24	28,74,946	9.12
Sudarshan Kumar Saraf	74,93,164	28.49	87,50,652	27.76

- Pursuant to the approval of the Board of Directors and the Shareholders of the Company under Section 68 of the Companies Act,2013 and regulations as specified in the "Securities and Exchange Board of India (BuyBack of Securities) Regulations 1998" and amendments thereto (the "Regulations"), the Company has bought back and extinguished 52,26,750 equity Shares at the rate of Rs 270/- per Share for a total consideration of Rs 14,112.22 lakhs,on proportionate basis through the "Tender Offer" by utilising Rs 6,102.71 lakhs from General Reserves and Rs 7,486.84 lakhs from Security Premium. In terms of Section 69 of the Companies Act,2013,Capital Redemption Reserve of Rs 522.68 lakhs (sum equal to nominal value of Shares so bought back) has created out of General Reserve.
- 52,26,750 (P.Y NIL) Equity Shares were bought back and extinguished in the last five years
- Other disclosures pursuant to Note no. 6 of Part I of Schedule VI to the Companies Act, 1956 is either Nil or not applicable to the Company.





## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	(₹ In Lakhs)	
	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Note - 2</b>		
<b>Reserves And Surplus</b>		
<b>General Reserves</b>		
As Per Last Balance Sheet	28,225.00	26,975.00
Less: Premium on Equity Shares bought back	6,102.71	-
Less: Transferred to Capital Redemption Reserve	522.68	-
Add : Transferred From Statement of Profit & Loss	-	1,250.00
Add : Transferred from Revaluation Reserve #	51.46	-
	<b>21,651.07</b>	<b>28,225.00</b>
<b>Capital Reserve</b>		
As Per Last Balance Sheet	20.51	20.51
	<b>20.51</b>	<b>20.51</b>
<b>Securities Premium</b>		
Balance As Per Last Balance Sheet	7,486.84	7,486.84
Less: Premium on equity shares bought back	7,486.84	-
	<b>-</b>	<b>7,486.84</b>
<b>Revaluation Reserve</b>		
As Per Last Balance Sheet	208.97	214.64
Less : Transferred to General Reserves #	51.46	-
Less : Transferred from Fixed Assets	-	5.67
	<b>157.51</b>	<b>208.97</b>
<b>Capital Redemption Reserve</b>		
As Per Last Balance Sheet	-	-
Add: Transferred during the year	522.68	-
	<b>522.68</b>	<b>-</b>
<b>Surplus In Statement of Profit And Loss</b>		
As Per Last Balance Sheet	19,675.49	16,022.96
Add : Net Profit for the Period	8,209.18	6,987.77
	<b>27,884.67</b>	<b>23,010.73</b>
Less: Interim Dividend ##	789.00	1,576.34
Less: Dividend Distribution Tax on Interim Dividend	160.62	320.91
Less: Income Tax of Earlier Years	174.12	11.26
Less: Transferred To General Reserves	-	1,250.00
Less: Transitional effect on Revision of Depreciation on useful life of assets in accordance with Schedule II of Companies Act ,2013 (net of Deferred Tax)	-	176.74
	<b>26,760.93</b>	<b>19,675.49</b>
	<b>49,112.70</b>	<b>55,616.80</b>

# Rs 4.48 Lakhs on account of Depreciation on Revalued Assets & Rs 46.98 Lakhs on account of those Revalued Assets whose useful life has become NIL as per Schedule II to the Companies Act 2013 .

# # Interim Dividend Distributed to the Equity Shareholders Is Rs 3/- Per Equity Share (P.Y.Rs.5/-)



## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	(₹ In Lakhs)	
	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Note - 3</b>		
<b>Long Term Borrowing</b>		
<b>Term Loans (Secured)</b>		
Bank of India	2,620.25	1,388.23
( Terms of Repayment - 5 Years)		
( Rate of Interest - 11.3% p.a)		
	<b>2,620.25</b>	<b>1,388.23</b>
Term Loan From Bank of India Is Secured Against Hypothecation of Plant & Machinery, Equipment Purchased Out of Term Loan And Also Against Equitable Mortgage of Specific Immovable Properties of Yarn Division.		
<b>Note - 4</b>		
<b>Other Non Current Liabilities</b>		
Sundry Deposits	139.40	142.64
Provision For Leave Salary Encashment	137.58	-
	<b>276.98</b>	<b>142.64</b>
<b>Note - 5</b>		
<b>Short Term Borrowings</b>		
<b>Secured - From Banks</b>		
1. Bank of India - Cash Credit	1,187.52	159.49
2. IDBI Bank Overdraft	175.30	274.66
3. Citi Bank Rupee Packing Credit	8,632.60	-
4. Bank of India Rupee Packing Credit	1,853.43	-
5. HDFC Bank Rupee Packing Credit	4,672.56	-
6. CITI Bank \$ Packing Credit	-	6,787.83
7. HDFC Bank \$ Packing Credit	-	2,323.25
	<b>16,521.41</b>	<b>9,545.23</b>
<b>Un secured</b>		
1. Common Wealth Bank \$ Packing Credit	24.82	1,844.48
2. First Strand Bank \$ Packing Credit	-	1,840.98
3. DBS Bank Rupee Packing Credit	1,534.50	1,002.88
4. Common Wealth Bank Rupee Packing Credit	1,800.00	-
5. BNP Paribas Rupee Packing Credit	3,000.00	-
	<b>6,359.32</b>	<b>4,688.34</b>
	<b>22,880.73</b>	<b>14,233.57</b>

### Notes :

- Cash Credit From Bank of India Is Secured Against the Hypothecation of Stock And Book Debts Both Present & Future.
- Overdraft from IDBI Bank Are Secured Against the Fixed Deposits of the Company.
- Export Packing Credit Against L/Cs. Confirmed Orders From CITI Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties.
- Export Packing Credit Against L/Cs. Confirmed Orders From Bank of India Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future.
- Export Packing Credit Against L/Cs. Confirmed Orders From HDFC Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties.



## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	(₹ In Lakhs)	
	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Note-6</b>		
<b>Trade Payables</b>		
Dues of Micro Enterprises & Small Enterprises	63.02	80.21
Dues of Creditors Other than Micro Enterprises & Small Enterprises	3,186.58	4,252.17
	<b>3,249.60</b>	<b>4,332.38</b>
<b>Note-7</b>		
<b>Other Current Liabilities</b>		
Current Maturities on long term Borrowings	755.90	344.91
Liabilities For Expenses	3,390.30	2,947.48
TDS Payable	75.36	66.24
Statutory Dues to Government Department	63.20	53.39
Advance From Customers	355.79	304.35
Unclaimed Dividend	26.95	17.29
Bank Balances (Temporary Overdrawn)	157.53	204.66
Shreyan Infra & Power LLP- Current Account	3.47	0.17
Other Deposits	35.90	-
	<b>4,864.40</b>	<b>3,938.49</b>
<b>Note - 8</b>		
<b>Short Term Provision</b>		
<b>Provisions For Employee Benefits</b>		
Provision For Gratuity	642.54	427.41
Provision For Leave Salary Encashment	51.33	149.12
<b>Others</b>		
Proposed Dividend	-	1,576.34
Prov. For Dividend Distribution Tax	-	320.91
Provision For Taxation	18,982.28	-
Less : Advance Tax	18,836.98	-
	145.30	-
	<b>839.17</b>	<b>2,473.77</b>

# Notes to the Financial Statements for the Year Ended March 31, 2016

## Note 9 - FIXED ASSETS

₹ In Lakhs

Description	GROSS BLOCK				DEPRECIATION						NET BLOCK		
	As on 01/04/2015	Revaluation of assets as on 25/07/94	Additions during the period	Sales / Transfer	As on 31/03/2016	Upto 01/04/2015	Transfer to Revaluation Reserves	Transfer to Retained Earnings	On cost	Adjustment	Upto 31/03/2016	As on 31/03/2016	As on 31.03.2015
I) TANGIBLE ASSETS													
A. LAND AND BUILDING													
1. Land	294.03	-	-	-	294.03	-	-	-	-	-	-	294.03	294.03
2. Leasehold Land	54.41	207.00	1.50	-	262.91	69.58	-	-	3.58	-	73.16	189.75	191.83
3. Factory Building	7,031.44	397.60	237.43	-	7,666.47	4,380.60	-	-	288.01	-	4,668.61	2,997.86	3,048.44
4. Building	34.13	-	-	-	34.13	5.25	-	-	1.40	-	6.65	27.48	28.88
5. Office Premises	1.61	227.83	-	-	229.44	217.97	-	-	-	-	217.97	11.47	11.47
6. Worker's Quarters	71.13	-	-	-	71.13	45.78	-	-	1.19	-	46.97	24.16	25.35
7. Staff Quarters	354.12	20.06	-	-	374.18	208.75	-	-	7.78	-	216.53	157.65	165.43
8. Car Parking Space	0.01	4.99	-	-	5.00	4.01	-	-	0.17	-	4.18	0.82	0.99
9. Tube-Well	12.23	-	-	-	12.23	10.94	-	-	0.48	-	11.42	0.81	1.29
10. Shops	337.81	-	-	-	337.81	129.45	-	-	10.06	-	139.51	198.30	208.36
	8,190.92	857.48	238.93	-	9,287.33	5,072.33	-	-	312.67	-	5,385.00	3,902.33	3,976.07
B. PLANT & MACHINERY													
1. Plant & Machinery													
& Pollution Control Equipments	28,628.13	217.64	# 2931.87	278.03	31,499.60	23,110.94	-	-	1,543.06	260.86	24,393.14	7,106.46	5,734.82
2. Electrical Installation	1,015.13	-	35.30	-	1,050.43	764.91	-	-	79.11	-	844.02	206.41	250.22
3. Computers	289.26	-	37.82	-	327.08	257.04	-	-	28.22	-	285.26	41.82	32.22
4. Air Conditioner, EPABX, Office Equipments & Water Coolers	222.43	-	27.67	-	250.11	167.30	-	-	29.89	-	197.18	52.93	55.13
5. Motor Car & Vehicles	271.74	-	113.51	41.26	343.99	180.93	-	-	44.77	39.73	185.97	158.02	90.82
6. Weighing Scale	12.54	-	1.42	-	13.97	9.37	-	-	0.61	-	9.98	3.99	3.17
7. Forklift	89.91	-	-	-	89.91	77.77	-	-	1.92	-	79.69	10.22	12.14
8. Generator	404.84	-	-	-	404.84	394.17	-	-	1.85	-	396.02	8.82	10.67
9. Weighing Bridge	24.86	-	-	-	24.86	16.00	-	-	1.93	-	17.93	6.93	8.86
10. JCB (Crane)	21.00	-	-	-	21.00	13.02	-	-	1.43	-	14.45	6.55	7.98
11. Trolley	1.10	-	-	-	1.10	0.46	-	-	0.12	-	0.58	0.52	0.64
12. Water Filtration Plant	4.43	-	-	-	4.43	1.57	-	-	0.54	-	2.11	2.32	2.86
13. Laboratory Equipment	14.64	-	6.49	-	21.13	3.90	-	-	3.51	-	7.41	13.72	10.74
	31,000.01	217.64	3,154.08	319.29	34,052.44	24,997.37	-	-	1,736.96	300.59	26,433.74	7,618.70	6,220.27
C. FURNITURE & FIXTURES													
	254.23	-	14.37	-	268.60	195.57	-	-	15.86	-	211.43	57.17	58.66
	254.23	-	14.37	-	268.60	195.57	-	-	15.86	-	211.43	57.17	58.66
II) INTANGIBLE ASSETS													
1. Computer Software	109.81	-	92.12	-	201.93	88.29	-	-	41.75	-	130.04	71.89	21.52
	109.81	-	92.12	-	201.93	88.29	-	-	41.75	-	130.04	71.89	21.52
TOTAL	39,554.97	1,075.12	3,499.50	319.29	43,810.30	30,353.56	-	-	2,107.24	300.59	32,160.21	11,650.09	10,276.52
Previous Year	37,362.41	1,075.12	2,899.62	707.06	40,630.09	28,071.16	5.67	267.74	2,711.18	702.18	30,353.56	10,276.52	10,366.37
Capital Work in Progress	383.02	-	2,619.69	1,806.50	1,196.21	-	-	-	-	-	-	1,196.21	383.02

# net of capital subsidy of Rs 7.69 Lakhs receivable on Plant & Machinery Purchased under Technology Upgradation Fund Scheme of Government of India



## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	(₹ in Lakhs )	
	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Note - 10</b>		
<b>Non Current Investments : - (At Cost)</b>		
<b>I. Trade (Unquoted)</b>		
<b>A. Investment In Equity Shares Of Subsidiaries &amp; Joint Venture</b>		
(a) Technocraft International Ltd (13,50,002 Ordinary Shares of 1 Pound Each) (P.Y.13,50,002 Shares)	1,224.13	1,224.13
(b) Technosoft Engineering Projects Ltd ( Formally known as Technosoft Information Technologies (I) Ltd) (4,99,930 Shares of Rs. 10/- each) (P.Y.4,99,930 Shares)	112.38	112.38
(c) Technocraft Trading Spolka Z.O.O (4,500 Shares of PLN 500 Each) (P.Y.4,500 Shares)	265.07	265.07
(d) Technocraft Australia Pty. Ltd. (218,054 Shares of Aus \$ 1 Each) (P.Y.2,18,054 Shares)	93.47	93.47
(e) Anhui Reliable Steel Techology Company Limited	1,080.16	1,080.16
(f) Technocraft Tabla Formworks Systems Pvt. Ltd (6,49,995 Shares of Rs.10/- each) (P.Y.6,49,995 Shares)	65.00	65.00
<b>B. Investment In Partnership Firm/ LLP</b>		
(a) Capital Account in Shreyan Infra & Power LLP	0.90	0.90
	2,841.11	2,841.11
<b>II. Other Than Trade</b>		
<b>A. Investment in Immovable Property (Unquoted)</b>		
Ownership Premises	323.19	-
	323.19	-
<b>B. Investment in Shares of Co- Operative societies (Unquoted)</b>		
(a) 30 (P.Y.30)Shares of Rs.50/- each of Mittal Court Premises Co-Op. Society Ltd.	0.02	0.02
(b) 15 (P.Y.15) Shares of Rs.50/- each of Udit Mittal Court Industrial Premises Co-Op.Society Ltd.	0.01	0.01
(c) 10 ( P.Y.10) Shares of Rs.50/- each of Green Lawns Co-Op Society Ltd.	0.01	0.01
	0.04	0.04
	<b>3,164.34</b>	<b>2,841.15</b>
<b>C. Investment In Mutual Fund (Quoted)</b>		
CFIL NCD SERIES 2013/01/481 ( NIL) (P.Y.1,005 Debentures of Rs 1,00,000/-each )	-	1,005.00
CFIL NCD SERIES 2014/01/531 (505 Debentures of Rs.1,00,000/- each) (P.Y.505 Debentures of Rs 1,00,000/-)	505.00	505.00
HDFC FMP 371D AUGUST 2013 (1) ( NIL) (P.Y.1,00,00,000 Units of Rs 10/-each )	-	1,000.00
HDFC FMP 372D DECEMBER 2013 (1) ( NIL) (P.Y.50,00,000 Units of Rs.10/- each )	-	500.00



## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	(₹ in Lakhs )	
	Year Ended 31/03/2016	Year Ended 31/03/2015
HDFC FMP 369D JANUARY 2014 (1) ( NIL) (P.Y.1,50,00,000 Units of Rs 10/-each )	-	1,500.00
HDFC FMP 371D JANUARY 2014 (1) ( NIL) (P.Y.1,50,00,000 Units of Rs.10/-each )	-	1,500.00
HDFC FMP 369D FEBRUARY 2014 (1) (50,00,000 Units of Rs.10/- each ) (P.Y.50,00,000 Units of Rs.10/-)	500.00	500.00
HDFC FMP 372D FEBRUARY 2014 (1) (50,00,000 Units of Rs.10/- each ) (P.Y.50,00,000 Units of Rs.10/-)	500.00	500.00
HDFC FMP 369D APRIL 2014 (1) (35,00,000 Units of Rs.10/- Each) (P.Y.NIL)	350.00	-
HDFC FMP 1123D JULY 2014 (1) (60,00,000 Units of Rs.10/- each) (P.Y.60,00,000 Units of Rs 10/-)	600.00	600.00
HDFC FMP 1113D AUGUST 2014 (1) (100,00,000 Units of Rs.10/- each) (P.Y.1,00,00,000 Units of Rs 10/-)	1,000.00	1,000.00
HDFC FMP 1157D FEBRUARY - 2015 (1) (30,00,000 Units of Rs.10/- each) (P.Y.30,00,000 Units of Rs.10/-)	300.00	300.00
HDFC FMP 1135D MARCH 2015 (1) (1,00,00,000 Units of Rs.10/- each) (P.Y.1,00,00,000 Units of Rs.10/-)	1,000.00	1,000.00
HDFC FMP 1126D JULY 2015 (1) (55,00,000 Units of Rs.10/- each) (P.Y.NIL)	550.00	-
HDFC FMP 1114D MARCH 2016 (1) (50,00,000 Units of Rs.10/- Each) (P.Y.NIL)	500.00	-
HDFC FMP 1190D MARCH 2016 (1) (50,00,000 Units of Rs.10/- each) (P.Y.NIL)	500.00	-
HDFC MF.MONTHLY INCOME PLAN ( NIL) (P.Y.29,08,651.017 Units of Rs 34.28/- each )	-	1,000.00
HDFC SHORT TERM OPORTUNITIES FUND ( NIL) (P.Y.1,58,55,434.76 Units of Rs 12.61/- each)	-	2,000.00
ICICI PRUDENTIAL FMP SER 77-1473 DAY P C (50,00,000 Units of Rs.10/- each) (P.Y.NIL)	500.00	-
ICICI PRUDENTIAL MONTHLY INCOME PLAN ( NIL) (P.Y.49,14,791 Units of Rs 30.52/-each )	-	1,500.00
RELIANCE FIXED HORIZON FUND XXIV-2 ( NIL) (P.Y. 50,00,000 Units of Rs.10/-each )	-	500.00
RELIANCE FIXED HORIZON FUND XXIV-4 ( NIL) (P.Y.1,00,00,000 Units of Rs.10/- each )	-	1,000.00
RELIANCE FIXED HORIZON FUND XXVII-4 ( NIL) (P.Y.1,00,00,000 Units of Rs.10/- each )	-	1,000.00
RELIANCE REGULAR SAVINGS FUND-DEBT (NIL) (P.Y.30,85,562.652 Units of Rs.16.2045/- each )	-	500.00
RELIANCE SHORT TERM FUND ( NIL) (P.Y.45,10,796.99 Units of Rs.22.17/- each )	-	1,000.00
<b>II</b>	6,805.00	18,410.00
<b>Total (I+II)</b>	<b>9,969.34</b>	<b>21,251.15</b>
Book Amount of Unquoted Investment	3,164.34	2,841.15
Book Amount of Quoted Investment	6,805.00	18,410.00
Market Value of Quoted Investment	7,530.38	20,221.73



## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	(₹ in Lakhs)	
	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Note-11</b>		
<b>Long Term Loans &amp; Advances</b>		
Capital Advances	884.52	1,182.50
	<b>884.52</b>	<b>1,182.50</b>
<b>Note-12</b>		
<b>Other Non Current Assets</b>		
Balance With Scheduled Banks		
In Fixed Deposit Accounts Due After 12 Months (Fixed Deposits are pledged against Bank Overdraft)	577.74	531.50
Fixed Deposits with HDFC Ltd	500.00	-
Deposit With Government Departments	224.60	203.08
Other Deposits	18.02	-
	<b>1,320.36</b>	<b>734.58</b>
<b>Note - 13</b>		
<b>Current Investments ( Non- Trade)</b>		
<b>Quoted</b>		
HDFC FMP 369D APRIL 2014 (1) ( NIL) (P.Y.35,00,000 Units @Rs.10/-)	-	350.00
HDFC FMP 369D JANUARY 2014 (1) (1,50,00,000 Units of Rs.10/- Each) (P.Y.NIL)	1,500.00	-
HDFC FMP 371D JANUARY 2014 (1) (1,50,00,000 Units of Rs.10/- Each) (P.Y.NIL)	1,500.00	-
HDFC FMP 371D AUGUST 2013 (1) (1,00,00,000 Units of Rs.10/- Each) (P.Y.NIL)	1,000.00	-
HDFC FMP 372D DECEMBER 2013 (1) (50,00,000 Units of Rs.10/- each) (P.Y.NIL)	500.00	-
HDFC MF.MONTHLY INCOME PLN A/C LTP (43,59,133.012 Units of Rs.34.41/- Each) (P.Y.NIL)	1,500.00	-
HDFC SHORT TERM OPORTUNITIES FUND (1, 58,55,434.76 Units Of Rs. 12.61/- Each) (P.Y.NIL)	2,000.00	-
ICICI PRUDENTIAL MONTHLY INCOME PLAN (65,52,921.437 Units of Rs.30.99/- Each) (P.Y.NIL)	2,000.00	-
RELIANCE FIXED HORIZON FUND XXIV-2 (50,00,000 Units @Rs.10/- each) (P.Y.NIL)	500.00	-
RELIANCE FIXED HORIZON FUND XXIV-4 (1,00,00,000 Units @Rs.10/- each) (P.Y.NIL)	1,000.00	-
RELIANCE FIXED HORIZON FUND XXIX-2 (60,00,000 Units Of Rs.10/- Each) (P.Y.NIL)	600.00	-
RELIANCE FIXED HORIZON FUND XXVII-4 (100,00,000 Units @Rs.10/- Each) (P.Y.NIL)	1,000.00	-
RELIANCE REGULAR SAVINGS FUND-DEBT (30,85,562.652 Units Of Rs.16.2045/- Each) (P.Y.NIL)	500.00	-
RELIANCE SHORT TERM FUND (45,10,796.99 Units Of Rs.22.17/- Each) (P.Y.NIL)	1,000.00	-
Total	<b>14,600.00</b>	<b>350.00</b>
Book Value of Quoted Investment	14,600.00	350.00
Market Value of Quoted Investment	17,333.82	381.84





## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	(₹ in Lakhs)	
	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Note - 14</b>		
<b>Inventories</b>		
<b>(As Taken, Valued And Certified By Management)</b>		
Finished Goods	4,348.58	6,932.21
Raw Material	7,760.47	6,857.22
Semi Finished Goods	1,823.58	1,937.57
Scrap	114.42	137.73
Stores & Spares	1,166.59	1,083.84
Packing Materials	267.03	231.66
Fuel & Oil	46.53	56.06
	<u>15,527.20</u>	<u>17,236.29</u>
<b>Note - 15</b>		
<b>Trade Receivables</b>		
<b>(Un-Secured &amp; Considered Good By The Management )</b>		
Debts Outstanding For More Than Six Months	656.88	1,497.57
Other Debts	17,151.51	19,173.51
	<u>17,808.39</u>	<u>20,671.08</u>
<b>Note - 16</b>		
<b>Cash And Cash Equivalents</b>		
Balance With Scheduled Banks		
In Fixed Deposit Accounts Between 3 & 12 Months	604.55	651.64
<b>(Fixed Deposits are pledged against Bank Overdraft)</b>		
In Current Account	4,334.44	1,476.68
In Unclaimed Dividend Accounts	26.95	17.29
Cash on Hand	10.51	7.67
<b>Others</b>		
Fixed Deposits with HDFC Ltd	-	2,800.00
	<u>4,976.45</u>	<u>4,953.28</u>
<b>Note - 17</b>		
<b>Short Term Loans And Advances</b>		
<b>(Un-Secured Considered Good By The Management)</b>		
<b>Loans &amp; Advances To Subsidiaries</b>		
(Repayable on Demand)		
(Rate of Interest : 10% (P.Y 10%) p.a )		
Anhui Reliable Steel Technology Company Limited	638.07	757.01
<b>Others</b>	39.53	36.70
<b>(Un-Secured Considered Good By The Management)</b>		
Staff Advances	39.53	36.70
<b>TOTAL</b>	<u>677.60</u>	<u>793.71</u>

Particulars of Loans given, Guarantee given and Investments made as per requirement of section 186 (4) of the Companies Act, 2013 are as under;



## Notes to the Financial Statements for the Year Ended March 31, 2016

### 1. The details of the Loans given are as under

Name of the Party	Balance as on		Maximum Balance	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Anhui Reliable Steel Technology Company Limited	638.07	757.01	757.01	874.94

a) All the above loans have been given as Inter Corporate Deposits & for business purpose.

b) All the above loans and advances are interest bearing

2. The Particulars of Investments made in the wholly owned subsidiaries are disclosed in Note No. 10.

3. The Company has also provided corporate guarantee to the lender banks of the subsidiaries for availing loans & other facilities, the details of which are disclosed in Note no.28 (Contingent Liability Point No. A)

(₹ in Lakhs )

Particulars	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Note - 18</b>		
<b>Other Current Assets</b>		
Advance Tax	-	17,727.97
Less : Provision For Taxation	-	17,377.16
	-	350.81
Balance With Sales Tax Department	3,908.13	2,799.94
Balance With Central Excise Department	362.67	176.05
Other Deposits	265.06	378.71
Prepaid Expenses	96.79	83.64
Others Receivables	2,412.11	2,611.96
	<b>7,044.76</b>	<b>6,401.11</b>
<b>Note 19</b>		
<b>Revenue From Operations (Gross)</b>		
Sales of Product	71,874.72	73,449.05
Sales of Services	362.63	195.55
(Gross, Inclusive of TDS of Rs. 9.31 Lakhs, P.Y.Rs.6.65 Lakhs)		
Other Operating Revenue	5,118.70	6,020.30
	<b>77,356.05</b>	<b>79,664.90</b>
<b>Note - 20</b>		
<b>Other Income</b>		
Interest Income	574.15	724.17
(Gross, Inclusive of TDS of Rs. 47.06 Lakhs, P.Y.Rs.49.98 Lakhs)		
Other Non-Operating Income	356.02	173.53
Diff In Foreign Currency (net)	27.25	-
Profit on Sale of Investment	323.28	227.76
(Gross, Inclusive of TDS of Rs. 2.20 Lakhs, P.Y.NIL)		
Rent Received	152.38	142.67
(Gross, Inclusive of TDS of Rs. 13.89 Lakhs, P.Y.Rs.13.61 Lakhs)		
Dividend Received	0.02	0.02
	<b>1,433.10</b>	<b>1,268.15</b>



## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	(₹ in Lakhs)	
	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Note - 21</b>		
<b>Cost of Material Consumed</b>		
<b>A. Raw Material Consumed</b>		
Opening Stock of Raw Material	6,857.22	6,455.76
Add : Purchases (net)	34,850.93	37,997.42
	41,708.15	44,453.18
Less : Closing Stocks	7,760.47	6,857.22
	33,947.68	37,595.96
<b>B. Packing Material Consumed</b>	1,192.20	1,042.34
	<b>35,139.88</b>	<b>38,638.30</b>
<b>Note - 22</b>		
<b>Changes In Inventories Of Stock</b>		
<b>Closing Stocks</b>		
Finished Goods	4,348.58	6,932.21
Scrap / Waste	114.42	137.73
Semifinished Goods	1,823.58	1,937.57
	6,286.58	9,007.51
<b>Opening Stocks</b>		
Finished Goods	6,932.21	2,496.34
Scrap / Waste	137.73	247.08
Semifinished Goods	1,937.57	2,049.85
	9,007.51	4,793.27
	<b>2,720.93</b>	<b>(4,214.24)</b>
<b>Note - 23</b>		
<b>Employee Benefit Expenses</b>		
Salaries, Wages, Bonus & Other Benefits	3,880.99	3,578.08
Contribution To Provident & Other Funds	231.19	209.12
Gratuity	213.57	147.52
Gratuity Trust Fund Expenses	0.49	0.51
Staff Welfare Expenses	234.36	220.15
	<b>4,560.60</b>	<b>4,155.38</b>
Directors Remuneration (Including Commission)	446.75	323.88
	<b>5,007.35</b>	<b>4,479.26</b>
<b>Note - 24</b>		
<b>Finance Cost</b>		
<b>Interest Paid</b>		
Interest To Others	-	0.14
Interest To Bank (net)	443.61	346.90
	443.61	347.04
<b>Other Financial Charges</b>		
Bank Charges	108.69	129.21
Bank Guarantee Charges	8.80	5.86
Bank Processing Charges	14.74	35.36
L/C Charges	26.85	19.11
Cash Discount Paid	5.27	12.69
	164.35	202.23
	<b>607.96</b>	<b>549.27</b>



## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	(₹ in Lakhs )	
	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Note - 25</b>		
<b>Other Expenses</b>		
Store/Spares & Other Components Consumed	3,556.58	2,892.18
Fuel And Oil Consumed	577.90	775.02
Power & Electricity	1,141.14	689.97
Job Work	2,930.76	2,799.50
Labour Charges	1,787.58	1,786.68
Water Charges	70.89	72.85
Other Manufacturing Expenses	1,927.29	1,678.35
Freight & Other Export Charges	1,510.38	2,791.42
Selling , Distribution Expenses on Sales	560.30	447.63
Warehouse & Handling Charges At offshore	67.55	78.59
Commission/Brokerage (including Overseas Commission)	983.41	920.99
Quality Claim	9.19	60.52
Sales Promotion	81.09	88.48
Travelling & Conveyance Expenses	360.93	254.03
Vehicle Exps	175.40	167.09
Legal & Professional Exps	376.57	270.69
Licence & Membership Fess	69.36	32.14
Rent, Rates & Taxes	122.27	88.72
Insurance (General)	46.80	43.42
Director Fees	3.60	3.00
Engineering & Design Charges	156.71	118.75
Technical Training Expenses	51.34	33.36
Printing & Stationery	72.41	50.17
Postage,Telegram & Telephone Exp.	101.85	89.49
Miscellaneous Expenses	53.97	17.85
Donation	137.22	-
Audit Fees	6.00	6.00
Tax Audit Fees	1.95	1.50
Certification Charges/ Out of Pocket expenses	0.71	0.46
Machine Repair	803.88	593.41
Building Repair	256.04	312.81
Other Repairs & Maintenance	204.43	230.38
Sundry Balancewritten off	5.68	8.42
Loss On Sale of Fixed Assets	-	0.96
Diff In Foreign Currency (net)	-	652.05
Share of Loss in Shreyan Infra & Power LLP	3.30	0.07
Bad Debts	-	73.75
	<b>18,214.48</b>	<b>18,130.71</b>



## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	(₹ in Lakhs)	
	Year Ended 31/03/2016	Year Ended 31/03/2015
<b>Note - 26</b>		
<b>Tax Expenses</b>		
<b>Current Tax</b>		
Current Income Tax	3,690.12	3,392.05
	3,690.12	3,392.05
<b>Deferred Tax</b>	226.41	(212.57)
	<u>3,916.53</u>	<u>3,179.48</u>
<b>Note - 27</b>		
<b>Earning Per Share</b>		
Net Profit Attributable to Equity Shareholders	8,209.18	6,987.77
Weighted Average Number of Equity Shares Outstanding during the Year (in Lakhs)	310.13	315.27
Adjusted Basic & Diluted Earning Per Share (in Rs.) (On Nominal Value of Rs. 10/-Per Share)	26.47	22.16



## Notes to the Financial Statements for the Year Ended March 31, 2016

### Note - 28

#### I. SIGNIFICANT ACCOUNTING POLICIES

##### A. BASIS OF ACCOUNTING

- These Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles under the historical cost convention on accrual basis of Accounting to comply in all material aspects with mandatory Accounting Standards as prescribed under section 133 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 as applicable to the Company.
- All assets and liabilities have been classified as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of Products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current Classification of Assets & Liabilities.

##### B. RECOGNITION OF INCOME AND EXPENDITURE

- Incomes and Expenditures are recognized on accrual basis except in case of significant uncertainties like, Benefits on Special Import License Premium, all cash incentives and Claims Payable & receivable, which have been accounted on Acceptance basis.
- Export Incentives are accounted for in the year of export.
- Dividend Income on Investments is accounted for when the right to receive the payment is established.
- Purchases are reported net of Trade discounts, Returns, Value Added Tax (to the extent refundable/ adjustable) & Sales, if any, made during the course of the business.
- Sales are reported net of Trade discounts, Quantity Discounts, Returns & Rebates and Excise Duty & Sales Tax.
- Sales of Scrap / Unusable Waste are reported net of Excise duty and Sales Tax.

##### C. INVENTORIES

- Inventories of Raw Materials, Finished Goods, Semi-Finished Goods, Trading Goods, Raw Material Scrap and Stores, Spares and other components, Packing Materials, Fuel and Oil are valued at cost or net realizable value, whichever is lower.
- Goods in transit are valued at cost or net realizable value, whichever is lower.
- Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions.
- Cost is arrived at on FIFO basis.

##### D. FIXED ASSETS

Tangible Fixed Assets are stated at cost of acquisition or construction inclusive of incidental expenses related there to and includes amount added on revaluation less accumulated depreciation & Cenvat credit.

##### E. DEPRECIATION

- Depreciation on Tangible Fixed Assets has been provided on the Written down Value method based on the Useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- Depreciation on additions to Tangible Fixed Assets or on Sale / Disposal of Tangible Fixed Assets is calculated on prorata basis from the Quarter in which additions or up to the Quarter of such Sale/ Disposal is made as the case may be.
- Depreciation on Revalued amount of Fixed Assets has been charged to Statement of Profit & Loss.
- Leasehold Land is amortized over the period of lease.

##### F. EXPENDITURE DURING CONSTRUCTION PERIOD

Expenditure during construction period is included under Capital Work in Progress and the same is allocated to the respective Fixed Assets on the completion of its construction.



## Notes to the Financial Statements for the Year Ended March 31, 2016

### **G. FOREIGN EXCHANGE TRANSACTIONS**

- Transactions denominated in foreign currency are normally accounted for at the exchange rate prevailing at the time of transaction.
- Monetary assets (including loans to subsidiaries) and Liabilities in foreign currency transactions remaining unsettled at the end of the year (other than forward contract transactions) are translated at the year end rates and the corresponding effect is given to the respective account.
- Exchange differences arising on account of fluctuations in the rate of exchange is recognized in the statement of Profit & Loss.
- Exchange rate difference arising on account of conversion/translation of liabilities incurred for acquisition of Fixed Assets is recognized in the Statement of Profit & Loss.

### **H. GOVERNMENT GRANTS**

- Capital subsidy/government grants are accounted for where it is reasonably certain that the same will be received.
- Capital subsidy/government grants in the form of Capital/Investment Incentives received from government/Semi-government authorities are credited to capital reserve account.
- Capital subsidy/government grants related to specific non depreciable assets are credited to capital reserve account.
- Capital subsidy/government grants related to specific Depreciable assets are credited to the Cost of the assets
- Other Revenue Grants are credited to statement of Profit & Loss under 'Other Income' or deducted from the related Expenses in accordance with the related scheme and in the period in which these are accrued.

### **I. INVESTMENTS**

- Long Term Investments are stated at Cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of Long Term Investments.
- Current Investments are valued at Cost or Market Value whichever is lower.

### **J. EMPLOYEE BENEFITS**

- The Company makes regular contribution to the Employees' Provident Fund and Employees' Pension Fund Schemes and these contributions are charged to Statement of Profit and Loss.
- The Leave Encashment & Gratuity liability is determined by actuarial valuation, using the Project Unit Credit Method as specified in AS 15 (Revised) "EMPLOYEE BENEFITS" and the liability is fully charged to Statement of Profit & Loss. Actuarial gains and losses arising on such valuation are also recognized immediately in Statement of Profit & Loss.

### **K. BORROWING COST**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are charged to the Statement of Profit & Loss in the year in which they are incurred.

### **L. LEASES**

Lease rentals in respect of the assets acquired on Lease are charged to Statement of Profit and Loss.

### **M. TAXATION**

Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet Date. Deferred tax assets are recognized, only to the extent there is a reasonable certainty of its realization. At each Balance sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

### **N. INTANGIBLE ASSETS**

- Intangible Assets are recognized by the Company only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the same can be measured reliably.
- Intangible Assets are amortized on a systematic basis over its useful life on straight line basis and the amortization for each period will be recognized as an expense.





## Notes to the Financial Statements for the Year Ended March 31, 2016

### O. IMPAIRMENT

- Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.
- Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

### P. PROVISIONS

- A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### Q. CONTINGENT LIABILITY

Contingent Liabilities are not accounted for in the Accounts. These are disclosed by way of Notes to the financial Statements to the extent of information available with the Company.

## II. NOTES FORMING PART OF THE ACCOUNTS

### A. CONTINGENT LIABILITY

(₹ In Lakhs)

SR	Contingent Liabilities and Commitments not provided For	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
I.	Stand by Letter of Credit (SBLC) aggregating to Euro 17,50,000 and USD 14,50,000 given to Banks on behalf of Technocraft Trading Spolka Z.O.O, Poland.	2,284.28	2,069.43
II	Stand by Letter of Credit (SBLC) aggregating to USD 30,00,000 given to Banks on behalf of Anhui Reliable Steel Technology Co.Ltd,China.	1,993.20	1,861.50
III.	Corporate Guarantee aggregating to Pounds 25,00,000 given to Bank on behalf of Technocraft International Ltd, UK.	2,388.25	2,289.50
IV.	Stand by Letter of Credit (SBLC) aggregating to USD 4,00,000 given to Banks on behalf of Technosoft Engineering Inc. ,USA	265.76	248.20
V.	Bank Guarantee issued in favor of Suppliers , Customers & Other Statutory Authorities	306.54	362.19
VI.	Excise Duty Matters	##1,647.26	## 1,653.16
VII.	Service Tax Matters	## 318.98	## 259.19
VIII.	Income Tax Matters	#116.69	# 131.31
IX.	Labour Matters	85.96	35.65
X	Other Legal Matters	545.66	82.48
XI.	Warranty in relation to Tower Structures	Amount Unascertainable	Amount Unascertainable

# Rs 116.59 Lakhs (P.Y Rs. 131.31 Lakhs) already paid / adjusted by the Income Tax Department from the refund due but the matters are still under Litigation.

## Includes Penal Amount also.

- B. The value of Closing Stock of Finished Goods includes Provision of Excise Duty wherever applicable to the products of the company and accordingly Provision of Excise Duty amounting to Rs. 21.42 Lakhs has been made in accordance with AS-2 "Inventories". However this has no impact on the Profit for the year.
- C. The Company is entitled to receive Subsidy refund of Interest as per the Technology up gradation Fund Scheme of the Government of India, Ministry of Textile and accordingly Rs.136.35 Lakhs has been reduced from Interest Paid to Bank.



## Notes to the Financial Statements for the Year Ended March 31, 2016

- D.** During the Year, the Company has made Provision of Rs 7.69 Lakhs for Capital Subsidy Receivable against Plant & Machinery Purchased under Technology Upgradation Fund Scheme of Government of India. The Capital Subsidy so receivable has been credited to the Cost of Plant & Machinery.
- E.** Additions to the Computer Software have been capitalized as Intangible Assets & the same has been amortized over the Period of 3 years.
- F. RETIREMENT BENEFITS**
- In respect of Leave Encashment Benefits as per the Revised Accounting Standard (AS)-15 on "Retirement Benefits", the Company has Charged Leave Encashment Expenses of Rs. 47.06 Lakhs in the Statement of Profit & Loss.

### Net asset / (liability) recognized in the Balance Sheet

		(₹ In Lakhs)	
SR	Funded Status	31.03.2016	31.03.2015
a)	Present Value of Defined Benefit Obligation	188.91	149.11
b)	Fair Value of Plan Assets		-
c)	Net Asset/(Liability) Recognized in Balance Sheet	(188.91)	(149.11)

### Total Expenses recognized in the statement of Profit & Loss for year ended on

		(₹ In Lakhs)	
SR	Components Of Employer Expenses	31.03.2016	31.03.2015
a)	Current Service Cost	81.09	69.05
b)	Interest Cost	11.44	5.40
c)	Expected return on plan asset	-	-
d)	Actuarial Losses/(Gains)	(45.47)	19.66
e)	Total Expenses (Income) recognized in Statement of Profit & Loss	47.06	94.11

### Reconciliation of Defined Benefit Obligation and Fair Value of Assets for the year ending on

		(₹ In Lakhs)	
A	Change in Defined Benefit Obligation	31.03.2016	31.03.2015
a)	Present Value of DBO at beginning of the year	*149.62	63.71
b)	Current Service Cost	81.09	69.05
c)	Interest Cost	11.44	5.40
d)	Actual (Gains)/losses	(45.47)	19.66
e)	Benefits Paid	(7.77)	(8.71)
f)	Present Value of DBO at the end of year	188.91	149.11
B	Change in Fair Value of Assets		
a)	Plan assets At the Beginning of year	-	-
b)	Adjustment to Opening Fair Value of Plan Assets	-	-
c)	Expected Return on plan assets	-	-
d)	Actual Company contributions	7.77	8.71
e)	Actual Gains/(losses) on plan assets	-	-
f)	Benefits paid	(7.77)	(8.71)
g)	Plan assets at the end of year	-	-

\* Includes the Liability of the Employees who were transferred from the Joint Venture w.e.f 1-4-2015



## Notes to the Financial Statements for the Year Ended March 31, 2016

### Principal Actuarial Assumptions at the Balance Sheet date

Discount Rate	7.85%	7.85%
Rate Of return on plan Assets	-	-
Rate Of increase salaries	5.00%	5.00%
Expected Average remaining working lives of employees (years)	18.32	19.43

- In respect of Gratuity as per the Revised Accounting Standard (AS)-15 on "Retirement Benefits", the company has Charged Gratuity Liability (net) of Rs 213.57 Lakhs in the Statement of Profit & Loss.

### Net asset / (liability) recognized in the Balance Sheet as on

		(₹ In Lakhs)	
SR	Funded Status	31.03.2016	31.03.2015
a)	Present Value of Defined Benefit Obligation	886.60	677.18
b)	Fair Value of Plan Assets	244.06	249.77
c)	Net Asset/(Liability) Recognized in Balance Sheet	(642.54)	(427.41)

### Total Expenses recognized in the statement of Profit & Loss for year ended on

		(₹ In Lakhs)	
SR	Components Of Employer Expenses	31.03.2016	31.03.2015
a)	Current Service Cost	85.84	65.08
b)	Interest Cost	52.71	46.26
c)	Expected return on plan asset	(21.82)	(20.55)
d)	Actuarial Losses/(Gains)	96.84	56.73
e)	Total Expenses (Income) recognized in Statement of Profit & Loss	213.57	147.52

### Reconciliation of Defined Benefit Obligation and fair Value of Assets for the year ended on

		(₹ In Lakhs)	
A	Change in Defined Benefit Obligation	31.03.2016	31.03.2015
a)	Present Value of DBO at beginning of the year	*679.17	526.15
b)	Current Service Cost	85.84	65.08
c)	Interest Cost	52.71	46.26
d)	Actual (Gains)/losses	84.32	75.47
e)	Benefits Paid	(15.44)	(35.78)
f)	Present Value of DBO at the end of year	886.60	677.18
B	Change in Fair Value of Assets		
a)	Plan assets At the Beginning of year	249.77	246.12
b)	Adjustment to Opening Fair Value of Plan Assets	0.43	0.15
c)	Expected Return on plan assets	21.82	20.55
d)	Actual Company contributions	-	-
e)	Actual Gains/(losses) on plan assets	(12.52)	18.73
f)	Benefits paid	(15.44)	(35.78)
g)	Plan assets at the end of year	244.06	249.77

\* includes the Liability of the employees who were transferred from the Joint Venture w.e.f 1-4-2015



## Notes to the Financial Statements for the Year Ended March 31, 2016

### Principal Actuarial Assumptions at the Balance Sheet date

Discount Rate	7.85%	7.85%
Rate Of return (expected) on plan Assets	9.00%	9.00%
Rate Of increase in Compensation	5.00%	5.00%
Expected Average remaining working lives of employees (years)	18.32	19.43

### G. In compliance with AS-17 "SEGMENT REPORTING", which has become mandatory, the required information are as under:-

#### A. PRIMARY SEGMENT

The Business Segment has been considered as the primary segment for disclosure. The categories included in each of the reported business segments are as follows:-

- i) Drum Closures
- ii) Scaffoldings
- iii) Cotton Yarn
- iv) Fabric
- v) Power

The above business segments have been identified considering:

- i) The nature of the product
- ii ) The deferring risk and returns
- iii) The internal financial reporting systems

Revenue and expenses have been accounted for based on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable" Inter segment transfer, are accounted for at competitive market prices, charged to unaffiliated customer for similar goods.

#### "SEGMENT REPORTING"

( ₹ In lakhs )

Particulars	Drum Closures	Scaffoldings	Cotton Yarn	Fabric	Power	Inter Segment Elimination	Unallocable	Total Amount
<b>SEGMENT REVENUE</b>								
(a) External Revenue from operations	26,001.50	27,828.74	17,516.10	4,720.75	484.96	-	-	76,552.04
(b) Inter-segment Revenue	104.22	1,125.19	1,901.50	19.11	3,522.99	6,673.03	-	-
<b>Total Revenue from operations (net of excise duty)</b>	<u>26,105.72</u>	<u>28,953.93</u>	<u>19,417.60</u>	<u>4,739.86</u>	<u>4,007.95</u>	<u>6,673.03</u>	<u>-</u>	<u>76,552.04</u>
	(26,993.25)	(31,874.78)	(19,092.79)	(3,186.30)	(3,636.40)	(5,853.39)	-	(78,870.14)
<b>SEGMENT RESULTS</b>	8,826.54	3,300.54	221.63	(301.41)	717.16			12,764.46
	(7,136.94)	(3,306.55)	(-214.85)	(-509.30)	(513.36)			(10,232.70)
<b>Less:</b>								
Finance Cost							607.96	607.96
							(549.27)	(549.27)
Depreciation							40.04	40.04
							(54.02)	(54.02)
Directors Remuneration							446.75	446.75
							(323.88)	(323.88)



## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	Drum Closures	Scaffoldings	Cotton Yarn	Fabric	Power	Inter Segment Elimination	Unallocable	Total Amount
Auditor's Remuneration							7.95	7.95
							(7.50)	(7.50)
Unallocable Expenses								671.73
								(322.41)
<b>Add:</b>								
Interest Income							461.80	461.80
							(724.17)	(724.17)
Other Unallocable Income							350.60	350.60
							(240.52)	(239.70)
Profit/(Loss) on sale of Investment (net)								323.28
								(227.76)
<b>Profit before taxation</b>								<b>12,125.71</b>
								(10,167.25)
Provision for taxes								3,916.53
(including Deferred Tax)								(3,179.48)
<b>Profit After Tax</b>								<b>8,209.18</b>
								(6,987.77)
<b><u>OTHER INFORMATION</u></b>								
<b><u>Assets</u></b>								
Segment Assets	11,835.62	18,540.64	16,078.75	3,529.12	3,160.03	-	-	53,144.16
	(10,684.05)	(23,378.44)	(10,905.46)	(2,874.82)	(3,542.68)	-	-	(51,385.45)
Unallocable Assets								33,329.67
(including Borrowings)								(33,893.11)
							<b>Total of Assets</b>	<b>86,473.83</b>
								(85,278.56)
<b><u>Liabilities</u></b>								
Segment Liabilities	2,861.36	2,569.14	2,371.33	214.92	263.31	-	-	8,280.06
	(2,306.76)	(3,734.73)	(1,656.01)	(258.14)	(478.03)	-	-	(8,433.67)
Unallocable Liabilities								26,451.07
(including Borrowings)								(18,075.41)
							<b>Total of Liabilities</b>	<b>34,731.13</b>
								(26,509.08)
<b><u>Capital Expenditure</u></b>								
(excluding capital WIP)								
Segment Capital Expenditure	1,039.88	892.55	1,134.04	398.82	12.44	-	21.77	3,499.50
	(473.93)	(619.00)	(125.79)	(1,643.60)	(16.48)	-	(20.82)	(2,899.62)
<b><u>Depreciation</u></b>								
Segment Depreciation	548.90	513.38	409.50	406.34	189.07	-	-	2,067.20



## Notes to the Financial Statements for the Year Ended March 31, 2016

Particulars	Drum Closures	Scaffoldings	Cotton Yarn	Fabric	Power	Inter Segment Elimination	Unallocable	Total Amount
	(707.16)	(598.81)	(580.21)	(547.27)	(223.72)	-	-	(2,657.16)
Unallocable Depreciation							40.04	40.04
							(54.02)	(54.02)
<b>Total Depreciation</b>								<b>2,107.24</b>
								(2,711.18)
<b>B. GEOGRAPHICAL SEGMENT</b>								
<b>External Revenue from Operations (net of excise Duty)</b>								
India	2,167.40	4,679.16	1,678.14	4,198.42	484.96	-	-	13,208.07
	(2,371.55)	(4,623.94)	(3,134.99)	(2,842.84)	(450.13)	-	-	(13,423.46)
Outside India	23,834.10	23,149.58	15,837.96	522.33	-	-	-	63,343.97
	(24,252.13)	(26,159.06)	(14,697.44)	(338.05)	-	-	-	(65,446.68)
<b>Total External Revenue from Operations (net of excise duty)</b>	<u>26,001.50</u>	<u>27,828.74</u>	<u>17,516.10</u>	<u>4,720.75</u>	<u>484.96</u>	<u>-</u>	<u>-</u>	<u><b>76,552.04</b></u>
	(26,623.68)	(30,783.00)	(17,832.43)	(3,180.89)	(450.13)			(78,870.14)
<b>Assets</b>								
India	7,398.63	11,316.17	12,256.10	3,257.77	3,160.03	-	29,829.08	67,217.78
	(5,834.26)	(14,188.18)	(6,750.22)	(2,804.19)	(3,542.68)	(-)	(30,345.13)	(63,464.66)
Outside India	4,436.99	7,224.47	3,822.65	271.35	-	-	3,500.58	19,256.05
	(4,849.79)	(9,190.26)	(4,155.24)	(70.63)	(0.00)	(-)	(3,547.98)	(21,813.90)
<b>Total Assets</b>	<u>11,835.62</u>	<u>18,540.64</u>	<u>16,078.75</u>	<u>3,529.12</u>	<u>3,160.03</u>	<u>-</u>	<u>33,329.67</u>	<u><b>86,473.83</b></u>
	(10,684.05)	(23,378.44)	(10,905.46)	(2,874.82)	(3,542.68)	(-)	(33,893.11)	(85,278.56)

### Notes :

- Total Liabilities does not include ShareHolders Fund
- Geographical Segment  
The Geographical Segments considered for Disclosure are as Follows
  - Revenue within India Includes Revenue from Sales of Products (including Scrap) & Services to Customers Located within India and earnings in India
  - Revenue outside India includes Revenue from Sales of Products & Services to Customers Located outside India and earnings outside India and export Incentive benefits
- Previous Year Figure have been regrouped /rearranged where ever considered necessary to make them Comparable with the Current Year Figures

### H. DISCLOSURE OF RELATED PARTIES/RELATED PARTY TRANSACTIONS

In compliance with the AS-18 "RELATED PARTY DISCLOSURE", which has become mandatory, the required information are as under:-

#### (I) List of Related Parties over which control exists

Sr. No	Name of the Related Party
<b>I.</b>	<b>Direct Subsidiaries</b>
1	Technocraft International Ltd.
2	Technocraft Trading Spolka Z.O.O
3	Technocraft Australia Pty Ltd.
4	Technosoft Engineering Projects Ltd. (Formerly known as Technosoft Information Technologies (I) Ltd)
5	Anhui Reliable Steel Technology Co.Ltd



## Notes to the Financial Statements for the Year Ended March 31, 2016

6	Shreyan Infra & Power LLP
<b>II.</b>	<b>First Step Down Subsidiaries</b>
1	Technosoft Engineering Inc.(Formerly known as Impact Engineering Solutions Inc.)
2	Swift Engineering Inc.
3	HighMark International Trading – F.Z.E
<b>III.</b>	<b>Step Down Subsidiary</b>
1	Swift Projects Inc.
2	AAIT/Technocraft Scaffold Distribution LLC
<b>IV.</b>	<b>Enterprises Significantly Influenced by KMP or Relatives of KMP</b>
1	Ashrit Holdings Ltd
2	Ashrit Infrastructure Developers LLP
3	Ashrit Reality Private Ltd
4	Priyash Enterprises Private Ltd
5	B.M.S.Industries Ltd
6	M.D .Saraf Securities Private Ltd.
7	M.T.Information Technologies
8	Sharad Kumar Saraf HUF
<b>V</b>	<b>Key Management Personnel (KMP)</b>
1	Mr. Sharad Kumar Saraf
2	Mr. Sudarshan Kumar Saraf
3	Mr. Navneet Kumar Saraf
4	Mr. Ashish Kumar Saraf
5	Mr. Atanu Choudhary
<b>VI</b>	<b>Relatives of KMP</b>
1	Smt. Shantidevi Saraf
2	Smt. Shakuntala Saraf
3	Smt. Suman Saraf
4	Mrs. Nidhi Saraf
5	Mrs. Priyanka Saraf
6	Ms Ritu Saraf
<b>VII</b>	<b>Joint Venture</b>
1	Technocraft Tabla Formwork System Pvt Ltd

**(II) Names of the Related Parties with whom transactions were carried out during year and description of relationship**

Sr.No	Related Parties
<b>I</b>	<b>Direct Subsidiaries</b>
1	Technocraft International Ltd.
2	Technocraft Trading Spolka Z.O.O.
3	Technosoft Engineering Projects Ltd. (Formerly known as Technosoft Information Technologies (I) Ltd)
4	Technocraft Australia Pty Ltd.
5	Anhui Reliable Steel Technology Co.Ltd.
6	Shreyan Infra & Power LLP
<b>II</b>	<b>First Step Down Subsidiary</b>
1	Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solutions Inc.)
2	High Mark International Trading-F.Z.E





## Notes to the Financial Statements for the Year Ended March 31, 2016

<b>III</b>	<b>Step Down Subsidiary</b>
1	AAIT/Technocraft Scaffold Distribution LLC.
<b>IV</b>	<b>Enterprises Significantly Influenced by KMP or Relatives of KMP</b>
1	B.M.S. Industries Ltd.
2	Ashrit Holdings Ltd.
3	Sharad Kumar Saraf HUF
<b>V</b>	<b>Joint Venture</b>
1	Technocraft Tabla Formwork Systems Private Ltd.
<b>VI</b>	<b>Key Management Personnel (KMP)</b>
1	Mr. Sharad Kumar Saraf
2	Mr. Sudarshan Kumar Saraf
3	Mr. Navneet Kumar Saraf
4	Mr. Ashish Kumar Saraf
5	Mr. Atanu Choudhary

### (III) Disclosure of Related Party transactions

Sr No	Nature of relationship/ Transactions	Direct Subsidiaries/ First Step Down Subsidiaries	Enterprises Significantly Influenced by KMP or Relatives of KMP	Joint Venture	KMP & Relatives	Total (Rs In Lakhs)
1	Purchase of Goods & Services	1,963.73 (254.11)	2,760.24 (2,650.21)	NIL (223.98)	NIL (NIL)	4,723.97 (3,128.30)
2	Sale of Goods & Services	7,008.07 (2,246.24)	554.72 (479.47)	NIL (0.28)	NIL (NIL)	7,562.79 (2,725.99)
3	Interest Received	68.75 (238.04)	NIL (NIL)	NIL (24.12)	NIL (NIL)	68.75 (262.16)
4	Directors' Remuneration & Commission	NIL (NIL)	NIL (NIL)	NIL (NIL)	446.75 (323.88)	446.75 (323.88)
5	Salary & Wages Paid	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (122.00)	NIL (122.00)
6	Loan Given	NIL (1,357.21)	NIL (NIL)	NIL (34.11)	NIL (NIL)	NIL (1,391.32)
7	Loan Recovered	118.94 (3,354.11)	NIL (NIL)	NIL (405.60)	NIL (NIL)	118.94 (3,759.71)
8	Reimbursement of Expenses	59.12 (NIL)	NIL (1.20)	NIL (NIL)	NIL (NIL)	59.12 (1.20)
9	Lease Rent Paid	NIL (NIL)	3.00 (3.00)	NIL (NIL)	NIL (NIL)	3.00 (3.00)
10	Recovery of Expenses	13.79 (NIL)	NIL (16.02)	19.40 (NIL)	NIL (NIL)	33.19 (16.02)
11	Purchase of Fixed Assets	10.85 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	10.85 (NIL)
12	Guarantee Fee Received	68.41 (18.80)	NIL (NIL)	NIL (NIL)	NIL (NIL)	68.41 (18.80)



## Notes to the Financial Statements for the Year Ended March 31, 2016

### (IV) Amount due to/from Related Parties as on 31.03.2016

Sr No.	Nature of Relationship/ Transaction	Direct Subsidiaries/ First Step Down Subsidiaries	Enterprises Significantly Influenced by KMP or Relatives of KMP	Joint Venture	KMP & Relatives	Total (Rs In Lakhs)
1	Trade Receivables / Advances	4,724.82 (1,289.48)	NIL (40.01)	NIL (NIL)	NIL (NIL)	4,724.82 (1,329.49)
2	Trade Payables / Advances	727.31 (51.16)	305.87 (343.10)	NIL (NIL)	NIL (NIL)	1,033.18 (394.26)
3	Advancement of Loans	638.07 (757.01)	NIL (NIL)	NIL (NIL)	NIL (NIL)	638.07 (757.01)
4	Director Commission Payable	NIL (NIL)	NIL (NIL)	NIL (NIL)	144.00 (144.00)	144.00 (144.00)

( ) indicates previous year figures

- I. In compliance with the Accounting Standard-22 "Accounting for Taxes on Income" which has become mandatory, the company has reversed Deferred Tax Assets (net) amounting to Rs. 226.41 Lakhs and the same has been debited to the Statement of Profit & Loss Account.

(₹ In Lakhs)

PARTICULARS	For the Year ended March 31, 2016	For the Year ended March 31, 2015
<b>DEFERRED TAX LIABILITY / (ASSETS) ON ACCOUNT OF</b>		
Depreciation	212.85	(126.46)
Amalgamation Expenses	0.01	0.06
Long term Capital loss	57.74	(7.05)
Gratuity	(77.11)	(50.09)
Earned Leave	32.92	(29.03)
Depreciation on Fixed Assets whose life has expired as on 1-4-2014 as per Schedule II to Companies Act 2013.	-	* (91.01)
<b>Net Impact</b>	<b>226.41</b>	<b>(303.58)</b>
*Adjusted from Reserves & Surplus		
<b>POSITION OF DEFERRED TAX ASSETS &amp; LIABILITIES AS ON BALANCE SHEET DATE ARE AS UNDER</b>		
<b>Deferred Tax Assets on Account of</b>		
Depreciation	540.76	753.61
Amalgamation Expenses	-	0.01
Long term Capital losses	38.00	95.73
Gratuity	222.38	145.28
Earned Leave	17.77	50.69
<b>Deferred Tax Assets</b>	<b>818.91</b>	<b>1,045.32</b>

- J. In compliance with the Accounting Standard 28 - "Impairment of Assets" which has become mandatory, the Company has considered its Fixed Assets at Cost of Acquisition or Cost of construction, less Depreciation as per policies adopted by the Company vide Note No. 1(D), (E) & (F) and none of the Assets has been revalued during the year. Based on the internal and external sources of information available with Company the recoverable amount of fixed Assets are higher than the carrying amount of Fixed Assets, therefore there is no Impairment of Assets.



## Notes to the Financial Statements for the Year Ended March 31, 2016

K. The Company is Co- Venture in Technocraft Tabla Formwork Systems Pvt. Ltd. The following Information is disclosed as per AS-27 – Financial Reporting of Interest in Joint Venture.

1) Details of the Jointly Controlled Entity.

- a) Name of the entity : Technocraft Tabla Formwork Systems Pvt. Ltd.
- b) Address of the entity : A-25, M.I.D.C, Street No 3, Marol Industrial Area,  
Opp. ESIC Hospital, Andheri (E), Mumbai-400093
- c) Country of Incorporation : India
- d) Proportion Of Ownerships : 65%

2) Aggregate amount of Revenue, Expense, Asset and Liabilities related to the Interest of the company in the Joint-Venture namely Technocraft Tabla Formwork Systems Pvt Ltd

a) Revenue ( ₹ In Lakhs)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Revenue from Operations	-	252.39
Other Income	1.97	0.34
<b>Total</b>	<b>1.97</b>	<b>252.73</b>

b) Expenses

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Changes in Inventories of Stock	-	210.29
Employee Retirement Benefits	-	18.50
Finance Cost	-	15.68
Depreciation	0.02	0.03
Amortization of Goodwill and Distribution Rights	-	4.57
Other Expenses	18.38	4.90
<b>Total</b>	<b>18.40</b>	<b>253.97</b>

c) Assets

Particulars	As At March 31, 2016	As At March 31, 2015
Tangible Assets	0.07	0.09
Deferred Tax Asset	-	10.05
Other Non-Current Assets	7.75	7.75
Trade Receivables	-	5.54
Cash & Cash Equivalents	0.16	24.31
Other Current Assets	6.40	16.71
<b>TOTAL</b>	<b>14.38</b>	<b>64.45</b>

d) Equity and Liabilities-

Particulars	As At March 31, 2016	As At March 31, 2015
Share Capital	65.00	65.00
Reserves and Surplus	(50.65)	(24.18)
Other Current Liabilities	0.03	22.01
Short Term Provisions	-	1.62
<b>TOTAL</b>	<b>14.38</b>	<b>64.45</b>



## Notes to the Financial Statements for the Year Ended March 31, 2016

- L.** Trade Payables includes Rs 63.02 Lakhs (P.Y Rs 80.21 Lakhs) due to Micro & Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006(MSMED Act). No principal and interest amount are paid / payable to the Suppliers registered under the MSMED Act beyond the appointed day during the year.

The above information has been provided, as available with the Company, to the extent such parties could be identified on the basis of the information available with the Company regarding the Status of Suppliers under the MSMED Act.

- M.** Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

- N.** Details of Raw Material Consumed:

Class of Goods	31.3.2016	31.3.2015
Steel	11,019.05	15,113.18
Zinc	1,693.80	1,940.08
Cotton	13,710.23	12,410.93
Coal	2,563.49	2,427.83
Others *	4,961.11	5,703.94
<b>Total</b>	<b>33,947.68</b>	<b>37,595.96</b>

\* Others do not include any individual item valuing more than 10% of total raw material consumed.

- O.** Value of Imported and Indigenous Raw Materials, packing materials, Stores, Spares etc. Consumed and % there to Total Consumption:

( ₹ In Lakhs)

Particulars	31.3.2016		31.3.2015	
<b>1) Raw Materials</b>				
Imported	1.31%	443.28	1.38%	518.36
Indigenous	98.69%	33,504.40	98.62%	37,077.60
<b>2) Packing Material</b>				
Imported	-	-	-	-
Indigenous	100%	1,192.20	100%	1,042.34
<b>3) Stores Items</b>				
Imported	3.12%	110.83	3.29%	95.20
Indigenous	96.88%	3445.75	96.71%	2,796.98

- P.** C.I.F Value of Imports

( ₹ In Lakhs)

	31.3.2016	31.3.2015
Raw Materials	422.03	484.98
Stores & Spares	103.34	92.34
Traded Goods	1624.25	8,681.11

- Q.** Earning in Foreign Currency

( ₹ In Lakhs)

	31.3.2016	31.3.2015
F.O.B Value of Exports	60,187.17	61,288.96
Interest Received	68.75	89.72
Guarantee Fees Received	68.41	18.80



## Notes to the Financial Statements for the Year Ended March 31, 2016

### R. Expenditure in Foreign Currency

(₹ In Lakhs)

Nature of Expenses	31.3.2016	31.3.2015
Professional Fees	11.39	71.70
Interest to Bank	49.79	69.34
Overseas Commission	824.12	738.99
Other Matters	535.97	543.84
<b>Total</b>	<b>1421.27</b>	<b>1423.87</b>

- S.** Trade Receivables/Advances/Trade Payables/Loans etc. have been taken as per books awaiting respective confirmation and reconciliation.
- T.** Previous Year figures have been regrouped or rearranged where considered necessary to make them Comparable with the Figures of Current Financial Year.
- U.** Figures in Financial Statements are converted into Lakhs and any discrepancies in any total and the sum of the amounts listed are due to Rounding-Off.
- V.** Additional information pursuant to Part II of Schedule III of the Companies Act, 2013 are either NIL or Not Applicable.

As per our report of even date

**For M. L. Sharma & Co.**

Firm Reg.No.109963W

Chartered Accountants

**(C. H. Bandi) Partner**

(M.No.5385)

**Place:** Mumbai

**Date :** May 30, 2016

**For and on behalf of Board of Directors**

**Sharad Kumar Saraf**

(Chairman & Managing Director)

[DIN 00035843]

**Ashish Kumar Saraf**

(Whole-time Director & CFO)

[DIN 00035549]

**Sudarshan Kumar Saraf**

(Co-Chairman & Managing Director)

[DIN 00035799]

**Neeraj Rai**

(Company Secretary)



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF

### TECHNOCRAFT INDUSTRIES (INDIA) LIMITED

#### Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of TECHNOCRAFT INDUSTRIES (INDIA) LIMITED ("the Holding Company), and its SUBSIDIARIES (the Holding Company and its Subsidiaries together referred to as "the Company" or "the Group"), and its Joint Ventures and jointly controlled entities, Comprising of the Consolidate Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit & Loss, the Consolidated Cash Flow Statement for the year then ended and a Summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

#### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Joint Ventures and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud and error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and place and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

7. 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 and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Joint Ventures and jointly controlled entities as at 31<sup>st</sup> March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Other Matters

8. We have also conducted the audit of the Financial Statement of Two Indian Subsidiaries, whose Financial Statements reflect total assets of ₹ 7,501.53 Lakhs as at 31st March 2016, total Operational Revenues of ₹ 8,416.86 Lakhs for the year then ended. The Assets & Revenue of the Foreign Subsidiaries of the Indian Subsidiaries are also included in the above. The financial statements and other financial information of these Foreign Subsidiaries are based on the Management estimates and are therefore UNAUDITED.
9. We have also conducted the audit of the Financial Statement of Indian Joint Venture whose Financial Statements reflect total assets of ₹ 22.13 Lakhs as at 31st March 2016, total Operational Revenues of ₹ NIL for the year then ended. The total assets & total revenue have been considered only to the extent of the shares of Technocraft Industries (India) Ltd i.e. 65% in the Joint Venture.



10. The Financial Statements of Technocraft International Limited UK, foreign subsidiary, reflects total assets of ₹ 2,973.76 Lakhs as at 31st March 2016, total Operational Revenues of ₹ 3,589.35 Lakhs for the year then ended. These financial statements and other financial information are based on the Management estimates and are therefore UNAUDITED.
11. The Financial Statements of Technocraft Trading Sp. Z O O., foreign subsidiary reflects total assets of ₹ 2,156.45 Lakhs as at 31st December 2015, total Operational Revenues of ₹ 2,702.22 Lakhs for the year then ended. These financial statements and other financial information have been AUDITED by the other auditors whose reports have been furnished to us, and our opinion, is based solely on the report of other auditors.
12. The Financial Statements of Technocraft Australia PTY Ltd, foreign subsidiary reflects total assets of ₹ 2,379.09 Lakhs as at 31st March 2016, total Operational Revenues of ₹ 5,067.76 Lakhs for the year then ended. These financial statements and other financial information are based on the Management's estimates and are therefore UNAUDITED.
13. The Financial Statements of Anhui Reliable Steel Company Ltd, foreign subsidiary reflects total assets of ₹ 5,639.62 Lakhs as at 31st December 2015, total Operational Revenues of ₹ 8,733.06 Lakhs for the year then ended. These financial statements and other financial information have been AUDITED by the other auditors whose reports have been furnished to us, and our opinion, is based solely on the report of other auditors.
14. The Financial Statements of Highmark International Trading, foreign subsidiary reflects total assets of ₹ 3,360.42 Lakhs as at 31st March 2016, total Operational Revenues of ₹ 6,081.28 Lakhs for the year then ended. These financial statements and other financial information are based on the Management estimates and are therefore UNAUDITED.
15. The Financial Statements of AAIT / Technocraft Scaffold Distribution LLC, foreign subsidiary reflects total assets of ₹ 2,322.75 Lakhs as at 31st March 2016, total Operational Revenues of ₹ 1,042.23 Lakhs for the year then ended. These financial statements and other financial information are based on the Management estimates and are therefore UNAUDITED.
16. Our opinion 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**

17. As required by section 143 (3) of the Act, we report 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 purpose of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained 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, 2014.
  - (e) On the basis of the Written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2016 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 Group 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 Auditors) 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 Point No. 6 of Note 28 to the consolidated financial statements.
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

**For M. L. SHARMA & CO.**  
FIRM REG. NO. 109963W  
CHARTERED ACCOUNTANTS

**Place of Signature:** Mumbai  
**Date:** May 30, 2016

**(C. H. BANDI) PARTNER**  
Membership No.5385





**THE ANNEXURE – “A” REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF TECHNOCRAFT INDUSTRIES (INDIA) LIMITED FOR THE YEAR ENDED 31ST MARCH, 2016. WE REPORT THAT:**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

1. In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of TECHNOCRAFT INDUSTRIES (INDIA) LIMITED (“the Holding Company”) and its subsidiary companies which are incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding company and its subsidiary companies which are incorporated in India, are 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 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 Companies Act, 2013.

**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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Holding Company and its subsidiary companies which are incorporated in India, have, 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 March 31, 2016, 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 ICAI.

**For M. L. SHARMA & CO.**  
FIRM REG. NO. 109963W  
CHARTERED ACCOUNTANTS

**Place of Signature:** Mumbai  
**Date:** May 30, 2016

**(C. H. BANDI) PARTNER**  
Membership No.5385



## Consolidated Balance Sheet as at March 31, 2016

		(₹ in Lakhs)	
Particulars	Note No	As on 31/03/2016	As on 31/03/2015
<b>Equities &amp; Liabilities</b>			
<b>1. Shareholder'S Fund</b>			
A. Share Capital	1	2,630.00	3,152.68
B. Reserves And Surplus	2	53,231.42	58,955.61
C. Capital Reserves On Consolidation		56.02	6.37
D. Foreign Currency Translation Reserves		54.11	(25.64)
E. Minority Interest		512.65	551.42
		<b>56,484.20</b>	<b>62,640.44</b>
<b>2. Non-Current Liabilities</b>			
A. Long Term Borrowings	3	2,697.45	1,482.15
B. Deffered tax liability		-	32.66
C. Other Non Current Liabilities	4	1,155.61	753.62
		<b>3,853.06</b>	<b>2,268.43</b>
<b>3. Current Liabilities</b>			
A. Short Term Borrowings	5	29,957.28	20,388.03
B. Trade Payable	6	1,651.99	6,848.92
C. Other Current Liabilities	7	5,503.74	4,402.59
D. Short Term Provision	8	871.75	2,543.49
		<b>37,984.76</b>	<b>34,183.03</b>
<b>Total</b>		<b>98,322.02</b>	<b>99,091.90</b>
<b>Assets</b>			
<b>1. Non Current Assets</b>			
A. Fixed Assets	9		
Tangible Assets		16,526.39	15,245.35
Intangible Assets		143.83	80.24
Capital W.I.P.		1,196.54	383.02
		<b>17,866.76</b>	<b>15,708.61</b>
B. Goodwill on Consolidation		1,144.95	523.49
C. Non Current Investments	10	7,278.22	19,199.88
D. Deferred Tax Asset		902.69	1,142.98
E. Long Term Loans & Advances	11	1,383.08	1,390.20
F. Other Non Current Assets	12	1,465.17	753.34
		<b>11,029.16</b>	<b>22,486.40</b>
<b>2. Current Assets</b>			
A. Current Investment	13	14,650.00	350.00
B. Inventories	14	21,466.85	22,759.66
C. Trade Receivables	15	18,149.56	24,373.35
D. Cash & Cash Equivalent	16	6,569.88	5,996.87
E. Short Term Loans & Advances	17	70.45	38.07
F. Other Current Assets	18	7,374.41	6,855.45
		<b>68,281.15</b>	<b>60,373.40</b>
<b>Total</b>		<b>98,322.02</b>	<b>99,091.90</b>

Significant Accounting Policies & Notes Forming Part of Accounts

28

**As per our report of even date**

**For M.L.Sharma & Co.**

Chartered Accountants

Firm Reg.No.109963W

**(C.H.Bandi) Partner**

M.No. 5385

**For and on behalf of Board of Directors**

**Sharad Kumar Saraf**

(Chairman & Managing Director)

[DIN 00035843]

**Sudarshan Kumar Saraf**

(Co-Chairman & Managing Director)

[DIN 00035799]

**Ashish Kumar Saraf**

(Whole-time Director & CFO)

[DIN 00035549]

**Neeraj Rai**

(Company Secretary)

**Place:** Mumbai

**Dated :** May 30, 2016



## Consolidated Statement Of Profit & Loss For The Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	Note No	As on 31/03/2016	As on 31/03/2015
<b>Revenue</b>			
Revenue From Operation (Gross)	19	92,918.15	103,677.82
Less: Excise Duty		804.01	794.76
		92,114.14	102,883.06
Other Income	20	1,676.45	1,464.15
<b>Total Revenue</b>		<b>93,790.59</b>	<b>104,347.21</b>
<b>Expenses</b>			
Trading Purchases		1,298.46	17,000.80
Cost of Material Consumed and Engineering & Design Charges	21	38,522.63	43,668.57
Changes In Inventories of Stock	22	2,154.30	(3,667.88)
Employee Benefits Expenses	23	11,434.90	9,169.94
Finance Cost	24	985.20	861.71
Depreciation & Amortisation		2,602.69	3,188.16
Other Expenses	25	23,674.94	23,240.70
<b>Total Expenses</b>		<b>80,673.12</b>	<b>93,462.00</b>
Profit/(Loss) Before Taxation		<b>13,117.47</b>	<b>10,885.21</b>
Tax Expenses	26		
Current Tax		3,938.87	3,580.05
Deferred Tax (Net)		207.63	(215.26)
Profit After Taxation		8,970.97	7,520.42
Adjusted Earning Per Share -Basic & Diluted (in ₹)	27	28.93	23.85
Significant Accounting Policies & Notes Forming Part of Accounts	28		

As per our report of even date

For M.L.Sharma & Co.

Chartered Accountants

Firm Reg.No.109963W

(C.H.Bandi) Partner

M.No. 5385

Place: Mumbai

Dated : May 30, 2016

For and on behalf of Board of Directors

Sharad Kumar Saraf

(Chairman & Managing Director)

[DIN 00035843]

Sudarshan Kumar Saraf

(Co-Chairman & Managing Director)

[DIN 00035799]

Ashish Kumar Saraf

(Whole-time Director & CFO)

[DIN 00035549]

Neeraj Rai

(Company Secretary)



## Consolidated Cash Flow Statement For Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax but after exceptional/extraordinary items	13,117.47	10,885.21
Adjustments for:		
Depreciation & Amortisation	2,602.69	3,188.16
Interest Expenses	787.00	598.79
Interest Income	(562.46)	(481.14)
Dividend Received	(0.02)	(0.02)
Rent Received	(380.70)	(453.43)
(Profit) on sale of Fixed Assets	(74.34)	(0.14)
(Profit) on sale of Investments	(323.28)	(227.76)
Loss on Sale of Assets	0.15	2.84
(Gain) / Loss on Exchange (Net)	(21.16)	662.68
<b>Operating profit before working capital changes</b>	<b>15,145.35</b>	<b>14,175.19</b>
<b>Adjustments for changes in working capital :</b>		
- (INCREASE)/DECREASE in Trade Receivables	6,223.79	3,545.95
- (INCREASE)/DECREASE in Other Receivables	1,335.30	(256.75)
- (INCREASE)/DECREASE in Inventories	1,292.81	(4,822.47)
- INCREASE/(DECREASE) in Trade Payables & Other Liabilities	(7,988.73)	(1,037.95)
<b>Cash generated from operations</b>	<b>16,008.52</b>	<b>11,603.98</b>
- Taxes (Paid) / Received	(3,584.93)	(4,499.68)
- Gain on Exchange (Net)	21.16	(662.68)
<b>Net cash from operating activities (A)</b>	<b>12,444.75</b>	<b>6,441.62</b>
<b>B. Cash flow from Investing activities:</b>		
Purchase of fixed assets	(4,673.15)	(4,637.67)
Proceeds from Sale of fixed assets	103.37	14.90
Translation Differences & Other adjustments of Fixed Assets (net)	(116.86)	(45.19)
Net realisation on Sale of Investments	14,042.26	4,582.76
Net additions to investments :	(16,887.17)	(9,310.00)
Net Investments in Term Deposits (having Original Maturity of more than 3 months)	2,322.33	(419.28)
Interest Received	591.22	299.79
Dividend Received	0.02	0.02
Rent Income Received	380.70	453.43
<b>Net cash used in investing activities (B)</b>	<b>(4,237.28)</b>	<b>(9,061.24)</b>
<b>C. Cash flow from financing activities:</b>		



## Consolidated Cash Flow Statement For Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Term Loans From Bank (net)	1,638.70	1,065.84
Short term borrowings (net)	9,569.25	5,297.41
Buy Back of Shares	(14,112.23)	-
Interest Paid	(787.00)	(598.79)
Dividend Paid	(789.00)	(1,576.34)
Dividend Distribution Tax Paid	(160.62)	(267.90)
<b>Net cash used in financing activities (C)</b>	<b>(4,640.89)</b>	<b>3,920.22</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+ (C)	3,566.58	1,300.60
Cash and cash equivalents at the beginning of the year	2,388.65	1,088.05
<b>Cash and cash equivalents at the end of the year</b>	<b>5,955.23</b>	<b>2,388.65</b>
<b><u>Cash and cash equivalents comprise</u></b>		
Cash on hand	18.49	57.76
Balance with Scheduled Banks		
In Current	5,909.79	2,313.60
In Unclaimed Dividend Account	26.95	17.29
	<b>5,955.23</b>	<b>2,388.65</b>

### Notes to the Cash Flow Statement

- 1 The above Cash flow statement has been prepared under the indirect method setout in AS-3 issued by The Institute of Chartered Accountants of India.
- 2 Figures in brackets indicate cash outgo.
- 3 The above Cash & Cash Equivalent does not include Term Deposits having Original Maturity of more than 3 Months.
- 4 Previous period figures have been regrouped / rearranged to make them Comparable with the Current Year Figures.

**As per our report of even date**

**For M.L.Sharma & Co.**

Chartered Accountants  
Firm Reg.No.109963W

**(C.H.Bandi) Partner**

M.No. 5385

**For and on behalf of Board of Directors**

**Sharad Kumar Saraf**

(Chairman & Managing Director)  
[DIN 00035843]

**Sudarshan Kumar Saraf**

(Co-Chairman & Managing Director)  
[DIN 00035799]

**Place:** Mumbai

**Dated :** May 30, 2016

**Ashish Kumar Saraf**

(Whole-time Director & CFO)  
[DIN 00035549]

**Neeraj Rai**

(Company Secretary)



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

₹ in Lakhs

PARTICULARS	As on 31/03/2016	As on 31/03/2015
<b>Note No. 1</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
4,00,00,000 (P.Y 4,00,00,000 ) Equity Shares of Rs 10/- each	4,000.00	4,000.00
	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued,Subscribed &amp; Paid-Up</b>		
2,63,00,000 (P.Y 3,15,26,750 ) Equity Shares of ₹10/- each	2630.00	3,152.68
fully Paid Up	<b>2630.00</b>	<b>3,152.68</b>

- The Company Has Only One Class of Equity Shares Having A Par Value of ₹ 10 /- Per Share. Each Shareholder Is Eligible For One Vote Per Share
- The Reconciliation of the Number of Shares Outstanding at the Year End Is Set Out Below :

Particulars	Equity Shares			
	As at March 31 2016		As at March 31 2015	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the beginning of the year	31,526,750	3,152.68	31,526,750	3,152.68
Shares Issued during the year	-	-	-	-
Shares bought back during the year	5,226,750	522.68	-	-
Shares outstanding at the end of the year	26,300,000	2,630.00	31,526,750	3,152.68

- The Details of Shareholders Holding More than 5% Shares Is Set Out Below :

Name Of Shareholders	As at March 31 2016		As at March 31 2015	
	No. of Share held	% of Holding	No. of Share held	% of Holding
	Number		Number	
Shakuntala Saraf	5,701,135	21.67	6,739,512	21.37
Shantidevi Saraf	2,587,040	9.84	3,058,230	9.40
Sharad Kumar Madhoprasad HUF	2,431,995	9.24	2,874,946	9.12
Sudarshan Kumar Saraf	7,493,164	28.49	8,750,652	27.76

- Pursuant to the approval of the Board of Directors and the Shareholders of the Company under Section 68 of the Companies Act, 2013 and regulations as specified in the "Securities and Exchange Board of India (BuyBack of Securities) Regulations 1998" and amendments thereto (the "Regulations"), the Company has bought back and extinguished 52,26,750 equity Shares at the rate of Rs 270/- per Share for a total consideration of Rs 14,112.22 lakhs, on proportionate basis through the "Tender Offer" by utilising Rs 6,102.71 lakhs from General Reserves and Rs 7,486.84 lakhs from Security Premium.  
In terms of Section 69 of the Companies Act, 2013, Capital Redemption Reserve of Rs 522.68 lakhs (sum equal to nominal value of Shares so bought back) has created out of General Reserve.
- 52,26,750 (P.Y NIL) Equity Shares were bought back and extinguished in the last five years
- Other disclosures pursuant to Note no. 6 of Part I of Schedule III to the Companies Act, 2013 is either Nil or not applicable to the Company.





## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

PARTICULARS	As on March 31, 2016	As on March 31, 2015
<b>Note No. 2</b>		
<b>Reserves And Surplus</b>		
General Reserves		
As Per Last Balance Sheet	29,700.00	28,450.00
Add : Transferred from Surplus of Current Year	-	1,250.00
Add : Transferred from Revaluation Reserve #	51.46	-
Less : Premium on Equity Shares bought back	6,102.71	-
Less : Transferred to Capital Redemption Reserve	522.68	-
	<b>23,126.07</b>	<b>29,700.00</b>
<b>Capital Reserve</b>		
As Per Last Balance Sheet	20.51	20.51
	<b>20.51</b>	<b>20.51</b>
<b>Capital Redemption Reserve</b>		
As Per Last Balance Sheet	2.50	2.50
Add : Transferred during the year	522.68	-
	<b>525.18</b>	<b>2.50</b>
<b>Revaluation Reserve</b>		
As Per Last Balance Sheet	208.97	214.64
Less : Transferred to General Reserve #	51.46	-
Less : Transferred from Fixed Assets	-	5.67
	<b>157.51</b>	<b>208.97</b>
<b>Securities Premium</b>		
As Per Last Balance Sheet	7,599.83	7,599.83
Less : Premium on equity shares bought back	7,486.84	-
	<b>112.99</b>	<b>7,599.83</b>
<b>Surplus In Statement of Profit And Loss</b>		
As Per Last Balance Sheet	21,423.80	17,389.21
Add : Opening Balances of Reserves of Technosoft Eng. Inc.USA	63.78	-
Add : Net Profit for the Period	8,970.97	7,520.42
	<b>30,458.55</b>	<b>24,909.63</b>
Less: Interim Dividend # #	789.00	1,576.34
Less: Dividend Distribution Tax on Interim dividend	160.62	320.91
Less: Transferred To General Reserves	-	1,250.00
Less: Tax Adjustment of Earlier Years (Net)	208.21	19.11
Less : Transtional effects on Revision of Depreciation on useful life of Assets in accordance with Schedule II of the Companies Act ,2013.(net of Deferred Tax )	-	185.19
Less: Profit Adjustment of Earlier Years	67.86	39.98
Less : Share of Minority Interest in Profit	(56.30)	94.30
	<b>1,169.39</b>	<b>3,485.83</b>
	<b>29,289.16</b>	<b>21,423.80</b>
<b>Total</b>	<b>53,231.42</b>	<b>58,955.61</b>

# Rs 4.48 lakhs on account of Depreciation on Revalued Assets & Rs 46.98 Lakhs on account of those Revalued Assets whose useful life has become NIL as per Schedule II to the Companies Act,2013.

# # Interim Dividend Paid to the Equity Shareholders is Rs 3/- per Equity Share (P.Y Rs 5/- per Equity Share)



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>Note No. 3</b>		
<b>Long Term Borrowing</b>		
Term Loans (Secured)		
Bank of India,	2,620.25	1,388.23
( Terms of Repayment - 5 Years)		
( Rate of Interest - 11.30 % p.a)		
Royal Bank of Scotland ,Manchester	73.25	93.92
( Terms of Repayment - 20 Years)		
( Rate of Interest - 2.4% p.a )		
Marlin Business Bank	3.95	-
( Terms of Repayment 3 & 4 Years)		
<b>Total</b>	<b>2,697.45</b>	<b>1,482.15</b>

### Notes :

1. Term Loan From Bank of India Is Secured Against Hypothecation of Plant & Machinery & Equipment Purchased out of Term Loan And Also Against Equitable Mortgage of Specific Immovable Properties of Yarn Divisions.
2. The Term Loan taken from Royal Bank of Scotland, Manchester by Technocraft International UK is secured by First Legal Charge over their Freehold Property .
3. The term Loan from Marlin Business Bank is secured against the Vehicle financed by the Loan

### Note No. 4

#### Other Non Current Liabilities

Sundry Deposits	395.13	315.01
Provision for Gratuity	58.38	-
Provision for Leave Salary Encashment	150.49	-
Other Liabilities	551.61	438.61
<b>Total</b>	<b>1155.61</b>	<b>753.62</b>

### Note No. 5

#### Short Term Borrowings

##### Secured - From Banks

1. Bank of India - Cash Credit	1,187.52	159.49
2. Bank of India - Overdraft	90.59	75.26
3. IDBI Bank - Overdraft	175.29	274.66
4. Bank of India Rupee Packing Credit	1,853.43	
5. Industrial And Commercial Bank of China Working Capital	1,330.71	1,307.80
6. CITI Bank Working Capital Loan (Poland & China)	2,848.77	2,109.71
7. Bank of India Manchester - Working Capital	1,029.13	1,073.85
8. Citi Bank Rupee Packing Credit	8,632.60	-
9. HDFC Bank Rupee Packing Credit	4,672.56	-
10. CITI Bank \$ Packing Credit	-	6,787.83
11. HDFC \$ Packing Credit	-	2,323.25
	<b>21820.60</b>	<b>14111.85</b>



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

PARTICULARS	As on March 31, 2016	As on March 31, 2015
<b>Unsecured Loans</b>		
<b>From Banks</b>		
1. Canadian Imperial Bank of Commerce-Overdraft	20.74	139.70
2. Commonwealth Bank \$ Packing Credit	24.82	1,844.48
3. BNP Paribus Rupee Packing Credit	3,000.00	-
4. First Strand Bank \$ Packing Credit	-	1,840.98
5. DBS Bank Rupee Packing Credit	1,534.50	1,002.88
6. Common Wealth Bank Rupee Packing Credit	1,800.00	-
7. Common Wealth Bank ,Australia	253.27	-
	<b>6633.33</b>	<b>4828.04</b>
<b>From Directors</b>	329.02	-
(Terms of Repayment -On Demand )		
From Other Related Parties	1055.43	1,220.92
(Terms of Repayment -On Demand )		
From Others	118.90	227.22
(Terms of Repayment -On Demand )		
	1503.35	1448.14
<b>Total</b>	<b>29,957.28</b>	<b>20,388.03</b>

### Notes :

- Cash Credit From Bank of India is Secured Against the Hypothecation of Stock And Book Debts Both Present & Future
- Overdraft from Bank of India Are Secured Against the Fixed Deposits of the Company.
- Overdraft from IDBI Bank Are Secured Against the Fixed Deposits of the Company.
- Export Packing Credit Against L/Cs. Confirmed Orders From Bank of India are Secured Against the Hypothecation of Stock & Book Debts both Present & Future.
- Working Capital Loan taken by Anhui Reliable Steel Technology Company Ltd from Industrial & Commercial Bank of China are secured against Mortgage of the Company Land use Rights
- Working Capital Loan taken by Technocraft Trading Spolka & Anhui Reliable Steel Technology Company Ltd from CITI Bank (Poland & China) are secured against the Stand by Letter of Credit (SBLC) provided by the Parent Company. SBLC is secured against the Hypothecation of Stock & Book Debts both Present & Future and Fixed Assets & Equitable Mortgage of the Parent Company Specific Immovable Properties.
- Working Capital Loan taken by Technocraft International Limited from Bank of India Manchester is secured by Mortgage and General charge (Debentures) on the Company's Fixed & Floating Assets and a Corporate Guarantee from the Parent Company
- Export Packing Credit Against L/Cs. Confirmed Orders From CITI Bank are Secured Against the Hypothecation of Stock & Book Debts both Present & Future and Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties.
- Export Packing Credit Against L/Cs. Confirmed Orders from HDFC Bank are Secured Against the Hypothecation of Stock & Book Debts both Present & Future and Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties.



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>Note No. 6</b>		
<b>Trade Payable</b>		
1. Trade Payables		
Due to Micro & Small Enterprises	66.08	80.21
Other than Micro & Small Enterprises	1,585.91	6,768.71
<b>Total</b>	<b>1,651.99</b>	<b>6,848.92</b>
<b>Note No. 7</b>		
<b>Other Current Liabilities</b>		
1. Current Maturity on Long Term Loans	777.68	354.28
2. Liabilities For Expenses	3,742.16	3,285.72
3. Advances From Customers	513.48	319.41
4. Tds Payable	94.67	88.00
5. Statutory Dues to the Government Department	143.35	67.06
6. Other Liabilities Including Sundry Deposits	47.91	66.17
7. Bank Balances (Temporary Overdrawn)	157.54	204.66
8. Unclaimed Dividend	26.95	17.29
<b>Total</b>	<b>5,503.74</b>	<b>4,402.59</b>
<b>Note No. 8</b>		
<b>Short Term Provisions</b>		
Provisions For Employee Benefits		
Provision For Leave Salary Encashment	51.73	162.77
Provision For Gratuity	644.53	483.47
Others		
Proposed Dividend	-	1,576.34
Provision for Dividend Distribution Tax	-	320.91
Provision For Taxation	19,690.62	-
Less : Advance Tax	175.49	-
<b>Total</b>	<b>871.75</b>	<b>2,543.49</b>



# Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

## Note 9 - CONSOLIDATED FIXED ASSETS

Rs in Lakhs

	GROSSBLOCK								DEPRECIATION								NETBLOCK		
Description	As on 01.04.2015	Revaluation of assets as on 25/07/94	Adjustment due to Foreign Exc. Fluctuation	Additions (Refer Note 1 below)	Other Adjustments	Additions during the period	Sales / Transfer	As on 31.03.2016	Upto 01.04.2015	Adjustment due to Foreign Exc. Fluctuation	Accumulated Depreciation (Refer Note 1 below)	Other adjustments	On cost	Deductions	Transfer to Revaluation Reserve for the period	Transfer to Retained Earnings	Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
<b>1. TANGIBLE ASSETS</b>																			
<b>A. LAND AND BUILDING</b>																			
1. Leasehold Land	774.73	207.00	10.97	5.81	1.50	10.15	-	1,010.16	115.29	0.91	1.99	1.51	16.70	-	-	-	136.40	873.75	866.44
2. Factory Building	9,335.60	397.60	23.31	-	0.74	272.12	-	10,029.37	4,832.70	5.29	-	4.34	389.46	-	-	-	5,231.80	4,797.57	4,900.50
3. Office Premises	1,114.86	227.83	-	-	-	-	-	1,342.69	425.71	-	-	(0.01)	44.21	-	-	-	469.91	872.78	916.98
4. Worker's Quarters	71.13	-	-	-	-	-	-	71.13	46.30	-	-	(0.01)	1.19	-	-	-	47.48	23.65	24.83
5. Staff Quarters	366.10	20.06	-	-	-	-	-	386.16	212.55	-	-	-	8.16	-	-	-	220.70	165.46	173.61
6. Car Parking Space	0.01	4.99	-	-	-	-	-	5.00	4.02	-	-	(0.01)	0.17	-	-	-	4.18	0.82	0.98
7. Tube-Well	13.16	-	-	-	-	-	-	13.16	11.46	-	-	-	0.68	-	-	-	12.14	1.02	1.70
8. Shops	337.81	-	-	-	-	-	-	337.81	129.45	-	-	-	10.06	-	-	-	139.51	198.30	208.36
9. Residential Flat	784.97	-	46.44	-	-	-	-	831.41	27.40	1.62	-	(3.19)	55.46	-	-	-	81.29	750.12	757.57
<b>B. PLANT &amp; MACHINERY</b>																			
1. Machinery/Pollution equip.	29,875.26	217.64	5.24	-	(14.51)	# 3086.21	292.84	32,877.00	23,490.09	1.78	-	(18.51)	1,664.91	265.20	-	-	24,873.08	8,003.92	6,602.81
2. Electrical Installation	1,130.26	-	-	-	(9.55)	37.37	-	1,158.08	827.93	-	-	(3.11)	100.00	-	-	-	924.82	233.26	302.33
3. Computers	731.07	-	1.53	55.02	-	81.09	-	868.70	657.90	1.39	48.24	-	56.57	-	-	-	764.09	104.61	73.17
4. Air Conditioner & Office Equipments	331.87	-	0.81	39.45	16.51	58.32	-	446.96	250.62	0.57	37.28	8.25	45.42	-	-	-	342.14	104.82	81.25
5. Motor Car & Vehicles	392.32	-	1.71	-	8.61	119.66	41.26	481.04	248.11	1.26	-	10.60	62.09	39.73	-	-	282.33	198.71	144.21
6. Weighing Scale	10.88	-	-	-	-	1.42	-	12.30	8.57	-	-	-	0.61	-	-	-	9.18	3.12	2.31
7. Forklift	82.21	-	-	35.86	7.71	-	-	125.78	77.75	-	15.55	0.02	4.59	-	-	-	97.91	27.87	44.6
8. Generator	437.67	-	-	-	(7.71)	-	-	429.96	415.81	-	-	-	2.68	-	-	-	418.49	11.47	21.86
9. Weighing Bridge	24.86	-	-	-	-	-	-	24.86	16.01	-	-	-	1.93	-	-	-	17.94	6.92	8.85
10. Water Cooler	0.53	-	-	-	(0.37)	-	-	0.16	0.42	-	-	(0.28)	0.01	-	-	-	0.15	0.01	0.11
11. JCB (Crane)	21.00	-	-	-	-	-	-	21.00	13.02	-	-	-	1.43	-	-	-	14.45	6.55	7.98
12. Trolley	1.10	-	-	-	-	-	-	1.10	0.46	-	-	-	0.12	-	-	-	0.58	0.52	0.64
13. Water Filtration Plant	4.43	-	-	-	-	-	-	4.43	1.57	-	-	-	0.54	-	-	-	2.11	2.32	2.86
14. Laboratory Equipments	32.48	-	-	-	-	6.49	-	38.97	11.20	-	-	-	6.46	-	-	-	17.66	21.31	21.28

## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

### Note 9 - CONSOLIDATED FIXED ASSETS

<b>C. FURNITURE &amp; FIXTURES</b>	438.91	-	0.71	6.45	(0.24)	29.70	-	475.54	318.65	0.70	3.25	(0.09)	35.53	-	-	358.04	117.50	120.26
<b>Total (I)</b>	<b>46,313.22</b>	<b>1,075.12</b>	<b>90.72</b>	<b>142.59</b>	<b>2.69</b>	<b>3,702.53</b>	<b>334.10</b>	<b>50,992.77</b>	<b>32,142.99</b>	<b>13.52</b>	<b>106.31</b>	<b>(0.49)</b>	<b>2,508.98</b>	<b>304.93</b>	<b>-</b>	<b>34,466.38</b>	<b>16,526.39</b>	<b>15,245.35</b>
<b>2. INTANGIBLE ASSETS</b>																		
1. Computer Software	403.95	-	0.92	152.84	-	157.10	-	714.81	323.71	0.91	152.65	-	93.71	-	-	570.98	143.83	80.24
2. Distribution Rights	22.88	-	-	-	-	-	22.88	-	22.88	-	-	-	-	22.88	-	-	-	-
<b>Total (II)</b>	<b>426.83</b>	<b>-</b>	<b>0.92</b>	<b>152.84</b>	<b>-</b>	<b>157.10</b>	<b>22.88</b>	<b>714.81</b>	<b>346.59</b>	<b>0.91</b>	<b>152.65</b>	<b>-</b>	<b>93.71</b>	<b>22.88</b>	<b>-</b>	<b>570.98</b>	<b>143.83</b>	<b>80.24</b>
<b>TOTAL (I+II)</b>	<b>46,740.05</b>	<b>1,075.12</b>	<b>91.64</b>	<b>295.43</b>	<b>2.69</b>	<b>3,859.63</b>	<b>356.98</b>	<b>51,707.58</b>	<b>32,489.58</b>	<b>14.43</b>	<b>258.96</b>	<b>(0.49)</b>	<b>2,602.69</b>	<b>327.81</b>	<b>-</b>	<b>35,037.36</b>	<b>16,670.22</b>	<b>15,325.59</b>
Previous Year	43,127.51	1,075.12	46.59	-	59.39	4,236.30	729.74	47,815.17	29,718.62	1.40	-	(3.57)	3,188.16	700.96	5.67	32,489.58	15,325.59	14,484.01
<b>Capital Work in Progress</b>	<b>383.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,620.02</b>	<b>1,806.50</b>	<b>1,196.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,196.54</b>	<b>383.02</b>	<b>-</b>

#### Notes

- 1) Represents the opening Balances of Gross Block & Accumulated Depreciation of AAIT / Technocrat Scaffold Distribution LLC (new acquisition) & Technosoft Engineering Inc. which was Consolidated for the First time in the F.Y 2015-16
- 2) # net of capital Subsidy of Rs 7.69 Lakhs receivable on Plant & Machinery Purchased under Technology Upgradation Fund Scheme of Government of India
- 3) Land use rights has been merged with the Leasehold Land in the Current year & accordingly previous year figures have been regrouped/ rearranged





## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>Note No. 10</b>		
<b>Non Current Investments : - (At Cost)</b>		
<b>1. Trade</b>		
<b>A. Investment In Equity Shares of Subsidiaries (Unquoted)</b>		
(a) Shares of Technosoft Engineering Inc. (Formerly known as Impact Engineering Solutions Inc.) ( No of Shares 1,996.80 )	-	789.84
	-	789.84
<b>2. Other Than Trade</b>		
<b>A. Investment in Shares of Co-Operative Society ( Un quoted)</b>		
(a) 30 Shares (P.Y.30) of ₹50/- Each Of Mittal Court Premises Co-Op. Society Ltd.	0.02	0.02
(b) 15 Shares (P.Y.15) Of ₹50/- Each of Udit Mittal Court Industrial Premises Co-Op.Society Ltd.	0.01	0.01
(c) 10 Shares (P.Y.10) of ₹50/- Each of Green Lawns Co op Society Ltd	0.01	0.01
	0.04	0.04
<b>B. Investment in Properties (Unquoted)</b>		
Ownership Premises	323.19	-
	323.19	-
<b>C. Investment In Mutual Fund (Quoted)</b>		
CFIL NCD SERIES 2013/01/481 ( NIL) (P.Y.1,005 Debentures of ₹1,00,000/- Each )	-	1,005.00
CFIL NCD SERIES 2014/01/531 (505 Debentures of ₹1,00,000/- Each) (P.Y.505 Debentures)	505.00	505.00
HDFC FMP 371D AUGUST 2013 (1) ( NIL) (P.Y.1,00,00,000 Units at ₹10/- Each)	-	1,000.00
HDFC FMP 372D DECEMBER 2013 (1) ( NIL) (P.Y.50,00,000 Units of Rs 10/- Each )	-	500.00
HDFC FMP 369D JANUARY 2014 (1) ( NIL) (P.Y.1,50,00,000 Units of ₹10/- Each )	-	1,500.00
HDFC FMP 371D JANUARY 2014 (1) ( NIL) (P.Y.1,50,00,000 Units of ₹10/- Each)	-	1,500.00
HDFC FMP 369D FEBRUARY 2014 (1) (50,00,000 Units of ₹10/- Each ) (P.Y.50,00,000 Units )	500.00	500.00
HDFC FMP 372D FEBRUARY 2014 (1) (50,00,000 Units of ₹10/- Each ) (P.Y.50,00,000 Units )	500.00	500.00
HDFC FMP 369D APRIL 2014 (1) (35,00,000 Units of ₹10/- Each) (P.Y.NIL)	350.00	-
HDFC FMP 1123D JULY 2014 (1) (60,00,000 Units of ₹10/- Each) (P.Y.60,00,000 Units )	600.00	600.00
HDFC FMP 1113D AUGUST 2014 (1) (1,00,00,000 Units of ₹10/- Each) (P.Y.1,00,00,000 Units )	1,000.00	1,000.00





## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	As on March 31, 2016	As on March 31, 2015
HDFC FMP 1157D FEBRUARY - 2015 (1) (30,00,000 Units of ₹10/- Each) (P.Y.30,00,000 Units )	300.00	300.00
HDFC FMP 1135D MARCH 2015 (1) (1,00,00,000 Units of ₹10/- Each) (P.Y.1,00,00,000 Units )	1,000.00	1,000.00
HDFC FMP 1126D JULY 2015 (1) (55,00,000 Units of ₹10/- Each) (P.Y.NIL)	550.00	-
HDFC FMP 1114D MARCH 2016 (1) (50,00,000 Units of ₹10/- Each) (P.Y.NIL)	500.00	-
HDFC FMP 1190D MARCH 2016 (1) (50,00,000 Units of ₹10/- Each) (P.Y.NIL)	500.00	-
HDFC MF.MONTHLY INCOME PLAN ( NIL) (P.Y.29,08,651.017 Units of ₹34.28/- Each)	-	1,000.00
HDFC SHORT TERM OPORTUNITIES FUND ( NIL) (P.Y.1,58,55,434.76 Units of Rs 12.61/-Each )	-	2,000.00
ICICI PRUDENTIAL FMP SER 77-1473 DAY (50,00,000 Units of ₹10/- Each) (P.Y.NIL)	500.00	-
ICICI PRUD.TIAL MONTHLY INCOME PLAN ( NIL) (P.Y.49,14,791 Units of Rs 30.52/- EACH )	-	1,500.00
RELIANCE FIXED HORIZON FUND XXIV-2 ( NIL) (P.Y. 50,00,000 Units of ₹10/- EACH )	-	500.00
RELIANCE FIXED HORIZON FUND XXIV-4 ( NIL) (P.Y.1,00,00,000 Units of Rs 10/- Each )	-	1,000.00
RELIANCE FIXED HORIZON FUND XXVII-4 ( NIL) (P.Y.1,00,00,000 Units of Rs 10/- Each )	-	1,000.00
RELIANCE REGULAR SAVINGS FUND-DEBT (NIL) (P.Y.30,85,562.652 Units of ₹16.2045/- Each )	-	500.00
RELIANCE SHORT TERM FUND ( NIL) (P.Y.45,10,796.99 Units of ₹22.17/- Each )	-	1,000.00
HDFC FMP 1132 D Feburary 2016 (5,00,000 Units of Rs 10/- Each) (P.Y NIL)	50.00	-
HDFC Equity Fund (22,351.513 Units of Rs 447.397/- Each ) (P.Y NIL)	100.00	-
	<u>6,955.00</u>	<u>18,410.00</u>
	<u>7,278.22</u>	<u>19,199.88</u>
Book Value Of Unquoted Investment	323.22	789.88
Book Value Of Quoted Investment	6,955.00	18,410.00
Market Value Of Quoted Investment	7,674.15	20,221.73



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>Note No. 11</b>		
<b>Long Term Loans &amp; Advances</b>		
Capital Advances	1,167.71	1,182.50
Other Loans & Advances	215.37	207.70
<b>Total</b>	<b>1,383.08</b>	<b>1,390.20</b>
<b>Note No. 12</b>		
<b>Other Non Current Assets</b>		
Balance With Scheduled Banks		
In Fixed Deposit Accounts Due After 12 Months ( Fixed Deposits are Pledged against Bank Overdraft )	702.74	531.50
Fixed Deposits with HDFC Limited	500.00	-
Mat Credit Receivable	7.75	7.75
Deposit With Government Departments	236.66	214.09
Other Deposits	18.01	-
<b>Total</b>	<b>1,465.17</b>	<b>753.34</b>
<b>Note No. 13</b>		
<b>Current Investments ( Non- Trade)</b>		
Quoted		
HDFC FMP 369D APRIL 2014 (1) ( NIL ) (P.Y.35,00,000 Units of ₹10/- Each)	-	350.00
HDFC FMP 369D JANUARY 2014 (1) (1,50,00,000 Units of ₹10/- Each) (P.Y.NIL)	1500.00	-
HDFC FMP 371D JANUARY 2014 (1) (1,50,00,000 Units of ₹10/- Each) (P.Y.NIL)	1500.00	-
HDFC FMP 371D AUGUST 2013 (1) (1,00,00,000 Units of ₹10/- Each) (P.Y.NIL)	1000.00	-
HDFC FMP 372D DECEMBER 2013 (1) (50,00,000 Units of ₹10/- Each) (P.Y.NIL)	500.00	-
HDFC MF.MONTHLY INCOME PLAN (43,59,133.012 Units of ₹34.41/- Each) (P.Y.NIL)	1500.00	-
HDFC SHORT TERM OPORTUNITIES FUND (1, 58,55,434.76 Units Of ₹ 12.61/- Each) (P.Y.NIL)	2000.00	-
ICICI PRUD.TIAL MONTHLY INCOME PLAN (65,52,921.437 Units of ₹30.99/- Each) (P.Y.NIL)	2000.00	-
RELIANCE FIXED HORIZON FUND XXIV-2 (50,00,000 Units of ₹10/- Each) (P.Y.NIL)	500.00	-
RELIANCE FIXED HORIZON FUND XXIV-4 (1,00,00,000 Units of ₹10/- Each) (P.Y.NIL)	1000.00	-
RELIANCE FIXED HORIZON FUND XXIX-2 (60,00,000 Units of ₹10/- Each) (P.Y.NIL)	600.00	-



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	As on March 31, 2016	As on March 31, 2015
RELIANCE FIXED HORIZON FUND XXVII-4 (1,00,00,000 Units of ₹10/- Each) (P.Y.NIL)	1000.00	-
RELIANCE REGULAR SAVINGS FUND-DEBT (30,85,562.652 Units of ₹16.2045/- Each) (P.Y.NIL)	500.00	-
RELIANCE SHORT TERM FUND (45,10,796.99 Units of ₹22.17/- Each) (P.Y.NIL)	1000.00	-
HDFC BALANCED FUND (48,335.331 Units of Rs 103.444/- Each ) (PY NIL)	50.00	-
	<b>14,650.00</b>	<b>350.00</b>
Book Value Of Quoted Investment	14,650.00	350.00
Market Value of Quoted Investment	17,385.22	381.84
<b>Note No. 14</b>		
<b>Inventories</b>		
(As Taken, Valued And Certified By Management)		
Finished Goods	7,961.09	9,919.82
Raw Material	7,981.08	7,338.08
Scrap	114.42	137.73
Stores & Spares	1,296.08	1,103.44
Packing Materials	267.03	231.66
Fuel & Oil	46.53	56.06
Semi - Finished Goods	1,651.26	2,564.14
Land (WIP)	2,149.36	1,408.73
<b>Total</b>	<b>21,466.85</b>	<b>22,759.66</b>
<b>Note No. 15</b>		
<b>Trade Receivables</b>		
(Un-Secured Considered Good by the Management )		
Debts Outstanding for more than Six Months	1,081.44	2,016.99
Other Debts	17,068.12	22,356.36
<b>Total</b>	<b>18,149.56</b>	<b>24,373.35</b>
<b>Note No. 16</b>		
<b>Cash And Cash Equivalents</b>		
Bank Balances With Scheduled Bank		
In Current Accounts	5,909.79	2,313.60
In Fixed Deposit Accounts Between 3 & 12 Months Initial Maturity (Fixed deposits are pledged against Bank Overdraft Account)	614.65	808.22
In Unclaimed Dividend Accounts	26.95	17.29
Cash In Hand	18.49	57.76
Fixed Deposits with HDFC Limited	-	2,800.00
<b>Total</b>	<b>6,569.88</b>	<b>5,996.87</b>



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>Note No. 17</b>		
<b>Short Term Loans And Advances</b>		
(Un-Secured Considered Good by the Management)		
Staff / Workers Advances	70.45	38.07
<b>Total</b>	<b>70.45</b>	<b>38.07</b>
<b>Note No. 18</b>		
<b>Other Current Assets</b>		
Balance With Sales Tax Department	3919.71	2,872.67
Balance With Central Excise Department	365.58	182.11
Deposits	321.61	398.61
Prepaid Expenses	238.06	173.75
Others Receivables	2529.45	2,926.25
Advance Tax	-	18,181.14
Less Provision for Taxation	-	17,879.08
<b>Total</b>	<b>7,374.41</b>	<b>6,855.45</b>
<b>Note No. 19</b>		
<b>Revenue From Operation (Gross)</b>		
Sales of Product	80,605.93	92,931.34
Sales of Services-Gross	7,041.07	4,484.62
(Tds deducted Rs 11.59 Lakhs; P.Y Rs 8.72 Lakhs)		
Other Operating Revenue	5,271.15	6,261.86
<b>Total</b>	<b>92,918.15</b>	<b>103,677.82</b>
<b>Note No. 20</b>		
<b>Other Income</b>		
Interest Income-Gross	562.46	481.14
(Tds deducted Rs 42.61 Lakhs ; P.Y Rs 29.42 Lakhs)		
Other Non-Operating Income	388.83	301.80
Profit on Sale of Investment-Gross	323.28	227.76
(Tds deducted Rs 2.20 Lakhs; P.Y Nil)		
Rent Received-Gross	380.70	453.43
(Tds deducted Rs 34.54 Lakhs P.Y Rs 34.30 Lakhs)		
Dividend Received	0.02	0.02
Difference in Foreign Currency (Net)	21.16	-
<b>Total</b>	<b>1,676.45</b>	<b>1,464.15</b>



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>Note No. 21</b>		
<b>Cost of Raw Material Consumed and Engineering &amp; Designing</b>		
<b>A. Raw Material Consumed</b>		
Opening Stock Of Raw Material	7,338.08	6,455.76
Add : Purchases (net)	37,740.98	43,172.12
	45,079.06	49,627.88
Less : Closing Stock	7981.08	7,338.08
	37,097.98	42,289.80
<b>B. Packing Material Consumed</b>	1,192.20	1,042.64
	1,192.20	1,042.64
<b>C. Engineering &amp; Design Charges</b>		
Engineering & Design Charges	232.45	336.13
	232.45	336.13
<b>Total</b>	<b>38,522.63</b>	<b>43,668.57</b>
<b>Note No. 22</b>		
<b>Changes In Inventories of Stock</b>		
<b>Closing Stock</b>		
Finished Goods	7,961.09	9,919.82
Scrap / Waste	114.42	137.73
Land (WIP)	1,651.26	1,408.73
Semi Finished Goods	2,149.36	2,564.14
	11,876.12	14,030.42
<b>Opening Stock</b>		
Finished Goods	9,919.82	5,499.01
Land (WIP)	1,408.73	1,408.73
Scrap / Waste	137.73	247.08
Semi-Finished Goods	2,564.14	3,207.72
	14,030.42	10,362.54
<b>Total</b>	<b>2,154.30</b>	<b>(3,667.88)</b>
<b>Note No. 23</b>		
<b>Employee Benefit Expenses</b>		
Salaries, Wages, Bonus & Other Benefits	9,980.48	8,037.90
Contribution to Provident & Other Funds	490.15	332.30
Gratuity	221.96	163.32
Gratuity Trust Fund Expenses	0.49	0.51
Directors Remuneration	446.75	323.88
Staff Welfare Expenses	295.07	312.03
<b>Total</b>	<b>11,434.90</b>	<b>9,169.94</b>



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	As on March 31, 2016	As on March 31, 2015
<b>Note No. 24</b>		
<b>Finance Cost</b>		
<b>A. Interest Paid</b>		
Interest To Bank (Net)	688.08	564.94
Interest To Others	98.92	33.85
<b>B. Financial Charges</b>		
Bank Charges	130.23	189.90
Bank Guarantee Charges	15.74	5.86
Bank Processing Charges	20.11	35.36
Bill / Cash Discounting Charges	5.27	12.69
L/C Charges	26.85	19.11
<b>Total</b>	<b>985.20</b>	<b>861.71</b>
<b>Note No. 25</b>		
<b>Other Expenses</b>		
Stores & Spares & Other Components Consumed	3761.12	3,105.46
Fuel & Oil Consumed	577.90	777.03
Power & Electricity	1324.60	855.74
Other Manufacturing Expenses	1927.29	1,820.69
Job Work	3824.00	3,937.78
Labour Charges	2688.15	2,402.47
Water Charges	77.15	79.32
Freight & Other Export Charges	2139.56	3,434.41
Selling , Distribution Expenses on Sales	1292.08	897.69
Warehouse & Handling Charges at offshore	80.42	101.12
Commission/Brokerage (including Overseas Commission)	1093.49	986.83
Quality Claim	47.66	60.52
Sales Promotion	124.13	158.44
Travelling & Conveyance Expenses	511.11	458.69
Vehicle Expenses	206.71	191.91
Legal , Professional & Management Fees.	939.51	699.00
License & Membership fees	101.77	56.16
Rent, Rates & Taxes	669.99	546.74
Advertisement	12.61	9.78
Insurance (General)	280.03	115.86
Director Fees	3.60	3.96
Technical Training Expenses	51.43	35.44
Printing & Stationery	93.38	72.91
Postage, Telegram & Telephone Expenses	183.41	151.89
Miscellaneous Expenses	73.03	74.32
Donation	137.31	0.19
<b>Payment to Auditors</b>		
For Audit Fees	20.31	19.36



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(₹ in Lakhs)

Particulars	As on March 31, 2016	As on March 31, 2015
For Tax Audit Fees	2.25	1.86
For Certification/ Out of Pocket Expenses	0.82	0.57
Building Repair	286.13	327.42
Machine Repair	827.63	593.41
Other Repairs & Maintenance	288.52	369.26
Loss on Sale of Fixed Assets	0.15	2.84
Sundry Balance Written Off	11.30	11.89
Bad Debts (Net)	16.39	217.06
Difference In Foreign Currency (Net)	-	662.68
<b>Total</b>	<b>23,674.94</b>	<b>23,240.70</b>
<b>Note No. 26</b>		
<b>Tax Expenses</b>		
Current Tax		
Current Income Tax	3938.87	3,580.05
	3938.87	3,580.05
Deferred Tax ( Net)	207.63	(215.26)
<b>Total</b>	<b>4,146.50</b>	<b>3,364.79</b>
<b>Note No. 27</b>		
<b>Earning Per Share</b>		
Net Profit attributable to Equity Shareholders	8,970.97	7,520.42
Weighted Average Number of Equity Shares		
Outstanding during the Year (in Lakhs)	310.13	315.27
Adjusted Basic & Diluted EPS (in ₹)	28.93	23.85
(On Nominal Value of Rs 10/- per Share)		





## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

### NOTE 28

#### I. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS

##### 1. PRINCIPLES OF CONSOLIDATION

- i. The Financial statements have been prepared to comply in all material aspects with applicable Accounting principles in India, and the Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI).
- ii. CONSOLIDATED FINANCIAL STATEMENTS relates to Technocraft Industries (India) Limited, the Company, its Subsidiaries and its Interest in Joint Ventures & Limited Liability Partnership (LLP). The Consolidated Financial Statements are in conformity with the AS -21 issued by ICAI and are prepared on the following basis:
  - a) The financial statements of the Company and its Subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter-company balances and transactions including Unrealized Profits/Losses in year-end Assets, such as inventories, Fixed Assets etc.
  - b) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statement except otherwise stated elsewhere in this Note.
  - c) The excess of cost to the Company of its investments in the subsidiaries (Including LLP) over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statement as Goodwill.
  - d) The excess of Company's portion of equity of the subsidiaries (Including LLP) over cost to the Company of its investments at the dates they become subsidiaries is recognized in the financial statement as Capital reserve.
  - e) Minority Interests in the consolidated financial statements is identified and recognized after taking in to consideration:
    - The amount of equity attributable to minorities at the date on which investments in a subsidiary is made
    - The Profit or losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary
  - f) In case of foreign Subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, Liabilities and Equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".
  - g) Interests in Jointly controlled entities, where the company is a direct venture, are accounted for using the proportionate consolidation in accordance with Accounting Standard- 27. The difference between the costs of the Company's interest in jointly controlled entities over its share of net assets in the jointly controlled entities, at the date on which interest is acquired, is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

##### 2. ACCOUNTING POLICIES

Most of the accounting policies of the reporting Company and that of its Subsidiaries are similar and are in line with generally accepted accounting principles in India. However since certain subsidiaries are in the business lines which are distinct from that of the Reporting Company and function in a different regulatory environment, certain policies in respect of depreciation / amortization etc. differ. Accounting Policies and Notes on Accounts of the financial statements of the company and all the subsidiaries are set out in their respective financial statement.

##### 3. FOREIGN SUBSIDIARIES

- l) In accordance with the requirement of Accounting Standard – 11(Revised) – "The effects of changes in foreign exchange rates" operations of foreign subsidiaries (except Swift Engineering Inc.& Technosoft Engineering Inc.) have been considered as Integral operations and accordingly their financial statements have been converted in Indian Rupees at following exchange rates:

**Revenue and Expenses:** At the average exchange rate during the period.

(Average rates are taken on the basis of opening and closing exchange rates at the beginning of the period and at the end of the period respectively instead of average rates at the end and close of every month and its effect is insignificant on the profit for the Period.)



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

**Current Assets and Liabilities:** At Exchange rates prevailing at the end of the period.

**Fixed Assets:** At Exchange rates prevailing at the end of the period instead of exchange rates at the date of transaction.

The resultant translation exchange difference has been transferred to statement of profit & loss.

The operations of Swift Engineering Inc. & Technosoft Engineering Inc. have been considered as Non Integral operations and accordingly their financial statements have been converted in Indian Rupees at following exchange rates:

**Revenue and Expenses:** At the average exchange rate during the period.

(Average rates are taken on the basis of opening and closing exchange rates at the beginning of the period and at the end of the period respectively instead of average rates at the end and close of every month and its effect is insignificant on the profit for the Period.)

**Assets & Liabilities:** Exchange rates prevailing at the end of the period.

The resultant translation exchange difference has been transferred to Foreign Currency Translation Reserve Account.

- II) Accounting policy for Depreciation on Fixed Assets of foreign subsidiaries companies are not consistent with Accounting policy for Depreciation on fixed assets of Parent company and it is impracticable for the company to restate such accounting policies as per Parent company policy since the historical cost of the fixed assets of foreign subsidiaries companies are not ascertainable.
- III). In Consolidated financial statements, the closing stock includes goods sold by holding company to its subsidiary companies (as certified by the management) which have been valued at cost by eliminating stock reserve considering gross profit margin of the holding company in respective year.
- IV) Any differences arising between unaudited accounts considered for consolidation & audited accounts of that year are adjusted through Profit & Loss Statement.

The Consolidated Financial Statements comprises the Financial Statements of Technocraft Industries (India) Limited and its subsidiaries / Joint Venture / LLP.

Name of the Company	Year Ended	Status	Extent of Company's Interest		Country of Incorporation
			2015-16	2014-15	
Technosoft Engineering Projects Limited (Formerly known as Technosoft Information Technologies (I) Limited)	31 <sup>st</sup> Mar	Direct Subsidiary	90.34%	90.34%	India
Technocraft Tabla Formwork Systems (P) Limited.	31 <sup>st</sup> Mar	Joint Venture	65.00%	65.00%	India
Shreyan Infra & Power LLP.	31 <sup>st</sup> Mar	Direct Subsidiary	90.00%	90.00%	India
Technocraft Trading Spolka Z.O.O.	31 <sup>st</sup> Dec	Direct Subsidiary	100.00%	100.00%	Poland
Technocraft International Limited.	31 <sup>st</sup> Mar	Direct Subsidiary	100.00%	100.00%	United Kingdom
Technocraft Australia Pty Limited.	31 <sup>st</sup> Mar	Direct Subsidiary	100.00%	100.00%	Australia
Anhui Reliable Steel Technology Co. Ltd.	31 <sup>st</sup> Dec	Direct Subsidiary	100.00%	100.00%	China
Swift Engineering Inc.	31 <sup>st</sup> Mar	First Step Down Subsidiary	59%	59%	Canada
Swift Projects Inc.	31 <sup>st</sup> Mar	Step Down Subsidiary	100.00%	100.00%	U.S.A.
Highmark International Trading –F.Z.E.	31 <sup>st</sup> Mar	First Step Down Subsidiary	100.00%	100.00%	U.A.E.
AAIT/Technocraft Scaffold Distribution LLC.	31 <sup>st</sup> Dec	Step Down Subsidiary	85.00%	-	U.S.A.
Technosoft Engineering Inc.	31 <sup>st</sup> Dec	First Step Down Subsidiary	100.00%	100.00%	U.S.A.



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

### 4. JOINT VENTURE: CONTRACTUAL ARRANGEMENT

Interests in Joint Venture have been consolidated by using the proportionate consolidation method as per the provision of Accounting Standard (AS-27) – Financial Reporting of Interest in Joint Venture.

#### a) Details of the Jointly Controlled Entity

- Name of the entity : TechnocraftTabla Formwork System Pvt. Ltd.
- Address of the entity : A-25, M.I.D.C, Street No 3, Marol Industrial Area,  
Opp. ESIC Hospital, Andheri (E), Mumbai-400093
- Country of Incorporation : India
- Proportion Of Ownerships : 65%

5. Depreciation on Fixed Assets of foreign subsidiaries companies are not consistent with Accounting policy for Depreciation on fixed assets of Parent company and it is not practicable for the company to restate such accounting policies as per Parent company policy since the historical cost of the fixed assets of foreign subsidiaries companies are not ascertainable.

### 6. CONTINGENT LIABILITY

(₹ In lakhs)

Sr. No.	Contingent Liabilities and Commitments not provided For	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
I.	Stand by Letter of Credit (SBLC) aggregating to Euro 17,50,000 and USD 14,50,000 given to Banks on behalf of Technocraft Trading Spolka Z.O.O ,Poland.	2,284.28	2,069.43
II	Stand by Letter of Credit (SBLC) aggregating to USD 30,00,000 given to Banks on behalf of Anhui Reliable Steel Technology Co.Ltd.,China.	1,993.20	1,861.50
III.	Corporate Guarantee aggregating to Pounds 25,00,000 given to Bank on behalf of Technocraft International Ltd ,UK.	2,388.25	2,289.50
IV.	Stand by Letter of Credit (SBLC) aggregating to USD 4,00,000 given to Banks on behalf of Technosoft Engineering Inc.,USA.	265.76	248.20
V.	Bank Guarantee issued in Favor of Suppliers, Customers & Other Statutory Authorities	317.05	372.39
VI.	Excise Duty Matters	*1,647.26	* 1,653.16
VII.	Service Tax Matters	*318.98	* 259.19
VIII.	Income Tax Matters	#128.48	#143.10
IX.	Labour Matters	85.96	35.65
X.	Other Legal Matters	545.66	82.48
XI.	Sales Tax Matters	1.57	1.57
XII.	Royalty Matters	10.56	10.56
XIII.	Warranty in relation to Towers Structures	Amount Unascertainable	Amount Unascertainable

# Rs 116.59 Lakhs (P.Y Rs 131.31 Lakhs) already paid/ adjusted by the Income Tax Department from the Refund Due but the Matters are still under Litigation.

\* Includes Penal Amount also.

Contingent Liability of Joint Venture is taken only to the extent of the Company Share in the Joint Venture.



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

### 7. DEFERRED TAX ASSETS /LIABILITIES

(₹ In lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>Deferred Tax Liability/ (Assets)</b>		
On Account of Depreciation	159.85	(144.49)
On Account of Gratuity	(59.99)	(54.79)
On Account of Leave Salary	37.11	(30.75)
On Account of Unabsorbed Business Losses	8.03	36.40
On Account of Amalgamation Expenses	0.01	0.06
On Account of Long term Capital loss	57.48	(7.05)
On Account of Preliminary Expenditure	0.28	0.69
On Account of Reduction in Stock Value ,Forex Differences & Other Loss (As per Polish Law)	4.86	(15.33)
On Account of Depreciation on Fixed Assets whose Estimated Useful life has expired as on 1-4-2014 as per Schedule II to Companies Act,2013	-	* (95.07)
<b>NET IMPACT</b>	<b>207.63</b>	<b>(310.33)</b>
* Adjusted from the Reserves & Surplus		
<b>Deferred Tax Assets</b>		
On Account of Timing Difference in depreciation	563.53	756.04
On Account of Timing Difference in Amalgamation Expenses	-	0.01
On Account of Long term Capital loss	51.40	108.88
On Account of Gratuity	223.04	163.05
On Account of Leave Salary	17.90	55.01
On Account of Unabsorbed Business Loss	0.98	9.01
On Account of Preliminary Expenses	0.29	0.57
On Account of reduction in Stock Value, Forex Differences & Other Loss (As per Polish Law)	45.55	50.41
<b>Total Deferred Tax Assets</b>	<b>902.69</b>	<b>1142.98</b>
<b>Deferred Tax Liability</b>		
On Account of Timing Difference in depreciation	-	32.66
<b>Total Deferred Tax Liability</b>	<b>-</b>	<b>32.66</b>

### 8. In compliance with AS-17 "SEGMENT REPORTING", which has become mandatory, the required information are as under:-

#### A. PRIMARY SEGMENT

The Business Segment has been considered as the primary segment for disclosure. The categories included in each of the reported business segments are as follows:-

- Drum Closures
- Scaffoldings
- Cotton Yarn
- Fabric
- Power
- Engineering & Design Services
- Others #

The above business segments have been identified considering:

- The nature of the product
- The deferring risk and returns
- The internal financial reporting systems



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

Revenue and expenses have been accounted for based on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable ". Inter segment transfer if any, are accounted for at competitive market prices, charged to unaffiliated customer for similar goods.

### "SEGMENT REPORTING"

(Rs. In Lakhs)

Particulars	Drum Closures	Scaffoldings	Cotton Yarn	Fabric	Power	Engineering & Design	Others	Unallocable	Inter Segment Elimination	Total
SEGMENT REVENUE										
(a) External Revenue from Operations	25,157.73	22,644.92	16,535.62	4,720.75	484.96	5,788.03	16,782.14	-	-	92,114.14
(b) Inter-segment Revenue	947.99	6309.01	2881.98	19.11	3522.99	984.81	10,206.60	-	24,872.50	-
<b>Total Revenue from Operations</b>	<b>26,105.72</b>	<b>28,953.93</b>	<b>19,417.60</b>	<b>4,739.86</b>	<b>4,007.95</b>	<b>6,772.84</b>	<b>26,988.74</b>	<b>-</b>	<b>24,872.50</b>	<b>92,114.14</b>
(net of excise duty)	(26,933.26)	(31,874.78)	(19,092.79)	(3,186.29)	(3,636.40)	(5,280.18)	(22,574.24)	-	(9,694.88)	(1,02,883.06)
<b>SEGMENT RESULTS</b>	<b>8826.54</b>	<b>3300.54</b>	<b>221.63</b>	<b>(301.41)</b>	<b>717.16</b>	<b>229.66</b>	<b>1,171.59</b>	<b>-</b>	<b>34.30</b>	<b>14,131.41</b>
	(7,136.94)	(3,306.55)	(-214.84)	(-509.30)	(513.36)	(396.00)	(838.44)	-	(110.44)	(11,356.71)
<b>Less:</b>										
Finance Cost	-	-	-	-	-	-	-	1,122.35	137.15	985.20
	-	-	-	-	-	-	-	(1,134.23)	(272.52)	(861.71)
Depreciation	-	-	-	-	-	-	-	115.32	-	115.32
	-	-	-	-	-	-	-	(93.83)	-	(93.83)
Director Remuneration	-	-	-	-	-	-	-	446.75	-	446.75
	-	-	-	-	-	-	-	(323.88)	-	(323.88)
Unallocable Expenses	-	-	-	-	-	-	-	717.26	-	717.26
	-	-	-	-	-	-	-	(350.25)	-	(350.25)
<b>Add:</b>										
Interest Income	-	-	-	-	-	-	-	480.68	68.75	411.93
	-	-	-	-	-	-	-	(728.91)	(253.72)	(475.19)
Profit/ (Loss) on sale of Investment (net)	-	-	-	-	-	-	-	323.28	-	323.28
	-	-	-	-	-	-	-	(227.76)	-	(227.76)
Other Unallocable Income	-	-	-	-	-	-	-	583.79	68.41	515.38
	-	-	-	-	-	-	-	(474.02)	(18.80)	(455.22)
<b>Profit Before Tax</b>									<b>-</b>	<b>13,117.47</b>
									-	(10,885.21)
Provision for Taxes									-	4,146.50



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(including Deferred Tax)									-	(3,364.79)
<b>Profit After Tax</b>									-	<b>8,970.97</b>
									-	(7,520.42)
OTHER INFORMATION										
<b>Assets</b>										
Segment Assets	11,835.62	18,540.63	16,078.75	3,529.12	3,160.03	2,656.41	18,844.72	-	8,517.48	66,127.80
	(10,684.05)	(23,378.44)	(10,905.46)	(2,874.82)	(3,542.69)	(2,613.44)	(14,371.57)	-	(1,791.59)	(66,578.88)
Unallocable Assets	-	-	-	-	-	-	-	35,585.65	4,536.38	31,049.27
	-	-	-	-	-	-	-	(36,334.73)	(4,345.20)	(31,989.53)
								<b>Total Assets</b>		<b>97,177.07</b>
										(98,568.41)
<b>Liabilities</b>										
Segment Liabilities	2,861.36	2,569.14	2,371.33	214.92	263.31	368.68	7,929.39	-	8,454.46	8,123.67
	(2,306.76)	(3,734.73)	(1,656.01)	(258.14)	(478.03)	(451.10)	(4,890.44)	-	(1,725.24)	(12,049.97)
Unallocable Liabilities	-	-	-	-	-	-	-	35,230.25	1,516.10	33,714.15
(including Borrowings)	-	-	-	-	-	-	-	(25,764.05)	(1,362.56)	(24,401.49)
								<b>Total Liabilities</b>		<b>41,837.82</b>
										(36,451.46)
<b>Capital Expenditure</b>										
(excluding capital WIP)										
Segment Capital Expenditure	1,039.88	892.55	1,134.04	398.82	12.44	146.82	213.31	21.77		3,859.63
	(473.93)	(619.00)	(125.79)	(1,643.60)	(16.48)	(89.20)	(462.51)	(805.79)		(4,236.30)
<b>Depreciation</b>										
Segment Depreciation & Amortisation	548.90	513.38	409.50	406.34	189.07	171.77	248.41	-	-	2,487.37
	(707.16)	(598.81)	(580.21)	(547.27)	(223.72)	(221.51)	(215.65)	-	-	(3,094.33)
Unallocable Depreciation	-	-	-	-	-	-	-	115.32	-	115.32
	-	-	-	-	-	-	-	(93.83)	-	(93.83)
<b>Total Depreciation &amp; Amortisation</b>	-	-	-	-	-	-	-	-	-	<b>2,602.69</b>
	-	-	-	-	-	-	-	-	-	(3,188.16)
<b>B. GEOGRAPHICAL SEGMENT</b>										
External Revenue from Operations										



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

(net of excise duty)										
India	2,167.40	4,679.16	1,678.14	4,198.42	484.96	21.49	-	-	-	13,229.56
	(2,371.55)	(4,498.60)	(3,134.99)	(2,842.87)	(450.13)	(7.08)	(377.86)	-	-	(13,683.08)
Outside India	22,990.33	17,965.76	14,857.48	522.33	-	5,766.54	16,782.14	-	-	78,884.58
	(23,767.00)	(25,861.82)	(13,371.41)	(324.23)	-	(4,086.25)	(21,789.27)	-	-	(89,199.98)
<b>Total External Revenue from Operations</b>	<b>25,157.73</b>	<b>22,644.92</b>	<b>16,535.62</b>	<b>4,720.75</b>	<b>484.96</b>	<b>5,788.03</b>	<b>16,782.14</b>	<b>-</b>	<b>-</b>	<b>92,114.14</b>
	(26,138.55)	(30,360.42)	(16,506.40)	(3,167.10)	(450.13)	(4,093.34)	(22,167.12)	-	-	(1,02,883.06)
Assets										
India	7,398.63	11,316.16	12,256.10	3,257.77	3,160.03	1,012.03	1,665.27	30,422.86	178.28	70,310.57
	(5,834.25)	(14,188.17)	(6,750.22)	(2,804.19)	(3,542.69)	(1,230.57)	(1,640.75)	(30,599.75)	(178.28)	(66,412.32)
Outside India	4,436.99	7,224.47	3,822.65	271.35	-	1,644.38	17,179.45	5,162.79	12,875.58	26,866.50
	(4,849.80)	(9,190.27)	(4,155.24)	(70.63)	-	(1,382.87)	(12,730.82)	(5,734.98)	(5,958.51)	(32,156.09)
<b>Total Assets</b>	<b>11,835.62</b>	<b>18,540.63</b>	<b>16,078.75</b>	<b>3,529.12</b>	<b>3,160.03</b>	<b>2,656.41</b>	<b>18,844.72</b>	<b>35,585.65</b>	<b>13,053.86</b>	<b>97,177.07</b>
	(10,684.05)	(23,378.44)	(10,905.46)	(2,874.82)	(3,542.69)	(2,613.44)	(14,371.57)	(36,334.73)	(6,136.79)	(98,568.41)

### Notes

- Total Assets does not include Goodwill on Consolidation amounting to Rs.1,144.95 Lakhs
- Total Liabilities does not include Shareholders Fund & Minority Interest amounting to Rs.56,484.20 Lakhs
- Geographical Segment  
The Geographical Segment considered for Disclosure are as Follows
  - Revenue within India includes Revenue from Sales of Products (including Scrap) & Services to Customers Located within India and earnings in India.
  - Revenue outside India includes Revenue from Sales of Products & Services to Customers Located Outside India and Earnings outside India and export Incentive Benefits
- Previous Year Figures have been regrouped / rearranged where ever considered necessary to make them Comparable with the Current Year figures.
- # includes Foreign & Indian Subsidiaries except those engaged in Engineering & Design Services

### 9. DISCLOSURE OF RELATED PARTIES/RELATED PARTY TRANSACTIONS

In compliance with the AS-18 "RELATED PARTY DISCLOSURE", which has become mandatory, the required information are as under:-

#### (I) List of Related Parties over which control exists

Sr. No	Name of the Related Party
<b>I.</b>	<b>Direct Subsidiaries</b>
1	Technocraft International Ltd.
2	Technocraft Trading SpolkaZ.O.O.
3	Technocraft Australia Pty Limited
4	TechnosoftEngineering Projects Ltd (formerly know as Technosoft Information Technologies (I) Ltd)
5	Anhui Reliable Steel Technology Co.Ltd.
6	Shreyan Infra & Power LLP





## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

<b>II</b>	<b>First Step Down Subsidiary</b>
1	Swift Engineering Inc.
2	Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solutions Inc.)
3	High Mark International Trading –F.Z.E
<b>III</b>	<b>Step Down Subsidiary</b>
1	Swift Projects Inc.
2	AAIT/Technocraft Scaffold Distribution LLC.
<b>IV.</b>	<b>Enterprises Significantly Influenced by KMP or Relatives of KMP</b>
1	Ashrit Holdings Ltd
2	Ashrit Infrastructure Developers LLP
3	Ashrit Reality Pvt. Ltd
4	Priyash Enterprises Pvt. Ltd
5	BMS Industries Ltd
6	M.D.Saraf Securities Pvt.Ltd.
7	M.T. Information Technologies
<b>V</b>	<b>Key Management Personnel (KMP)</b>
1	Sharad Kumar Saraf
2	Sudarshan Kumar Saraf
3	Navneet Kumar Saraf
4	Ashish Kumar Saraf
5	Atanu Choudhary
<b>VI</b>	<b>Relatives &amp; Enterprises of KMP</b>
1	Shantidevi Saraf
2	Shakuntala Saraf
3	Suman Saraf
4	Nidhi Saraf
5	Priyanka Saraf
6	Ritu Saraf
<b>VII</b>	<b>Joint Venture</b>
1	Technocraft Tabla Formwork System Pvt. Ltd.(to the extent of 35%)

**(II) Names of the Related Parties with whom transactions were carried out during year and description of relationship**

Sr.No	Related Parties
<b>I</b>	<b>Enterprises Significantly Influenced by KMP or Relatives of KMP</b>
1	B.M.S. Industries Ltd
2	Ashrit Holdings Ltd
<b>II</b>	<b>Key Management Personnel (KMP)</b>
1	Sharad Kumar Saraf
2	Sudarshan Kumar Saraf
3	Navneet Kumar Saraf
4	Ashish Kumar Saraf
5	Atanu Choudhary
<b>III</b>	<b>Joint Venture</b>
1	Technocraft Tabla Formwork System Pvt. Ltd (to the extent of 35%)



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

### (III) Disclosure of Related Party transactions

(₹ In lakhs)

Sr No	Nature of Relationship/ Transactions	Enterprises Significantly Influenced By KMP or Relatives of KMP	Joint Venture (to the extent of 35%)	KMP & Relatives	Total
1	Purchase of Goods & Services	2,760.24 (2,650.21)	NIL (78.39)	NIL (NIL)	2,760.24 (2,728.60)
2	Sale of Goods & Services	577.56 (479.47)	NIL (0.10)	NIL (NIL)	577.56 (479.57)
3	Interest Received	NIL (NIL)	NIL (8.44)	NIL (NIL)	NIL (8.44)
4	Interest Paid	14.94 (1.02)	NIL (NIL)	NIL (NIL)	14.94 (1.02)
5	Directors Remuneration & Commission	NIL (NIL)	NIL (NIL)	446.75 (323.88)	446.75 (323.88)
6	Salary & Wages	NIL (NIL)	NIL (NIL)	NIL (122.00)	NIL (122.00)
7	Reimbursement of Expenses	NIL (1.20)	NIL (NIL)	NIL (NIL)	NIL (1.20)
8	Recovery of Expenses	NIL (16.02)	6.79 (NIL)	NIL (NIL)	6.79 (16.02)
9	Loan Given	NIL (NIL)	NIL (11.94)	NIL (NIL)	NIL (11.94)
10	Loan Recovered	NIL (NIL)	NIL (141.96)	NIL (NIL)	NIL (141.96)
11	Loan Taken	1,787.56 (1,296.92)	NIL (NIL)	329.02 (NIL)	2,116.58 (1,296.92)
12	Loan Repaid	1,953.05 (76.00)	NIL (NIL)	NIL (NIL)	1,953.05 (76.00)
13	Lease Rent Paid	3.00 (3.00)	NIL (NIL)	NIL (NIL)	3.00 (3.00)

### (IV) Amount due to/from Related Parties as on 31.03.2016

(₹ In lakhs)

Sr. No.	Nature of Relationship/ Transactions	Enterprises Significantly Influenced By KMP or Relatives of KMP	Joint Venture (to the extent of 35%)	KMP & Relatives	Total
1	Trade Receivables/ Advances	NIL (40.01)	NIL (NIL)	NIL (NIL)	NIL (40.01)
2	Trade Payables /Advances	305.87 (343.10)	NIL (NIL)	NIL (NIL)	305.87 (343.10)
3	Loan Payable	1,055.43 (1,220.92)	NIL (NIL)	329.02 (NIL)	1,384.45 (1,220.92)
4	Director Commission Payable	NIL (NIL)	NIL (NIL)	144.00 (144.00)	144.00 (144.00)

( ) indicates previous year figures



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

### 10. Additional information required for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

Sr. No.	Name of the Entity	Relationship	Net Assets ,ie Total Assets minus Total Liabilities		Share in Profit & Loss	
			As a % of Consolidated Net Assets	Rs in Lakhs	As a % of Consolidated Profit & Loss	Rs in Lakhs
1	Technocraft Industries (India) Limited	Parent Company	87.11	48,755.35	91.78	8,233.42
2	Technosoft Engineering Projects Limited	Indian Subsidiary	4.10	2,295.07	4.19	375.53
3	Technocraft Tabla Formworks Systems Pvt. Ltd.	Joint Venture	0.03	14.35	(0.30)	(26.47)
4	Shreyan Infra & Power LLP	Limited Liability Partnership	(0.01)	(2.57)	(0.00)	(0.11)
5	Technocraft International, UK	Foreign Subsidiary	2.55	1,428.63	0.24	21.37
6	Technocraft Trading Spolka, Z o.o., Poland	Foreign Subsidiary	0.46	256.66	(0.25)	(22.70)
7	Technocraft Australia Pty Limited, Australia	Foreign Subsidiary	1.03	579.88	1.61	144.80
8	Anhui Reliable Steel Company Ltd, China	Foreign Subsidiary	1.82	1,017.71	(5.18)	(464.35)
9	Swift Engineering Inc, Canada	First Step Down Foreign Subsidiary	0.39	217.81	(1.94)	(173.84)
10	Technosoft Engineering Inc. USA (Erstwhile Impact Eng. Solution Inc.),	First Step Down Foreign Subsidiary	0.62	346.31	0.52	47.02
11	Highmark International Trading, UAE	First Step Down Foreign Subsidiary	1.91	1,068.50	9.96	893.37
12	Swift Projects Inc, USA	Step Down Foreign Subsidiary	(0.01)	(5.05)	0.03	2.64
13	AAIT/ Technocraft Scaffold Distribution LLC	Step Down Foreign Subsidiary	(0.00)	(1.10)	(0.66)	(59.71)
	Total		100.00	55,971.55	100.00	8,970.97

11. Trade Payables includes ₹ 66.08 lakhs (P.Y ₹ 80.21 lakhs ) due to Micro & Small Enterprises registered under the Micro ,Small and Medium Enterprises Development Act,2006 (MSMED Act).No principal and interest amount are paid / payable to the Suppliers registered under the MSMED Act beyond the appointed day during the year.



## Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

The above information has been provided, as available with the Company, to the extent such parties could be identified on the basis of the information available with the Company regarding the status of Suppliers under the MSMED Act.

Signature to Notes 1 To 28 Attached.

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### As per our report of even date

#### For M.L.Sharma & Co.

Chartered Accountants  
Firm Reg.No.109963W

#### (C.H.Bandi) Partner

M.No. 5385

Place: Mumbai

Dated : May 30, 2016

### For and on behalf of Board of Directors

#### Sharad Kumar Saraf

(Chairman & Managing Director)  
[DIN 00035843]

#### Sudarshan Kumar Saraf

(Co-Chairman & Managing Director)  
[DIN 00035799]

#### Ashish Kumar Saraf

(Whole-time Director & CFO)  
[DIN 00035549]

#### Neeraj Rai

(Company Secretary)

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries

Sr. No.	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share Capital	Reserves & Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Deferred Tax	Profit after Tax	Proposed Dividend
₹ in Lakhs														
<b>A Indian Subsidiaries</b>														
1	Technosoft Engineering Projects Limited	01.04.2015 To 31.03.2016	INR	55.34	3,000.26	3,655.19	3,655.19	1,798.72	2,579.85	504.93	163.25	(33.85)	375.53	-
2	Technocraft Tabla Formworks Systems Pvt. Ltd.	01.04.2015 To 31.03.2016	INR	100.00	(77.93)	22.13	22.13	-	-	(25.28)	-	15.45	(40.73)	-
<b>Limited Liability Partnership</b>														
3	Shreyan Infra & Power LLP	01.04.2015 To 31.03.2016	INR	1.00	(3.85)	1,659.11	1,659.11	-	-	(0.16)	-	(0.05)	(0.11)	-
<b>B Foreign Subsidiaries</b>														
4	Technocraft International, UK	1-4-2015 To 31.03.2016	GBP	1,224.14	233.83	2,973.76	2,973.76	34.04	3,543.22	21.58	-	0.22	21.36	-
5	Technocraft Trading Spolka, Z o.o., Poland #	01.01.2015 To 31.12.2015	PLN	265.07	(8.41)	2,156.45	2,156.45	-	2,699.08	16.94	34.78	4.86	(22.70)	-
6	Technocraft Australia Pty Limited, Australia	01.04.2015 To 31.03.2016	AUD	93.47	486.41	2,379.08	2,379.08	-	5,026.11	195.53	50.73	-	144.80	-
7	Anhui Reliable Steel Company Ltd, China #	01.01.2015 To 31.12.2015	RMB	1,080.16	(9.96)	5,639.62	5,639.62	-	8,644.21	(411.86)	-	-	(411.86)	-
<b>First Step Down Subsidiaries</b>														
8	Swift Engineering Inc, Canada	01.04.2015 To 31.03.2016	CAD	0.05	427.93	690.85	690.85	0.60	1,709.35	(173.84)	-	-	(173.84)	-
9	Technosoft Engineering Inc. USA # (Erstwhile Impact Eng. Solution Inc.),	01.01.2015 To 31.12.2015	USD	60.53	285.78	881.03	881.03	-	3,623.75	47.02	-	-	47.02	-
10	Highmark International Trading, UAE	01.04.2015 To 31.03.2016	AED	34.04	1,037.21	3,360.42	3,360.42	-	6,023.29	896.12	-	-	896.12	-
<b>Step Down Subsidiary</b>														
11	Swift Projects Inc, USA #	01.04.2015 To 31.03.2016	USD	0.60	(5.65)	14.23	14.23	-	216.65	2.64	-	-	2.64	-
12	AAIT/Technocraft Scaffold Distribution LLC #	16.08.2015 to 31.12.2015	USD	0.06	(1.36)	2,332.75	2,332.75	-	1,052.82	(59.71)	-	-	(59.71)	-

Exchange Rate-1 GBP= Rs 95.53, 1 AUD= Rs 51.00, 1 CAD= Rs 51.28, 1 AED= Rs 18.02, 1 PLN = Rs 17.55, 1 RMB= Rs 10.23 & 1 US \$ = Rs 66.45  
# Company having 31st December as reporting date.

**For and on behalf of Board of Directors**

**Sharad Kumar Saraf**

Chairman & Managing Director  
[DIN 00035843]

**Ashish Kumar Saraf**

Whole-time Director & Chief Financial Officer  
[DIN 00035549]

**Place:** Mumbai

**Date :** May 30, 2016

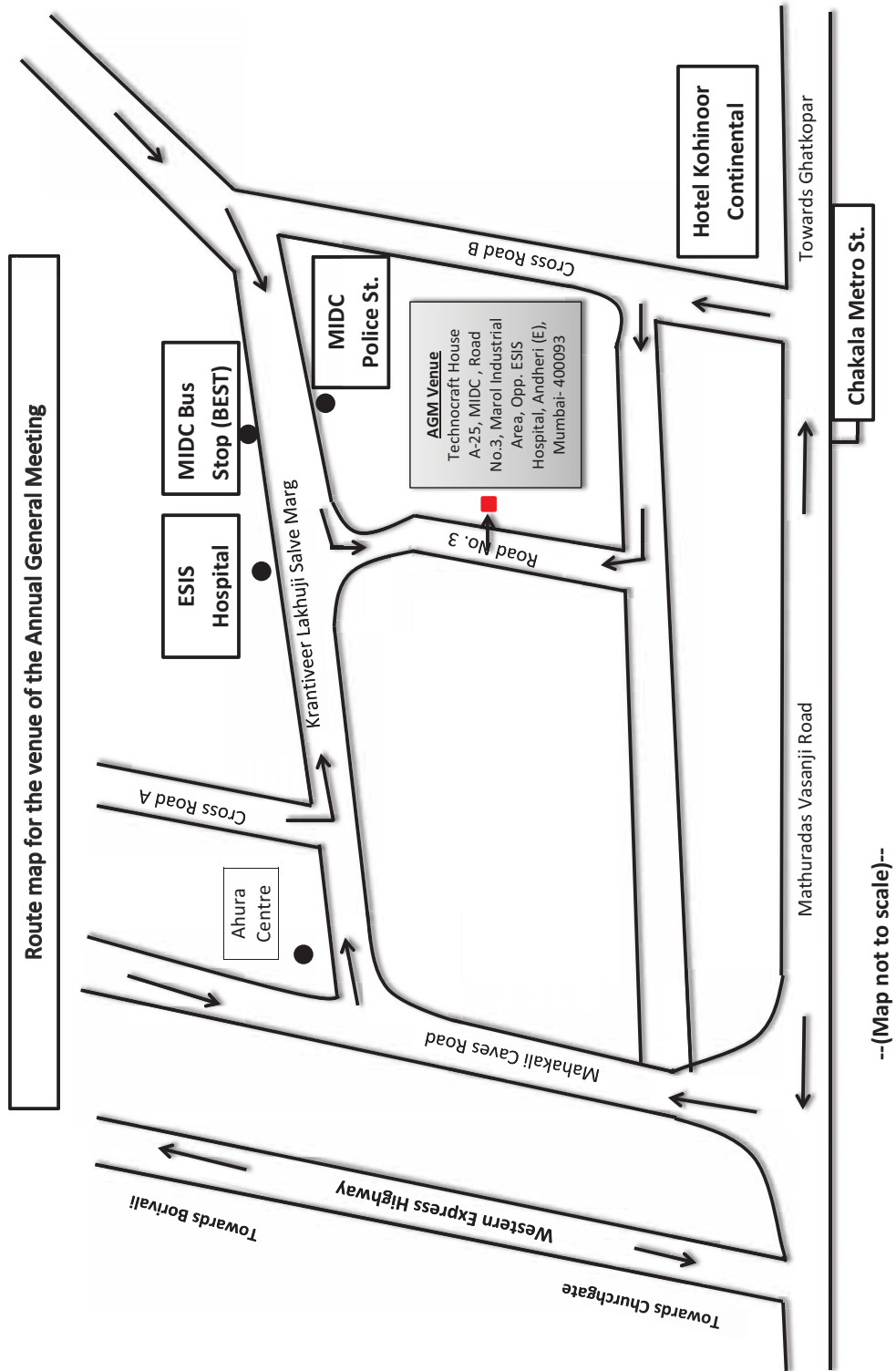
**Sudarshan Kumar Saraf**

Co-Chairman & Managing Director  
[DIN 00035799]

**Neeraj Rai**

Company Secretary







## Attendance Slip

### Technocraft Industries (India) Limited

**CIN NO. L28120MH1992PLC069252** : www.technocraftgroup.com

**Registered Office:** Technocraft House, A-25, MIDC, Marol Industrial Area, Andheri (E), Mumbai-400082

PLEASE FILL ATTENDANCE SLIP AND HANDOVER IT AT ENTERANCE OF THE MEETING HALL

DP ID		Folio No*	
Client ID		No of Share	

Name and Address of the Shareholders

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the Company held on Friday, September 30, 2016 at 11.00 am at the registered office of the Company.

\*Applicable for the investors holding shares in Physical Form

\_\_\_\_\_  
Signature of Shareholder/Proxy

## Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013, and rule 19(3) of the Companies (Management & Administrative Rules, 2014)

### Technocraft Industries (India) Limited

**CIN NO. L28120MH1992PLC069252**: www.technocraftgroup.com

**Registered Office:** Technocraft House, A-25, MIDC, Marol Industrial Area, Andheri (E), Mumbai-400082

Name of the Member(s)		Email ID	
		Folio No/ Client ID*	
Registered Address		DP ID*	

I/We, being the member(s) of \_\_\_\_\_ shares of Technocraft Industries (I) Ltd., hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having email id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having email Id \_\_\_\_\_ or Failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having email Id \_\_\_\_\_

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to be held on Friday, September 30, 2016 at 11.00 am the Registered office of the Company and any adjournment thereof in respect of such resolution as are indicated below:

\*\*I wish my above proxy to vote in the manner as indicated in the box below;

SN	Resolutions	Optional*	
Ordinary Business		For	Against
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended March 31, 2016		
2	Ordinary Resolution for confirmation of the interim dividend, already paid, for the year ended March 31, 2016		
3	Ordinary Resolution for re- appointment of Mr. Navneet Kumar Saraf, Director retiring by rotation		
4	Ordinary Resolution for re- appointment of Mr. Ashish Kumar Saraf, Director retiring by rotation.		
5	Ordinary Resolution under Section 139 of the Companies Act, 2013 for ratification of appointment of M/s. M.L. Sharma & Co as Statutory Auditors of the Company and fixing their remuneration		





Special Business:			
6	Ordinary Resolution for Approval of the remuneration of the Cost Auditors		
7	Ordinary Resolution for service of documents to the members		
8	Special Resolution for Keeping and maintaining the record required to be maintained under Section 88 of the Companies Act, 2013 at the office of Link Intime India Pvt. Ltd. w.e.f. 01.10.2016		

Sign this \_\_\_\_\_ day of \_\_\_\_\_ 2016

\_\_\_\_\_  
Signature of Shareholders

\_\_\_\_\_  
Signature of First Proxy Holder

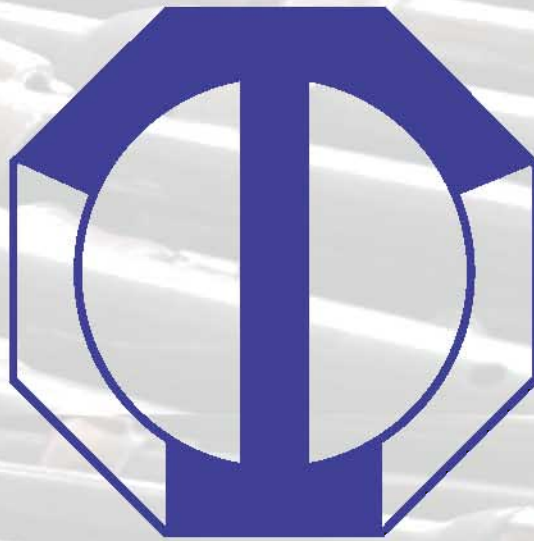
\_\_\_\_\_  
Signature of Second Proxy Holder

\_\_\_\_\_  
Signature of Third Proxy Holder

**Notes:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) For the resolutions, explanatory statements and Notes, please refer to the Notice of the 24<sup>th</sup> Annual General Meeting
- (3) Appointment of proxy does not prevent a member from attending the meeting in person if he so wishes.
- (4) In case of Joint holder, the signature of any one holder will be sufficient, but name of all the joint holders should be stated.
- \*(5) This is only optional. Please put a 'x' in the appropriate column against the resolutions indicated in the Box, If you leave the 'for' or 'against' Column blank against any or all the resolution, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.





# **Technocraft Industries (India) LTD.**

## **Address**

**Technocraft House**

**A25, Road No. 3,  
MIDC Marol,  
Andheri (E),  
Mumbai - 93**

## **Contact**

**Tel. : +91 22 4098 2222**

**+91 22 4098 2202**

**Fax : +91 22 2835 6559**

**+91 22 2836 7037**