

Thejo Engineering Limited

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India

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June 16, 2020



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

Dear Sir/Madam,

Scrip Code: Thejo – EQ (SM)

Subject: Material Impact of COVID-19 pandemic on the Company pursuant
to Regulation 30 of SEBI (LODR) Regulations, 2015

With reference to the above captioned subject, we have enclosed the disclosure on Material impact of COVID-19 pandemic on the Company pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020.

Kindly take this on your record.

Thanking You,

Yours truly,

For THEJO ENGINEERING LIMITED

A handwritten signature in black ink, appearing to read "V.A. George".

V.A. George
Managing Director
DIN 01493737



Disclosure of Material Impact of COVID-19

(Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84)

Impact of the COVID 19 pandemic on the business

The COVID-19 pandemic has affected the entire world. It has created deep impact on the economy across nations. With the lockdown and various other restriction measures imposed by Governments across the globe to tackle the COVID-19 pandemic, the economic activities across various sectors have been affected all over the world in varying degrees. The position in India is no different. The Central Government as well as the State Governments have implemented lockdown and restrictions that affected the economic activity in the country. The Central Government initially announced a nation-wide lockdown for three weeks with effect from 25th March, 2020. The lockdown has been extended periodically with various levels of relaxations. As on mid-June 2020, the lockdown continues with a wide range of relaxations as decided by the State Governments.

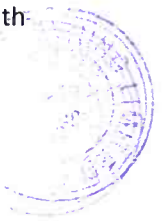
The business of the Company was impacted due to the lockdown as our manufacturing facilities were closed and operated at lower levels depending on the restrictions. Our services division also operated within the restrictions, guidelines and requirements of our customers.

Ability to maintain operations including the factories/units/office spaces functioning and closed down:

When the lockdown was first announced in the last week of March, 2020, the Company did not operate its manufacturing units and administrative offices in line with the lockdown and opted for work from home, wherever feasible. With gradual relaxations in the lockdown, the Company resumed operations at the manufacturing units in a phased manner as communicated to the exchange in our earlier letters. Our administrative offices are functioning within the norms permitted by various State Governments. We are also encouraging work from home for administrative employees, wherever feasible. Our service and O&M divisions are continuing to operate based on the guidelines as applicable to our customer industry and location. Currently, the Company is able to maintain all its operations in line with all guidelines.

Steps taken to ensure smooth functioning of operations

The Company complies with all regulatory guidelines. We are following all safety and sanitary norms. We are encouraging Work From Home, wherever feasible. With this, we are ensuring smooth functioning of operations, within the given relaxation/guidelines.





Estimation of the future impact of COVID-19 on its operations

The operations may be affected by restrictions, guidelines, etc that the Government may implement as part of its efforts to tackle COVID-19.

The possible dip in the demand for the products and services may result in lower level of operations.

The return of guest workers (migrant workers) to their hometown may have an impact in terms of recruiting and training new manpower.

Change in Government policies and business environment may have an impact on the operations of the Company.

Details of impact of COVID-19 on listed entity's –

Capital and financial resources: As on date, the Company has adequate capital and financial resources and the impact of COVID-19 is marginal.

Profitability: The lockdown has resulted in operations being disrupted/scaled down resulting in reduction in turnover during the period of lockdown. Moreover, as per the guidelines of Ministry of Home Affairs, the Company paid full wages to its workers despite their inability to attend work during lockdown. This is expected to result in reduction in the profitability of the Company in H1FY21. We are hoping that the position would start improving in H2FY21 and improve further in the next financial year. This would depend on the emerging situation.

Liquidity position: The current liquidity position of the Company is comfortable. Due to impact of COVID-19, if the customers face liquidity issue resulting in delayed payment of invoices, the Company may face a stretch in receivable position in future.

Ability to service debt and other financing arrangements: The Company is in a position to service its debt and other financial arrangements. The Company has not opted for moratorium on its loans.

Assets: The assets of the Company are well preserved and are in good working condition. They are continued to be put into good use. The assets are adequately insured.

Internal financial reporting and control: The team dealing with the financial reporting and control are working from office/home based on regulatory guidelines/requirements. There is no material impact in this area.

Supply chain: During initial period of lockdown, there were issues in logistics. However, since our operations were undertaken only in low scale during that period, the impact was minimal. The logistics position is improving gradually. As on date, the Company is able to procure its key raw materials without any major hitch. The impact on prices will be known as the situation emerges.



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Demand for its products/services: The Company primarily supplies products and renders services to industries in the core sector. In the short run, we expect a dip in the demand for the products during the current financial year and possibly to some extent in the next financial year. Based on the current position, the demand for services and O&M is expected to be affected minimally. But the quantum of work would depend upon the operation level at end user industries. Based on the effective implementation of the economic package and policy measure announced by the Central Government, we expect the position to gradually improve by the next financial year.

There are no existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the business of the Company.

Any other information:

The impact of COVID-19 on the business and the economy is evolving. There are various assessments and uncertainty as to when COVID-19 would peak in India. The Central and State Governments are taking various measures and announcing various restrictions/relaxations based on their regular review. The situation is uncertain and varies geographically within the country. There is no clear indication of the time period by when the economic/business impact of COVID-19 would be behind us. Under these circumstances, we would like to assure all our stakeholders that the Management is closely monitoring the evolving situation and would take all necessary steps in the best interest of the Company and all its stakeholders.

Note: Some of the statement above are forward looking. They are provided to give an overall perspective of the issue in hand and are based on the estimates of the Management. There is no guarantee that the estimates would turn out to be accurate. Members and others are requested to make their own judgment before taking any decision to invest (further) in the shares of the Company.



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