



***Annual Report
2016-17***



“Factory and Office of Thejo Hatcon Industrial Services Company, Saudi Arabia”

BOARD OF DIRECTORS

Chairman	K.J. JOSEPH
Vice Chairman	THOMAS JOHN
Managing Director	V.A. GEORGE
Whole-time Directors	MANOJ JOSEPH RAJESH JOHN
Directors	N. GANGA RAM V.K. SRIVASTAVA A. SATYASEELAN M.P. VIJAY KUMAR C.N. RAMCHAND SUJATHA JAYARAJAN
Chief Financial Officer & Secretary	M.D. RAVIKANTH
Audit Committee	M.P. VIJAY KUMAR N. GANGA RAM A. SATYASEELAN SUJATHA JAYARAJAN
Shareholders' Grievance Committee	C.N. RAMCHAND V.K. SRIVASTAVA K.J. JOSEPH THOMAS JOHN
Auditors	M/s. JOSEPH & RAJARAM Chartered Accountants, Chennai.
Internal Auditors	M/s. S. VISWANATHANLLP Chartered Accountants, Chennai
Secretarial Auditor	G. PORSELVAM Practising Company Secretary, Chennai
Registrar and Share Transfer Agents	M/s. Cameo Corporate Services Limited Subramanian Building No. 1 Club House Road, Chennai - 600 002.
Main Bankers	State Bank of India, Commercial Branch, Chennai Axis Bank Ltd., Chennai Indian Overseas Bank, Chennai

REGISTERED OFFICE

Aysha Building, No. 41, Whites Road,
Royapettah, Chennai - 600 014.
CIN: L27209TN1986PLC012833
Phone : 044 - 42221900 Fax : 044 - 42221910
E-mail : investor@thejo-engg.com
Website: www.thejo-engg.com

CORPORATE OFFICE

VDS House,
III Floor, 41, Cathedral Road,
Chennai - 600 086.

FACTORIES

Unit – I:

Survey No.176/3, 181/5 & 181/6A,
Jagannathapuram Road,
Irulipattu Village, Alinjivakkam Post,
Ponneri Taluk, Chennai - 600 067.

Unit – II:

Survey No. 101/5C & 101/5D
Jagannathapuram Road,
Athipedu Village, Ponneri Taluk,
Chennai - 600 067.

Unit – III:

Survey No. 100/5, Jagannathapuram Road,
Athipedu Village, Ponneri Taluk,
Chennai - 600 067.

Polyurethane Division:

Survey No. 179/3B,
Jagannathapuram Road,
Irulipattu Village, Alinjivakkam Post,
Ponneri Taluk,
Chennai - 600 067.

Lining Division:

Survey No. 234/2C, Jaganathapuram-II,
Ponneri Taluk, Tiruvallur District,
Chennai - 600 067.

R&D CENTRE:

Survey No. 179 / 3B, Jagannathapuram Road,
Irulipattu Village, Ponneri Taluk,
Chennai - 600 067.

SUBSIDIARY COMPANIES

Thejo Hatcon Industrial Services Company,
Saudi Arabia
Thejo Australia Pty Ltd., Australia
Thejo Brasil Comercio E Servicos Ltda, Brazil
Thejo Engineering LatinoAmerica SpA, Chile

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FINANCIAL HIGHLIGHTS

₹ in lakhs unless specified otherwise

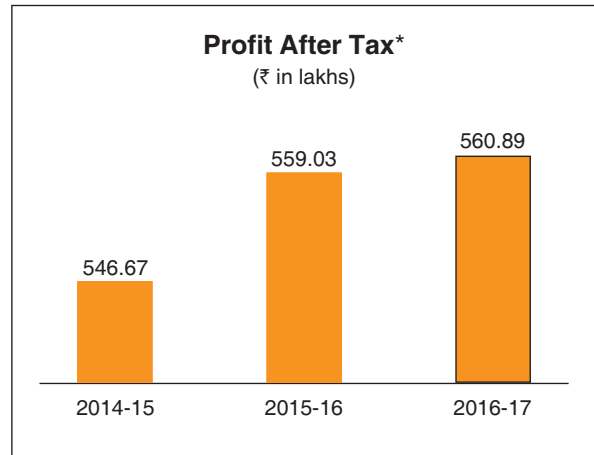
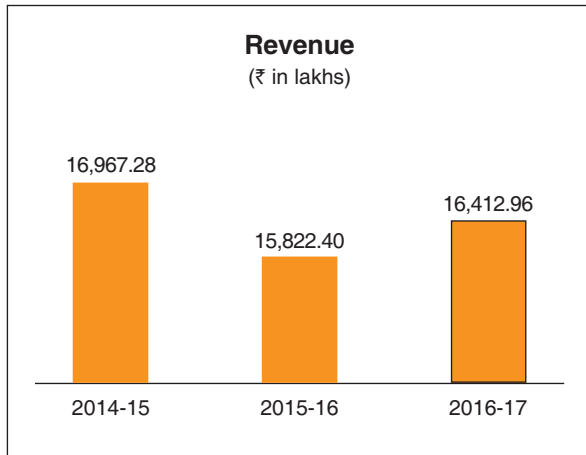
Details	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Sales	16239.08	15698.96	16854.97	14885.98	13338.12	11536.44	9521.95	6432.30	6113.67	4568.45
Other Income	173.88	123.44	112.31	144.68	211.58	249.63	98.61	164.15	65.64	65.73
Sales & Other Income	16412.96	15822.40	16967.28	15030.66	13549.70	11786.07	9620.56	6596.45	6179.31	4634.18
Profit before interest, depreciation, amortisation and tax ¹	1777.04	1807.91	1774.59	2067.52	2020.66	1529.81	1003.28	757.31	633.36	471.92
Profit before interest & tax ¹	1385.05	1389.77	1322.00	1792.58	1817.79	1368.33	855.06	608.46	492.01	360.89
Profit before tax ¹	822.75	812.01	805.32	1342.36	1437.63	1001.26	577.74	350.93	225.50	160.66
Profit after tax ¹	560.89	559.03	546.67	895.79	974.78	671.83	382.96	226.98	121.51	86.25
Net fixed assets	2068.21	2144.80	2239.75	2338.04	1504.89	1132.10	905.54	889.66	883.50	766.88
Share Capital	343.36	343.36	343.36	343.36	171.68	118.47	118.47	118.47	108.47	108.47
Reserves and Surplus	7065.30	6474.13	6059.73	5718.23	5159.45	2456.33	1610.80	1276.03	997.42	907.64
Networth	7408.66	6817.49	6403.09	6061.59	5331.13	2574.80	1729.27	1394.50	1105.89	1016.11
Total borrowings	3707.87	3694.18	3515.91	3092.85	2582.83	2134.70	1961.45	1993.57	1627.40	1390.12
Earnings per share ^{2&3} (in ₹)	16.34	16.28	15.92	25.37	32.93	28.35	16.16	9.58	5.60	3.98
Dividend per share ² (in ₹)	3.50	3.50	3.50	3.50	5.00	4.00	3.50	3.00	2.50	2.50
Book value per share ^{2&3} (in ₹)	215.77	198.55	186.48	176.54	155.27	108.67	72.98	58.86	50.98	46.84
EBITDA / turnover (%)	10.83	11.43	10.46	13.76	14.91	12.98	10.43	11.48	10.25	10.18
Profit before tax / turnover (%)	5.01	5.13	4.75	8.93	10.61	8.50	6.01	5.32	3.65	3.47
Return on capital employed (%)	12.46	13.22	13.33	19.58	22.97	29.05	23.17	17.96	18.00	15.00
Return on net worth (%)	7.57	8.20	8.54	14.78	18.28	26.09	22.15	16.28	10.99	8.49

Notes: ¹ Excluding exceptional items

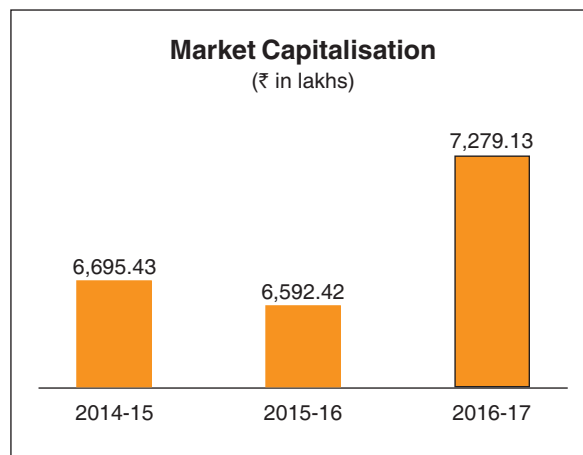
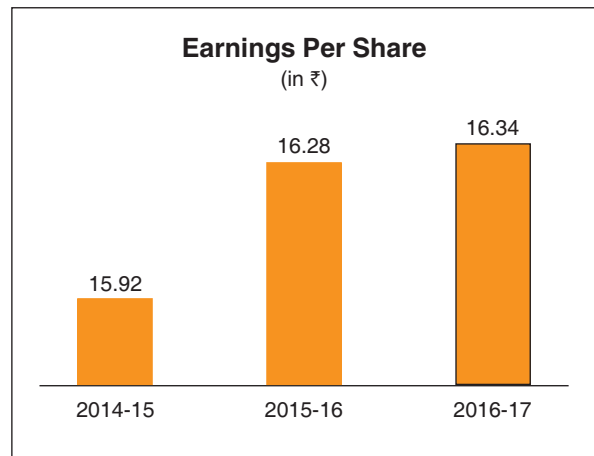
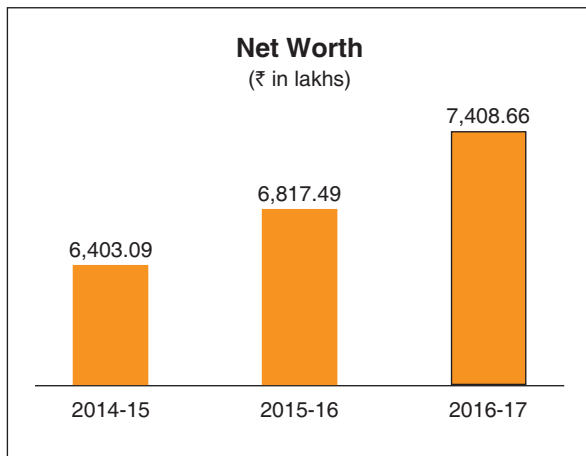
² During FY 2011-12, Equity Shares of face value of ₹ 100/- each were sub-divided into 10 equity shares of face value of ₹10/- each. EPS, Dividend/Share and book value / share are re-stated for periods prior to FY 2011-12 to give effect to the sub-division.

³ During FY 2013-14, the Company has issued 17,16,776 equity shares as fully paid-up bonus shares (in the ratio of 1:1). Consequently, the EPS and book value for the prior periods has been adjusted for the bonus issue.

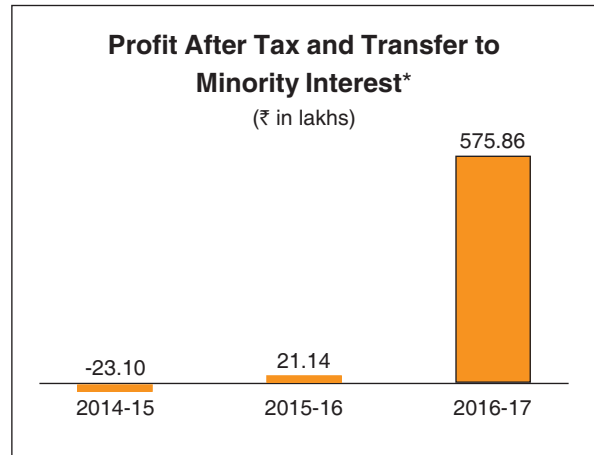
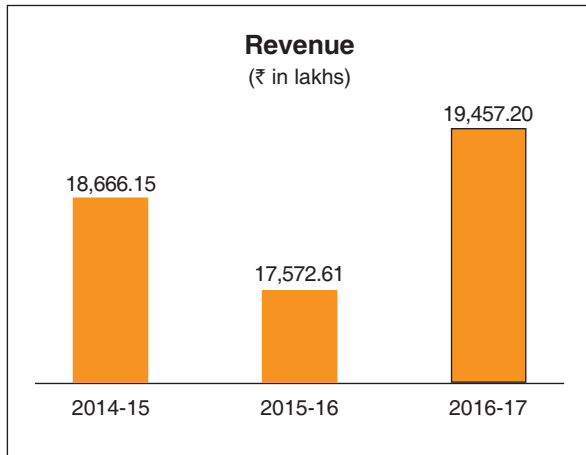
KEY PERFORMANCE INDICATORS
(Standalone)



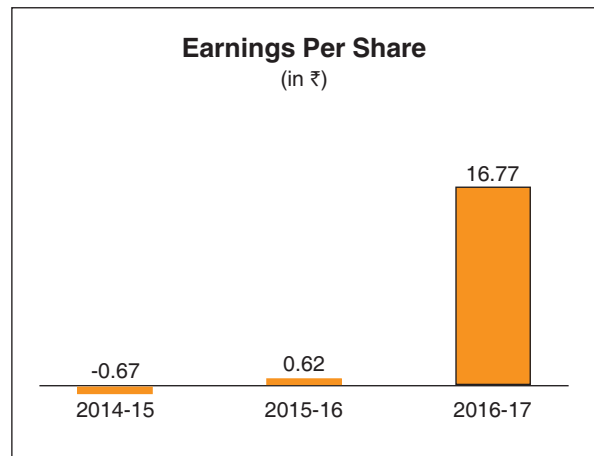
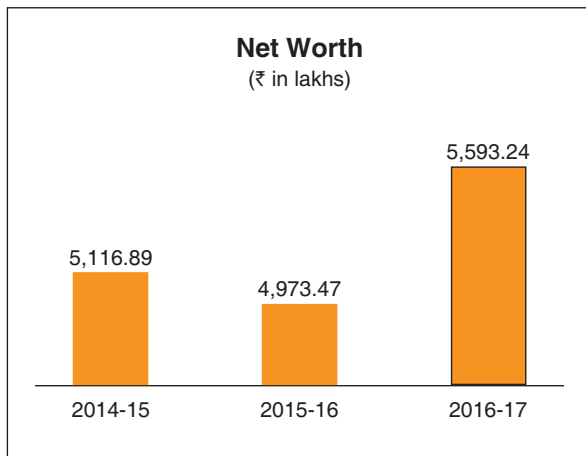
* Excluding exceptional items



KEY PERFORMANCE INDICATORS
(Consolidated)



* Excluding exceptional items



THEJO ENGINEERING LIMITED

Regd. Office : 41, Whites Road, Chennai - 600 014.

CIN : L27209TN1986PLC012833

Phone : 044 - 42221900 Fax : 044 - 42221910

E-mail : investor@thejo-engg.com

Website : www.thejo-engg.com

NOTICE TO MEMBERS

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of Thejo Engineering Limited will be held at 10 AM on Wednesday, the 16th August, 2017 at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai – 600 014, Tamil Nadu, India, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a) the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon and
 - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017 with the report of Auditors' thereon.
2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2017.
3. To appoint a Director in place of Mr. Manoj Joseph (DIN 00434579), who retires by rotation and, being eligible, seeks re-appointment.
4. To appoint a Director in place of Mr. K.J. Joseph (DIN 00434410), who retires by rotation and, being eligible, seeks re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the 36th Annual General Meeting and to fix their remuneration and 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board, M/s. Brahmaya & Co, Chartered Accountants (Firm Registration No. 000511S), be appointed as Statutory Auditors of the Company, in place of the retiring Auditors, M/s. Joseph & Rajaram, Chartered Accountants (Firm Registration No. 001375S), to hold office from the conclusion of this 31st Annual General Meeting until the conclusion of the 36th Annual General Meeting, subject to ratification by the Members every year at the Annual General Meeting, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.”

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 27th May, 2017

M.D. RAVIKANTH
CFO & Secretary

NOTICE TO MEMBERS**NOTES:**

1. The statement in respect of appointment of Auditors is annexed to this Notice to Members.
2. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a Member.
3. The form of proxy duly completed in all respects shall be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting (“the Meeting”). A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a Member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
4. Members / Proxies are requested to bring the duly filled Attendance Slip along with their copy of Annual Report to the Meeting.
5. Documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays, Sundays and Public Holidays up to the date of the Meeting and at the venue of the Meeting.
6. The Register of Members and Share Transfer Books will remain closed from 10th August, 2017 to 16th August, 2017 (both days inclusive).
7. Additional information pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and under Secretarial Standard on General Meetings (SS-2), in respect of the Directors seeking appointment / re-appointment at the Meeting is furnished in the Explanatory Statement annexed to this Notice. The Directors have furnished their consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules there under.
8. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution, authorizing their representatives to attend and vote on their behalf at the Meeting and/or at any adjournment thereof.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Cameo Corporate Services Limited.
10. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report for the Financial Year 2016-17 are available on the Company’s website www.thejo-engg.com for download. The physical copies of the aforesaid documents are open for inspection at the Company’s Registered Office during normal business hours on working days except Saturdays, Sundays and Public Holidays up to the date of the Meeting. They will also be available for inspection by the Members at the venue of the Meeting. Members may also send their request for physical copies of the aforesaid documents to the Company’s designated email id: investor@thejo-engg.com
11. Members having any query or desiring any information pertaining to Annual Accounts are requested to write to the Company at an early date to enable the Company to answer the queries at the Meeting.
12. The Company is pleased to offer e-voting facility which will enable the Members to cast their votes electronically on all the resolutions set out in the Notice.

NOTICE TO MEMBERS

13. E Voting Facility:

- (i) The e-voting period commences on Sunday, 13th August, 2017 (9 a.m.) and ends on Tuesday, 15th August, 2017 (5 p.m.). The cut-off date for determining the eligibility of Members for the remote e-voting and poll is Wednesday, 09th August, 2017. The e-voting module shall be disabled for voting after the end of the e-voting period.
- (ii) During the e-voting period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 09th August, 2017, may cast their vote electronically. Once the vote on the resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (iii) The Company has engaged Central Depository Services (India) Limited (“CDSL”) to offer E-voting facility to all Members to enable them to cast their vote electronically.
- (iv) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ Beneficial Owner (in case of shares held in dematerialized form) as on the cut-off date i.e., 09th August, 2017. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories on the aforesaid cut-off date only shall be entitled to avail the facility of remote e-voting/ poll.
- (v) E-voting is optional for Members. Members who have voted electronically through remote e-voting shall not be allowed to vote at the Annual General Meeting.
- (vi) Members desiring to exercise their vote by using E-voting facility, should follow carefully the instructions given below:
 - (a) The shareholders should log on to the e-voting website: www.evotingindia.com
 - (b) Click on Shareholders/Members Tab.
 - (c) Enter your User ID (For CDSL: 16 digits beneficiary ID; For NSDL: 8 Character DP ID followed by 8 Digits Client ID; Members holding shares in Physical Form should enter Folio Number registered with the Company).
 - (d) Next, enter the Image Verification as displayed and Click on Login.
 - (e) If you are holding shares in demat form, have logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing password is to be used.
 - (f) If you are a first time user, follow the steps given below and fill the appropriate boxes:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For example, if your name is Ramesh Kumar with sequence number 1, then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or the Company, please enter the Member id / folio number in the Dividend Bank details field.

NOTICE TO MEMBERS

- (g) After entering these details appropriately, click on “SUBMIT” tab.
- (h) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company in respect of which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (j) Click on the relevant EVSN of Thejo Engineering Limited on which you choose to vote.
- (k) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (m) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (o) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (p) If a Demat account holder has forgotten the changed login password, then he/she should enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (q) Members can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (r) Note for Non - Individual Members and Custodians: Non-Individual Members (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com After receiving the login details, a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote. A scanned copy each of Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under Help Section or send an email to helpdesk.evoting@cdslindia.com

NOTICE TO MEMBERS

14. Pursuant to Section 107 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, there will not be voting by show of hands on any of the agenda items at the Meeting and the Company will conduct voting at the Meeting.
15. The Board of Directors have appointed Mr. G. Porselvam, Practising Company Secretary (FCS 9322, CP 3187) as Scrutinizer for conducting the remote electronic voting process in a fair and transparent manner.
16. The Scrutinizer shall submit his report to the Chairman, on the votes cast in favour or against, after scrutiny.
17. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company www.thejo-engg.com The results shall simultaneously be communicated to the Stock Exchanges.

Place : Chennai
Date : 27th May, 2017

By Order of the Board
For THEJO ENGINEERING LIMITED

M.D. RAVIKANTH
CFO & Secretary

NOTICE TO MEMBERS**Statement annexed to the Notice dated 27th May, 2017 convening the 31st Annual General Meeting of the Company****Item No. 5**

This statement is provided for reference even though it is not mandatory.

M/s. Joseph and Rajaram, Chartered Accountants, were appointed as Auditors at the 30th Annual General Meeting held on 03rd August, 2016 and they are holding office of the Auditors up to the conclusion of the 31st Annual General Meeting and hence, would retire at the conclusion of the ensuing Annual General Meeting. Pursuant to Section 139(2) of the Companies Act, 2013 (the Act), the current Auditors cannot be re-appointed as they have completed two terms of five consecutive years and the transition period of three years from the commencement of the Act.

Accordingly, as per the said requirements of the Act, M/s. Brahmayya & Co (Firm Registration No. 000511S), Chartered Accountants, are proposed to be appointed as Auditors for a period of 5 years, commencing from the conclusion of 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting, subject to ratification by the Members at the Annual General Meeting every year, as may be applicable. M/s. Brahmayya & Co, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors / Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Your Directors recommend the resolution set forth in Item No. 5 of the Notice for approval of the Members.

Additional information on Directors recommended for re-appointment pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard on General Meeting (SS-2):**Information about Mr. Manoj Joseph:**

Mr. Manoj Joseph is currently a Whole-time Director of the Company. He is a Graduate in Electrical and Electronics Engineering with a Post Graduate Diploma in Business Administration. He joined Thejo Engineering Limited in 1991 and has worked in various departments such as materials, planning, manufacturing and sales. He was Head of Manufacturing till 2007, when he assumed charge as Head of Marketing.

Companies (other than Thejo Engineering Limited and its subsidiaries) in which Mr. Manoj Joseph holds Directorship and Membership/Chairmanship in Audit Committee and Stakeholders' Relationship Committee:

Directorship : None

Chairman of Board Committees : None

Member of Board Committees : None

Shareholding in the Company : 1,65,860 equity shares as on 31st March, 2017.

Mr. K.J. Joseph, Chairman and Mr. Manoj Joseph, Whole-time Director, are related as father and son.

NOTICE TO MEMBERS

Information about Mr. K.J. Joseph:

Mr. K.J. Joseph, one of the promoters, is currently the Non-Executive Chairman of the Company. He holds a Diploma in Mechanical Engineering and has served in companies like Pioneer Equipment & Co., Baroda, Kulkarni Foundries Limited, Pune and FAME Private Limited in various capacities, apart from serving in the Indian Defense Services. He was earlier the Managing Director of the Company and became the Chairman in 2001. He has experience of more than 3 decades in manufacturing / services areas.

Companies (other than Thejo Engineering Limited and its subsidiaries) in which Mr. K.J. Joseph holds Directorship and committee memberships:

Directorship : None

Chairman of Board Committees : None

Member of Board Committees : None

Shareholding in the Company : 2,50,000 equity shares as on 31st March, 2017.

Mr. K.J. Joseph, Chairman and Mr. Manoj Joseph, Whole-time Director, are related as father and son.

By Order of the Board
For THEJO ENGINEERING LIMITED

M.D. RAVIKANTH
CFO & Secretary

Place : Chennai
Date : 27th May, 2017

BOARD'S REPORT

The Directors have pleasure in presenting their 31st Annual Report together with Audited Accounts for the year ended 31st March, 2017. The summarized financial results for the year are given below:

₹ in Lakhs

	Standalone		Consolidated	
	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Profit before Exceptional Items, Interest, Depreciation and Tax	1,777.04	1,807.91	2,037.73	1,320.43
Less: Exceptional Item	-	-	-	-
Profit before Interest, Depreciation and Tax	1,777.04	1,807.91	2,037.73	1,320.43
Less: Interest	562.30	577.76	574.56	603.36
Profit before Depreciation and Tax	1,214.74	1,230.15	1,463.17	717.07
Less: Depreciation	391.99	418.14	534.82	568.30
Net Profit before Taxes	822.75	812.01	928.35	148.77
Less: Taxation (Including Deferred Tax)	261.86	252.98	310.69	222.15
Net Profit After Tax before Transfer to Minority Interest	560.89	559.03	617.66	(73.38)
Less: Transfer to Minority Interest	-	-	41.80	(94.52)
Net Profit After Tax and Transfer to Minority Interest	560.89	559.03	575.86	21.14
Add: Brought forward from previous year	4,001.10	3,642.61	2,157.09	2,356.42
Balance Available for Appropriations	4,561.99	4,201.64	2,732.95	2,377.56
Appropriations:				
Transfer to General Reserve	-	55.91	-	55.91
Proposed Dividend ¹	-	120.17	-	120.17
Dividend Distribution Tax ¹	-	24.46	-	24.46
Add/(Less): Foreign Currency Translation Reserve	-	-	13.63	(19.93)
Balance Carried over to Balance Sheet	4,561.99	4,001.10	2,746.58	2,157.09

Note:

1. No appropriation for dividend and dividend distribution tax has been made in the Accounts, pending approval by the Members at the ensuing Annual General Meeting in line with Accounting Standard (AS) 4.

REVIEW OF FINANCIAL PERFORMANCE AND THE STATE OF COMPANY'S AFFAIRS

STANDALONE

Your Company recorded a sales turnover of ₹ 16,239.08 lakhs for the year ended 31st March, 2017 as against ₹ 15,698.96 lakhs in the previous year. It achieved EBITDA of ₹ 1,777.04 lakhs (previous year ₹ 1,807.91 lakhs), resulting in net profit of ₹ 560.89 lakhs as against ₹ 559.03 lakhs in 2015-16.

BOARD'S REPORT

CONSOLIDATED

The Company's consolidated sales turnover in the year under review aggregated ₹ 19,360.72 lakhs, (previous year ₹ 17,499.82 lakhs) on which it made EBITDA of ₹ 2,037.73 lakhs (previous year ₹ 1,320.43 lakhs) and net profit (after transfer to Minority Interest) of ₹ 575.86 lakhs as against net profit of ₹ 21.14 lakhs in 2015-16 on the back of Thejo Hatcon Industrial Services (Thejo Hatcon) and Thejo Australia Pty Ltd (Thejo Australia) turning profitable during the year. Thejo Hatcon has reported a profit of about ₹ 82 lakhs and Thejo Australia about ₹ 165 lakhs during the year as against a loss of about ₹ 150 lakhs and ₹ 240 lakhs respectively in the previous year.

DIVIDEND

Your Directors are pleased to recommend payment of dividend of 35% i.e. ₹ 3.50 per Equity Share of ₹ 10 each for the Financial Year ended 31st March, 2017 (same as in the previous year). The dividend amount of ₹ 120.17 lakhs (same as in the previous year) together with dividend distribution tax of ₹ 24.46 lakhs (same as in the previous year) will absorb a sum of ₹ 144.63 lakhs (same as in the previous year).

EMPLOYEES STOCK OPTION SCHEME

Your Directors, at their meeting held on 30th May, 2016, granted 1,50,007 options to eligible employees under the Employee Stock Option Scheme, 2015 approved by the Members at the 29th Annual General Meeting.

During the year under review, there were no material changes in the Employee Stock Option Scheme, 2015 of the Company and the Scheme is in compliance with the SEBI Regulations on ESOPs. Information in respect of options granted under Thejo Employee Stock Option Plan 2015 is given in Note 25.10 forming part of Financial Statements. As per Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular dated 16th June, 2015, the details of the ESOPs are uploaded on the Company's website <http://www.thejo-engg.com/invest/ESOPs.pdf>

A Certificate from the Auditors of the Company as required under Regulation 13 of SBEB Regulations is attached to the Board's Report.

CREDIT RATING

CRISIL has retained the Fundamental Grade of 5/5 and has assigned the Current Market Price Grade of 5/5 for the equity shares of the Company under its SME IER (Independent Equity Research) vide its latest report issued on 11th January, 2017. The historical details of Grades assigned to the Company by CRISIL are given in the table below:

Date	Nature of Report	Fundamental Grade	Current Market Price Grade (on the date of report)
09 th May, 2014	Detailed Report	5/5	3/5
27 th June, 2014	H2FY14 Result Update	5/5	3/5
08 th December, 2014	Detailed Report	5/5	4/5
13 th July, 2015	H2FY15 Result Update	5/5	3/5
5 th January, 2016	H1FY16 Result Update	5/5	3/5
27 th September, 2016	Detailed Report	5/5	4/5
11th January, 2017	H1FY17 Result Update	5/5	5/5

Fundamentals Grading: 5/5 – Excellent Fundamentals

Valuation Grading: 5/5 – CMP has strong upside

BOARD'S REPORT**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS****ENVIRONMENT**

The current financial year (FY 2016-17) showed marginal improvement over the previous year. However, liquidity in the core sector industry, which constitutes our customer base, continued to be tight. Most of the projects in the core sector industries continued to languish.

The Minimum Import Prices for steel announced by the Central Government in February 2016 had a salutary impact on the fortunes of the steel sector, resulting in better receivables and turnover from the sector in H2 of FY17. The Minimum Import Prices for steel products were withdrawn in February 2017 and provisional anti-dumping duty has been imposed on majority of steel products. The momentum in the industry is expected to continue, resulting in an improved performance in FY 18.

The decision by the Central Government to withdraw old High Denomination Currency Notes did not have an immediate effect on the sectors catered by us as it only impacted the last mile dealers. However, the lag effect of this on the manufacturers in the sector may be felt in Q1 FY18.

Internationally, the mining industry in Western Australia is recovering from the lows witnessed in FY16. This has helped our subsidiary in Australia to turn profitable. We expect the trend to continue into FY 18. The oil prices have also increased from the lower levels witnessed during FY16. This has helped the industries in Saudi Arabia to some extent, which in turn has enabled Thejo Hatcon to report profitable operation in FY 17.

The impact of recession is still casting its shadow in Brazil and Chile. However, we expect good orders from our Chile subsidiary in FY 18.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The core sector industries to which the Company caters, showed moderate growth during the year under review. The Minimum Import Price which was introduced on a variety of steel products in February 2016 and imposition of provisional anti-dumping duty on majority of steel products by the time Minimum Import Price was lifted in February 2017 helped the steel sector to post a growth of about 9% during April 2016-February 2017. Coal sector grew at about 2.8% and electricity sector by about 5% during this period. However, there were no major new projects in these sectors during FY 17. Though the steel sector gained on account of Minimum Import Price and provisional anti-dumping duty, it is yet to recover fully from the impact of economic slowdown, coal block cancellation and consequent liquidity, NPA and funding issues. As a result, there was a moderate growth in the sales of the Company during the year under review, primarily driven by exports.

The Company has focussed its attention on value added products and export markets. This has resulted in the Company increasing its exports considerably and showing moderate growth in overall sales. The Company is focussing on exports as the domestic growth is expected to be moderate with liquidity and cost pressures.

COMPANY PERFORMANCE AND KEY DEVELOPMENTS

As the Members are aware, the Company is engaged in rubber and polyurethane based engineered products manufacturing, marketing and servicing activities, all under one roof. The services business caters to installation and maintenance of conveyor belts and allied services such as belt splicing, pulley lagging, belt reconditioning, rubber lining, etc. The products business centres around design, development, manufacture and supply of Rubber and Polyurethane based engineered products for belt cleaning, spillage control, flow enhancement, impact and abrasion protection and screening applications.

BOARD'S REPORT**RESEARCH AND DEVELOPMENT**

The approval of Department of Scientific and Industrial Research for the in-house R&D Centre was renewed in April 2016. The R&D Centre is focussing on developing new and innovative products as well as bringing continuous improvement of existing products so as to meet the needs of the customers and to tap new markets. The sustained efforts of Research and Development team helped the Company to develop diverse product ranges under varied conditions such as new grooved rubber and ceramic lagging sheets, ultra super heat resistant repair kits, rubber balls for siever shakers, mill liners, and high tension belt splicing compounds capable of withstanding some of the hardest working conditions in leading mines.

SAFETY

As part of its policy of giving utmost importance to safety, the Safety Department of your Company is continuously evaluating every process at its manufacturing as well as work sites, and taking necessary steps for the safety of personnel as well as of properties. The Company conducts safety review on regular basis and takes appropriate steps based on the findings.

OPPORTUNITIES AND THREATS**OPPORTUNITIES**

The products as well as services offerings of the Company are intended for the core sector industries. The opportunities for the industry in which the Company operates are intertwined with the opportunities for core sector industries.

Despite the subdued performance in the last couple of years, the prospects of the core sector industries are expected to be bright in the medium term. Moreover, we have a balanced portfolio of products and services, which helps us to moderate the impact of cyclicalities experienced by our customers.

The Company has started its Operations & Maintenance Division under which it offers comprehensive services. Despite the dip in the turnover of the division during FY17 due to the Company's decision not to renew certain contracts based on a review of customer performance, there is a perceptible momentum in favour of the concept of Operations & Maintenance and the market is expected to grow in the future. The Company expects to tap a sizeable portion of the increasing demand for Operations & Maintenance Services.

On the export front, the Company has shown considerable growth and it expects the growth momentum to continue. The Company believes that there will be good growth and returns from exports in the medium term.

THREATS

There are only limited number of organized players in the service segment in which the Company operates. However, competition from the unorganized sector is a challenge for the services business of the Company. In Operation & Maintenance, there is intense competition from organized segment especially during times of cyclical downturn.

Policy changes in respect of core sector industries will have a direct impact on the business of the Company as it primarily caters to core sector industries in the domestic market.

International commodity prices and fortunes of the global mining industries will have an impact on the export prospects of the Company.

The prices of most of the raw materials used by the Company are highly volatile. The volatility is expected to continue in the near future as well. The Company is mitigating this risk by framing appropriate procurement and pricing policies.

BOARD'S REPORT**FUTURE OUTLOOK**

The policy framework formulated by the Government during last year is expected to create a conducive environment for the growth of commerce and industry in our country. Implementation of Goods and Services Tax (GST) is expected to have a major impact on the overall business ecosystem. Key industrial legislations such as Land Acquisition Amendment Bill, Labour Code on Industrial Relations Bill, etc will also have an impact on the industries.

FINANCIAL PERFORMANCE

The financial performance of the Company in the year under review has remained in line with the previous year. While the manufacturing division has shown an increase in turnover on account of higher exports, the Services Division saw a marginal dip in the turnover and Trading Division showed a marginal increase. Export has shown a growth of about 37% on product front compared to the previous year. Your Company is expanding its business in overseas markets through its subsidiaries and branch, which is expected to improve the export turnover further.

The production of moulded and extruded rubber products was 962 tonnes during 2016-17, registering a negative growth of 9% over the previous year (1,062 tonnes). The production of adhesives during the year under review was 278 tonnes, showing a growth of 6% over the previous year (262 tonnes).

SEGMENT WISE PERFORMANCE

Your Company has 3 segments of revenue – Manufacturing Units, Service Units and Others. Audited financial results of these segments are furnished in Note 25.4, forming part of the Financial Statements.

RISK AND CONCERNS

The Company has put in place Risk Management Policy and Procedures for identification, assessment, management, monitoring and minimization of risks. It has identified potential risks under various categories like Business Dynamics, Operations, Liquidity, Market/Industry, Human Resources, Systems and Disaster Management. The Company is periodically reviewing the risks and their identification, assessment, monitoring and mitigation procedures. It does not perceive any major technological, operational, financial or environmental risks in the near future.

However, uncertainty in domestic and global markets coupled with volatility in commodity prices and constraints in infrastructure are causes for concern in the near/medium future.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has adequate internal control systems combined with Delegation of Powers and periodical review of the process. The control system is also supported by internal audits and management reviews of documented policies and procedures.

DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

During the year, the Company, as part of on-going exercise in skill upgradation, deputed different classes of its employees to programmes and seminars which will help them to add to their professional knowledge and skills.

In order to enthuse the employee base and increase the linear relationship between performance and reward, increments/incentives and ESOP are being provided based on performance. The Company continues to look at, identify, create and execute seamlessly, initiatives which enhance productivity and efficiency.

The Company will invest as hitherto in people through various initiatives which enable the workforce to meet the production and service expectations and challenges related thereto and to infuse positive enthusiasm towards the organisation.

BOARD'S REPORT**CAUTIONARY STATEMENT**

Certain statements in the Management Discussion and Analysis describing the Company's views about the Industry, objectives and expectations, etc. may be considered as 'forward looking statements.' The Company has tried to identify such statements by using words such as 'expect', 'anticipate', 'hope', 'likely', 'plan', 'projected', 'believe', etc. While making these statements, the Management has made certain assumptions which it believes are prudent. There is no guarantee that the assumptions would prove to be accurate. Actual results may differ substantially or materially from those expressed or implied in the statements. The Company undertakes no obligation to update any of the forward looking statements, whether as a result of any future events, change in assumptions or for any other reason, whatsoever. The forward looking statements are purely intended to put certain things in perspective based on the assumptions and estimates of the Management and in no way solicit investment. Members and others are requested to make their own judgment before taking any decision to invest in the shares of the Company.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses were observed.

SUBSIDIARY COMPANIES

As on date of this Report, the Company has four subsidiaries, namely, Thejo Hatcon Industrial Services Company, Kingdom of Saudi Arabia (Thejo Hatcon) with 51% shareholding, Thejo Australia Pty Ltd., Australia (Thejo Australia) with 74% shareholding, Thejo Brasil Comercio E Servicos Ltda, Brazil (Thejo Brasil) with 99.99% shareholding and Thejo Engineering LatinoAmerica SpA, Chile (Thejo Chile) with 99.73% shareholding.

The Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2017 are annexed to the Financial Statements. These Statements have been prepared as per Accounting Standard 21 issued by the Institute of Chartered Accountants of India.

PERFORMANCE OF SUBSIDIARY COMPANIES

Thejo Hatcon Industrial Services Company (Thejo Hatcon) is engaged primarily in rubber lining and related industrial services activities. During the period 01st April, 2016 to 31st March, 2017, Thejo Hatcon achieved a turnover of SAR 5.56 million (₹ 971.98 lakhs) on which it made a net profit of SAR 0.48 million (₹ 82.03 lakhs).

Thejo Australia Pty Ltd (Thejo Australia) is a servicing Company, primarily engaged in belt splicing, belt jointing, maintenance and related activities. During the period 01st April, 2016 to 31st March, 2017, Thejo Australia achieved a turnover of AUD 4.97 million (₹ 2,493.56 lakhs) with a profit of AUD 0.35 million (₹ 165 lakhs).

Thejo Brasil Comercio E Servicos Ltda (Thejo Brasil) is primarily engaged in selling of materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. During the period 01st April, 2016 to 31st March, 2017, Thejo Brasil achieved a turnover of BRL 0.32 million (₹ 62.92 lakhs) and it incurred a loss of BRL 0.03 million (₹ 4.83 lakhs).

Thejo Engineering LatinoAmerica SpA (Thejo Chile) is primarily engaged in selling of materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. During the period 01st April, 2016 to 31st March, 2017, Thejo Chile achieved a turnover of USD 0.35 million (₹ 227.41 lakhs) and had incurred a loss of USD 0.23 million (₹ 152.20 lakhs).

BOARD'S REPORT**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as prescribed under Sub-section 3(m) of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in Annexure 1 forming part of the Board's Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Directors have constituted a Corporate Social Responsibility Committee (CSR Committee) comprising Mr. K.J. Joseph, Mr. Thomas John, Mr. V.A. George and Mr. V.K. Srivastava as Members.

The Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy), indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The CSR Policy is provided in the Corporate Governance Report.

During the year 2016-17, the Company was required to incur CSR expenditure of ₹ 19.57 lakhs being 2% of the average net profits for the immediately preceding three financial years. In compliance with this requirement, the Company spent ₹ 20 lakhs on eligible projects approved by the Board on the recommendation of the CSR Committee, thus fully meeting the CSR target for the year under review. A brief outline of the Company's CSR Policy and projects undertaken are given in Annexure 2 forming part of the Board's Report.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return in Form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is attached as Annexure 3 forming part of the Board's Report.

NUMBER OF MEETINGS OF BOARD

The Board of Directors met four times during the Financial Year 2016-17. Further details are given in the Corporate Governance Report forming part of the Board's Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements 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 31st March, 2017 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the 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 Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD'S REPORT**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section 3 of Section 178 of the Companies Act, 2013, adopted by the Board of Directors is given in the Corporate Governance Report forming part of the Board's Report.

AUDITORS' REPORT

The Auditors' Report for the year ended 31st March, 2017 does not contain any qualification.

AUDITORS

M/s. Joseph & Rajaram, Chartered Accountants, were appointed as auditors at the 30th Annual General Meeting of the Company held on 03rd August, 2016 to hold office up to the conclusion of the 31st Annual General Meeting of the Company. Pursuant to Section 139(2) of the Companies Act, 2013 (the Act), the current auditors cannot be re-appointed as they have completed two terms of five consecutive years and the transition period of three years from the commencement of the Act.

Accordingly, as per the above said requirements of the Act, M/s. Brahmayya & Co, Chartered Accountants, are proposed to be appointed as Auditors for a period of five years commencing from the conclusion of the 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting, subject to ratification by the Members at every Annual General Meeting, as may be applicable, in place of M/s. Joseph & Rajaram, Chartered Accountants. M/s. Brahmayya & Co, Chartered Accountants, have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. The Audit Committee and the Board of Directors recommend the appointment of M/s. Brahmayya & Co, Chartered Accountants, as Statutory Auditors of the Company from the conclusion of the 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting, to the Members.

SECRETARIAL AUDIT

The Board appointed Mr. G. Porselvam, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2016-17. The Secretarial Audit Report of Mr. G. Porselvam for the Financial Year is attached as Annexure 4 to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Full particulars of Loans given, Investments made and Guarantees given which are required to be disclosed under Section 186 (4) of the Companies Act, 2013 are given in Annexure 5 forming part of the Board's Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties required to be given under Section 188 (2) of the Companies Act, 2013, in Form No. AOC-2, are set out in Annexure 6 forming part of the Board's Report.

COMMITTEES OF THE BOARD

Currently, the Company has four Committees of the Board of Directors, namely the Audit Committee, Compensation/Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Shareholders' and Investors' Grievance Committee. The terms of reference of the Committees are provided in the Corporate Governance Report forming part of the Boards' Report. The composition of the Committees is as follows:

BOARD'S REPORT

Name of the Committee	Composition of the Committee	Status
Audit Committee	Mr. M P Vijay Kumar	Independent Director, Chairman
	Mr. N Ganga Ram	Independent Director, Member
	Mr. A Satyaseelan	Independent Director, Member
	Mrs. Sujatha Jayarajan*	Independent Director, Member
Compensation / Nomination and Remuneration Committee	Mr. N Ganga Ram	Independent Director, Chairman
	Mr. V K Srivastava	Independent Director, Member
	Mr. M P Vijay Kumar	Independent Director, Member
	Mrs. Sujatha Jayarajan*	Independent Director, Member
Corporate Social Responsibility Committee	Mr. V K Srivastava	Independent Director, Chairman
	Mr. K J Joseph	Non-executive Director, Member
	Mr. Thomas John	Non-executive Director, Member
	Mr. V A George	Managing Director, Member
Shareholders' and Investors' Grievance Committee	Dr. C N Ramchand	Independent Director, Chairman
	Mr. V K Srivastava	Independent Director, Member
	Mr. K J Joseph	Non-executive Director, Member
	Mr. Thomas John	Non-executive Director, Member

**Mrs. Sujatha Jayarajan was inducted as Member of the Committee with effect from 07th March, 2017*

All the recommendations made by the Audit Committee were accepted by the Board of Directors, without any exception.

VIGIL MECHANISM

The Company has put in place Whistle Blower Policy and established the requisite Vigil Mechanism for employees and Directors for reporting concerns about unethical behaviour, actual or suspected fraud or violation of law to a designated Committee. The Committee consists of Mr. M.D. Ravikanth, Chief Financial Officer & Secretary, Mr. S Premjit, Vice President - Services & Mr. Thomas K Abraham, Vice President - HR & Admin. This mechanism also provides for adequate safeguards against victimisation of reporting employees. The Policy has been disseminated to all the employees through display on Notice Board and the Company's website.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. K.J. Joseph (DIN 00434410), Chairman, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Manoj Joseph (DIN 00434579), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

A brief resume of these Directors together with related information is given in the Notice convening the ensuing Annual General Meeting. The Board recommends their appointment / re-appointment as Directors of the Company.

The Company has received declarations from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

None of the Independent Directors will retire by rotation at the ensuing Annual General Meeting.

BOARD'S REPORT**BOARD EVALUATION**

A formal annual evaluation is required to be made by the Board of its own performance and that of its Committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent Directors is to be done by the Board of Directors, excluding the Director being evaluated.

Accordingly, the performance evaluation was done by the Board of Directors during the year under review. Similarly, the performance of the Non-Independent Directors and of the Board as a whole was evaluated by the Independent Directors at a separate Meeting held by them. The evaluation of all the Directors made was on the basis of the criteria and framework adopted by the Compensation/Nomination and Remuneration Committee.

PERSONNEL

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules is attached as Annexure 7a to the Board's Report.

Disclosures pertaining to the 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 are attached as Annexure 7b to the Board's Report.

CORPORATE GOVERNANCE

Your Company has voluntarily complied with the requirements of Corporate Governance to the maximum extent possible. A report on Corporate Governance is attached as Annexure 8 to the Board's Report.

GENERAL

Your Directors state that there were no transactions in respect of the following items during the year under review requiring disclosure or reporting:

1. Deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to the employees of the Company under any scheme.
4. Receipt of remuneration or commission by the Managing Director or the Whole-time Directors of the Company from any of its subsidiaries.
5. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

The Directors wish to thank the Company's Bankers for their continued support. The Directors also wish to thank the Company's customers and stakeholders for their patronage.

Your Directors place on record their appreciation of the good work done by the employees of the Company at all levels.

For and on behalf of the Board

Place : Chennai
Date : 27th May, 2017

K J JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

V.A. GEORGE
Managing Director
DIN 01493737

ANNEXURE TO BOARD'S REPORT
ANNEXURE 1 TO BOARD'S REPORT

[Particulars pursuant to the Companies (Accounts) Rules, 2014]

A) CONSERVATION OF ENERGY**i. Steps taken or impact on Conservation of Energy**

- Ensuring optimum utilisation of energy and maximum possible savings of energy.
- Avoiding any known wastages of energy by monitoring and reviewing energy usage.

ii. Steps taken by the Company for utilising alternate sources of energy

- Improved efficiency by use of diesel generators in case of emergency and as stand-by.
- The manufacturing unit utilized about 60% of the energy requirement from wind energy

iii. Capital Investments on energy conservation equipment

During the Financial Year, your Company has not invested on any energy conservation equipment.

B) TECHNOLOGY ABSORPTION

a) The Company has not absorbed any new technology during the Financial Year.

b) Specific areas in which R&D carried out by the company.

- Development of new innovative products
- Evaluation and usage of new raw materials.
- Improvement of existing products and processes.
- Development of methods to achieve uniformity and consistency in product quality and performance by improved process controls.
- Productivity improvement and methods for reduction in energy consumption

c) Benefits derived as a result of R&D

- Meeting the ever-changing product performance requirements of the market by developing suitable products to cater to these stringent requirements on a continuous basis.
- Improving the field service performance of existing products to surpass the quality of competitive products.
- Evaluating new and innovative raw materials for possible adoption and incorporation into the relevant products.
- Introduction of new methods and systems for improved productivity and reduction in energy consumption.

d) Expenditure on R&D

₹ in lakhs

Particulars	2016-17
Capital	1.78
Revenue (excluding depreciation)	90.67
Total	92.45
Total R&D expenditure as a % of total turnover	0.55%

ANNEXURE TO BOARD'S REPORT

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Payments in foreign currency towards Imports ₹ in lakhs

Imports at CIF Value	2016-17	2015-16
Raw Materials and Traded Goods	380.33	400.73
Capital Goods	33.34	18.54
Total	413.67	419.27

b) Payments in foreign currency towards Expenditure ₹ in lakhs

Expenditure in foreign currency	2016-17	2015-16
Professional and consultation fees	8.93	8.77
Foreign Tour	10.01	3.75
Salaries & Incentives of Perth Branch	259.04	175.91
Other Expenditure of Perth Branch	224.48	164.40
Others	56.46	37.08
Total	558.92	389.91

c) Earnings in foreign currency on Accrual basis ₹ in lakhs

Earnings in foreign currency	2016-17	2015-16
Exports – Products	2,267.07	1,659.91
Exports – Services	26.63	4.50
Total	2,293.70	1,664.41

d) Net Gain or Loss on Foreign Currency Translation ₹ in lakhs

Description	2016-17	2015-16
Profit/(Loss) on Foreign Currency Translation	(23.43)	23.60

ANNEXURE 2 TO BOARD'S REPORT

[Pursuant to Section 135 of the Companies Act, 2013]

Brief outline of the Company's CSR policy, projects and programs undertaken with web-link:

Thejo in its continuous efforts to positively impact the society, especially in the areas around its factories and sites, has formulated CSR policy for social development based on the following guiding principles:

- ✓ To help enrich the quality of life of the community of the nearby areas.
- ✓ To create a positive impact by making sustainable developments in the society and promote good environmental practices.
- ✓ To be responsible and responsive corporate citizen through endeavours to create a safe, harmonious and ecologically balanced environment for its members and the community at large.
- ✓ To maintain commitment to quality, health, education and safety in every aspect of the business and people.
- ✓ To promote equality of opportunity and diversity of workforce through its business operations.

Visit <http://thejo-engg.com/invest/CSR%20Policy.pdf> for more details related to our CSR Policy

The details of CSR activities undertaken by the Company are available in our web link: http://www.thejo-engg.com/index.php?option=com_investor&insid=156&catpat=149

ANNEXURE TO BOARD'S REPORT

Composition of CSR Committee:

Our CSR Committee consists of Mr. V.K. Srivastava, Chairman, Mr. K.J. Joseph, Mr. Thomas John and Mr. V.A. George, Members

Average Net Profits of the Company for the last three Financial Years: ₹ 978.32 lakhs

Prescribed CSR Expenditure (2% of the above amount): ₹ 19.57 lakhs

Details of CSR spend during the Financial Year

- a) Total amount to be spent for the Financial Year : ₹ 19.57 lakhs
 b) Amount spent : ₹ 20.00 lakhs
 c) Amount unspent, if any : Nil

The manner in which the amount was spent during the Financial Year is detailed below : ₹ in lakhs

CSR Project/ activity / beneficiary	Sector	Location of the project / program	Amount outlay (Budget)	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent directly / implementing agency
Don Bosco Non-formal Technical Training Institute	Education	South Andaman	1.50	1.50	1.50	Directly
National Relief Fund	PM Relief Fund	Prime Minister's National Relief Fund	2.36	2.36	2.36	Directly
Sri Ramachandra Educational & Health Trust	Preventive Health Care	Chennai	7.50	7.50	7.50	Directly
The Akshaya Patra Foundation	Malnutrition and hunger eradication	Chennai	5.00	5.00	5.00	Directly
The Mercy Home	Setting up and running up of Old Age Homes	Chennai	0.30	0.30	0.30	Directly
Gracious Home	Setting up and running up of Old Age Homes	Chennai	0.34	0.34	0.34	Directly
St. Joseph's Hospice	Setting up and running up of Old Age Homes	Kancheepuram	0.60	0.60	0.60	Directly
Jeevodaya Public Charitable Trust	Hunger eradication and Preventive Health Care	Chennai	0.90	0.90	0.90	Directly
Rasika Ranjani Sabha	Preventive Health Care	Mumbai	0.20	0.20	0.20	Directly
Shree Hari Bhaktha Samaj	Malnutrition and hunger eradication	Mumbai	0.30	0.30	0.30	Directly
The International Association of Lions Clubs District 324A1	Preventive Health Care / Sanitation	Thiruvallur	1.00	1.00	1.00	Directly
Total			20.00	20.00	20.00	

Responsibility Statement

The responsibility statement of CSR Committee of the Board of Directors of the Company is reproduced below:

“The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with the CSR Objectives and Policy of the Company.”

Place : Chennai
Date : 27th May, 2017

V.A. GEORGE
Managing Director
DIN 01493737

V.K. SRIVASTAVA
Chairman of CSR Committee
DIN 00611678

ANNEXURE TO BOARD'S REPORT
ANNEXURE 3 TO BOARD'S REPORT

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT-9

EXTRACT OF ANNUAL RETURNas on the Financial Year ended on 31st March, 2017

[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	L27209TN1986PLC012833
ii.	Registration Date	26 th March, 1986
iii.	Name of the Company	Thejo Engineering Limited
iv.	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	Aysha Building, No. 41, Whites Road, Chennai – 600 014, Tamil Nadu, India Tel: +91 44 42221900 Fax: +91 44 42221910
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building No. 1, Club House Road, Chennai – 600 002, Tamil Nadu, India Tel:+91 44 28460390 Fax:+91 44 28460129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10% or more of the total turnover of the Company are as follows:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Maintenance & Repair Services	3312/3319	47.67%
2	Other Rubber Products	2219	17.95%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN/ GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Thejo Hatcon Industrial Services Company	P.O. Box No. 991, Alkhobar 31952, Kingdom of Saudi Arabia.	N.A	Subsidiary	51	2(87)
2	Thejo Australia Pty Ltd	No. 5, Kalmia Road, Bibra Lake, WA - 6163	N.A	Subsidiary	74	2(87)
3	Thejo Brasil Comercio E Servicos Ltda	AV Brasil, 839, Sala:4, Vinhedo, CEP 13280-000,SP, Brasil.	N.A	Subsidiary	99.99	2(87)
4	Thejo Engineering LatinoAmerica SpA	La Dehesa Avenue, No 181 – Office 312, District: Lo Barnechea, Santiago, Chile.	N.A	Subsidiary	99.73	2(87)

ANNEXURE TO BOARD'S REPORT

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 01 st April, 2016)				No. of Shares held at the end of the year (As on 31 st March, 2017)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	19,65,240	-	19,65,240	57.24	19,46,940	-	19,46,940	56.70	(0.54)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	19,65,240	-	19,65,240	57.24	19,46,940	-	19,46,940	56.70	(0.54)
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	19,65,240	-	19,65,240	57.24	19,46,940	-	19,46,940	56.70	(0.54)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	5,65,472	-	5,65,472	16.47	5,65,472	-	5,65,472	16.47	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	2,02,200	-	2,02,200	5.89	1,98,600	-	1,98,600	5.78	(0.11)
Sub-total (B)(1)	7,67,672	-	7,67,672	22.36	7,64,072	-	7,64,072	22.25	(0.11)

ANNEXURE TO BOARD'S REPORT

i. *Category-wise Share Holding - (Contd.)*

2.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 st April, 2016)				No. of Shares held at the end of the year (As on 31 st March, 2017)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	39,000	-	39,000	1.14	38,700	-	38,700	1.13	(0.01)
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,66,750	2,000	1,68,750	4.91	1,79,050	2,000	1,81,050	5.27	0.36
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,63,960	1,18,680	4,82,640	14.06	3,72,060	1,18,680	4,90,740	14.30	0.24
c)	Others (specify)									
i)	Clearing Members	-	-	-	-	-	-	-	-	-
ii)	Hindu Undivided Family	9,050	-	9,050	0.26	7,850	-	7,850	0.23	(0.03)
iii)	Non-resident Indians	1,200	-	1,200	0.03	4,200	-	4,200	0.12	0.09
	Sub-total (B)(2)	5,79,960	1,20,680	7,00,640	20.40	6,01,860	1,20,680	7,22,540	21.05	0.65
	Total Public Shareholding (B)=(B)(1)+(B)(2)	13,47,632	1,20,680	14,68,312	42.76	13,65,932	1,20,680	14,86,612	43.30	0.54
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	33,12,872	1,20,680	34,33,552	100	33,12,872	1,20,680	34,33,552	100	-

ANNEXURE TO BOARD'S REPORT

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01 st April, 2016)			Shareholding at the end of the year (As on 31 st March, 2017)			% 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	
1	Mr. K. J. Joseph	3,55,380	10.35	-	2,50,000	7.28	-	(3.07)
2	Mr. Thomas John	4,75,660	13.85	-	2,16,868	6.32	-	(7.53)
3	Mr. Manoj Joseph	1,65,860	4.83	-	1,65,860	4.83	-	-
4	Mr. Rajesh John	1,50,540	4.38	-	2,16,866	6.31	-	1.93
5	Mrs. Rosamma Joseph	93,240	2.72	-	1,80,320	5.25	-	2.53
6	Mrs. Celinamma John	84,400	2.46	-	2,16,866	6.31	-	3.85
7	Mr. Manesh Joseph	1,65,860	4.83	-	1,65,860	4.83	-	-
8	Mrs. Meena Kavil	1,42,160	4.14	-	1,42,160	4.14	-	-
9	Mrs. Maya Philip	1,54,020	4.49	-	1,54,020	4.49	-	-
10	Mrs. Rithu Johnson	87,600	2.55	-	1,47,600	4.30	-	1.75
11	Mr. Sebastian Thomas	88,520	2.58	-	88,520	2.58	-	-
12	Mrs. Rosamma Joseph	2,000	0.06	-	2,000	0.06	-	-

iii. Change in Promoters' Shareholding

Particulars	No. of shares	% of total shares of the Company	Cumulative Shareholding during the year (01 st April, 2016 to 31 st March, 2017)	
			No. of shares	% of total shares of the Company
At the beginning of the year	19,65,240	57.24	19,65,240	57.24
Changes in Promoters Shareholding during the year - Gift Transfers	(18,300)	(0.54)	19,46,940	56.70
At the end of the year	19,46,940	56.70	19,46,940	56.70

ANNEXURE TO BOARD'S REPORT

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

Sl. No.	Name	No. of shares	% of total shares of the Company	Cumulative Shareholding during the year (01 st April, 2016 to 31 st March, 2017)	
				No. of shares	% of total shares of the Company
1	M/s. SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND				
	At the beginning of the year	3,17,072	9.23	3,17,072	9.23
	Changes in Shareholding during the year	-	-	3,17,072	9.23
	At the end of the year	3,17,072	9.23	3,17,072	9.23
2	M/s. EMERGING INDIA GROWTH FUND CVCF V				
	At the beginning of the year	2,48,400	7.23	2,48,400	7.23
	Changes in Shareholding during the year	-	-	2,48,400	7.23
	At the end of the year	2,48,400	7.23	2,48,400	7.23
3	M/s. IDBI CAP MKT SERV LTD				
	At the beginning of the year	2,02,200	5.89	2,02,200	5.89
	Transaction (Net of purchase / (sale)) during the year	(3,600)	(0.11)	1,98,600	5.78
	At the end of the year	1,98,600	5.78	1,98,600	5.78
4	Mr. S.P. GEORGE				
	At the beginning of the year	1,24,000	3.61	1,24,000	3.61
	Changes in Shareholding during the year	-	-	1,24,000	3.61
	At the end of the year	1,24,000	3.61	1,24,000	3.61
5	Mr. ANAND T. PETHE				
	At the beginning of the year	62,420	1.82	62,420	1.82
	Changes in Shareholding during the year	-	-	62,420	1.82
	At the end of the year	62,420	1.82	62,420	1.82
6	Mr. O.J. LUKOSE				
	At the beginning of the year	62,080	1.81	62,080	1.81
	Changes in Shareholding during the year	-	-	62,080	1.81
	At the end of the year	62,080	1.81	62,080	1.81

ANNEXURE TO BOARD'S REPORT

iv. *Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) - (Contd.)*

Sl. No.	Name	No. of shares	% of total shares of the Company	Cumulative Shareholding during the year (01 st April, 2016 to 31 st March, 2017)	
				No. of shares	% of total shares of the Company
7	Mr. JOSE KOZHIPAT				
	At the beginning of the year	43,140	1.26	43,140	1.26
	Changes in Shareholding during the year	-	-	43,140	1.26
	At the end of the year	43,140	1.26	43,140	1.26
8	M/s. N R GOLD PRIVATE LTD.				
	At the beginning of the year	34,800	1.01	34,800	1.01
	Transaction (Net of purchase / (sale)) during the year	(3,600)	(0.11)	31,200	0.90
	At the end of the year	31,200	0.90	31,200	0.90
9	Mrs. JYOTI ANAND PETHE				
	At the beginning of the year	32,160	0.94	32,160	0.94
	Changes in Shareholding during the year	-	-	32,160	0.94
	At the end of the year	32,160	0.94	32,160	0.94
10	Mrs. SUMY JOHN				
	At the beginning of the year	25,540	0.74	25,540	0.74
	Changes in Shareholding during the year	-	-	25,540	0.74
	At the end of the year	25,540	0.74	25,540	0.74

v. *Shareholding of Directors and Key Managerial Personnel*

Sl. No.	Name	No. of shares	% of total shares of the Company	Cumulative Shareholding during the year (01 st April, 2016 to 31 st March, 2017)	
				No. of shares	% of total shares of the Company
1	Mr. K.J. JOSEPH CHAIRMAN				
	At the beginning of the year	3,55,380	10.35	3,55,380	10.35
	Gift Transactions during the year	(1,05,380)	(3.07)	2,50,000	7.28
	At the end of the year	2,50,000	7.28	2,50,000	7.28
2	Mr. THOMAS JOHN VICE CHAIRMAN				
	At the beginning of the year	4,75,660	13.85	4,75,660	13.85
	Interse Transfer - Gift during the year	(2,58,792)	(7.53)	2,16,868	6.32
	At the end of the year	2,16,868	6.32	2,16,868	6.32

ANNEXURE TO BOARD'S REPORT

v. *Shareholding of Directors and Key Managerial Personnel - (Contd.)*

Sl. No.	Name	No. of shares	% of total shares of the Company	Cumulative Shareholding during the year (01 st April, 2016 to 31 st March, 2017)	
				No. of shares	% of total shares of the Company
3	Mr. V.A. GEORGE MANAGING DIRECTOR				
	At the beginning of the year	50,000	1.46	50,000	1.46
	Changes in Shareholding during the year	-	-	50,000	1.46
	At the end of the year	50,000	1.46	50,000	1.46
4	Mr. MANOJ JOSEPH EXECUTIVE DIRECTOR				
	At the beginning of the year	1,65,860	4.83	1,65,860	4.83
	Changes in Shareholding during the year	-	-	1,65,860	4.83
	At the end of the year	1,65,860	4.83	1,65,860	4.83
5	Mr. RAJESH JOHN EXECUTIVE DIRECTOR				
	At the beginning of the year	1,50,540	4.38	1,50,540	4.38
	Interse Transfer - Gift during the year	66,326	1.94	2,16,866	6.32
	At the end of the year	2,16,866	6.32	2,16,866	6.32

The following directors / key managerial personnel (KMP) did not hold any shares during the Financial Year 2016 -17:

- Mr. N. Ganga Ram - Director
- Mr. V. K. Srivastava - Director
- Mr. A. Satyaseelan - Director
- Mr. M. P. Vijay Kumar - Director
- Dr. C. N. Ramchand - Director
- Mrs. Sujatha Jayarajan - Director
- Mr. M. D. Ravikanth - CFO & Secretary

ANNEXURE TO BOARD'S REPORT

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
Indebtedness at the beginning of the Financial Year (01st April, 2016)				
i) Principal Amount	3,882.15	-	-	3,882.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10.63	-	-	10.63
Total (i+ii+iii)	3,892.78	-	-	3,892.78
Change in Indebtedness during the Financial Year				
• Addition	464.58	-	-	464.58
• Reduction	296.77	-	-	296.77
Net Change	167.81	-	-	167.81
Indebtedness at the end of the Financial Year (31st March, 2017)				
i) Principal Amount	4,052.75	-	-	4,052.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.84	-	-	7.84
Total (i+ii+iii)	4,060.59	-	-	4,060.59

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. V.A. George	Mr. Manoj Joseph	Mr. Rajesh John	
1.	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	41.00	30.75	19.43	91.18
(b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, Retiral benefits	-	6.04	3.97	10.01
	Total (A)	41.00	36.79	23.40	101.19
	Remuneration excluding retiral benefits				91.18
	Ceiling as per the Act				91.39

ANNEXURE TO BOARD'S REPORT

B. Remuneration to other Directors:

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. K.J. Joseph	Mr. Thomas John	Mr. N. Ganga Ram	Mr. V.K. Srivastava	Mr. A. Satyaseelan	Mr. M.P. Vijay Kumar	Dr. C.N. Ramchand	Mrs. Sujatha Jayarajan	
1	Independent Directors									
	Fee for attending board / committee meetings	-	-	0.90	1.50	1.70	1.80	1.30	0.90	8.10
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	0.90	1.50	1.70	1.80	1.30	0.90	8.10
2	Other Non-Executive Directors									
	Fee for attending board / committee meetings	1.00	1.30	-	-	-	-	-	-	2.30
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	1.00	1.30	-	-	-	-	-	-	2.30
	Total (B)=(1+2)	1.00	1.30	0.90	1.50	1.70	1.80	1.30	0.90	10.40
	Total Managerial Remuneration¹									91.18
	Overall Ceilings as per the Act									91.39

1. Pursuant to Section 197(2) of the Companies Act, 2013, the Sitting Fees paid to the Directors were excluded from the total managerial remuneration.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

₹ in lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Mr. M.D. Ravikanth, CFO & Secretary	
1.	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	19.33	19.33
(b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, Retiral benefits	2.76	2.76
	Total (A)	22.09	22.09

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ended 31st March, 2017.

ANNEXURE TO BOARD'S REPORT

ANNEXURE 4 TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2017

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

To,

The Members,
THEJO ENGINEERING LIMITED
Chennai

I have conducted the Secretarial Audit of the compliance of applicable Statutory provisions and the adherence to good corporate practices by M/s. THEJO ENGINEERING LIMITED [CIN:L27209TN1986PLC012833] (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. THEJO ENGINEERING LIMITED 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2017 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. THEJO ENGINEERING LIMITED for the financial year ended on 31/03/2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
The company has duly complied with the procedure laid under the Companies Act 1956 / 2013, forms, returns in this connection have been duly filed, and there are no adverse remarks or qualification in this aspect.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 - (e) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ANNEXURE TO BOARD'S REPORT

- (f) During the year under review, the company has granted 1,50,007 options under Thejo Employee Stock Option Plan 2015 in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and complied with the provisions, guidelines, issued under the said Regulations
- (vi) As informed to me the following other Laws specifically applicable to the Company as under:
1. Factories Act, 1948
 2. Industrial dispute Act, 1947
 3. Payment of Wages Act, 1936
 4. The Minimum Wages Act, 1948
 5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 6. Employees' State Insurance Act, 1948
 7. Equal Remuneration Act, 1976
 8. Shop & Establishment Act, 1948
 9. The Payment of Bonus Act, 1965
 10. The Payment of Gratuity Act, 1972
 11. The Contract Labour (Regulation and Abolition) Act, 1970
 12. The Maternity benefit Act, 1961
 13. The Child Labour Prohibition and Regulation Act, 1986
 14. The Industrial Employment (Standing Order) Act, 1946
 15. The Employee Compensation Act, 1923
 16. The Apprentices Act, 1961

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation.

The company has duly complied with the various provisions contained in the Act, there are no remarks as on date of issue of the report.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including One Women Director. There is no change in the composition of the Board of Directors during the period under review.

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 at the meeting.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/ actions in pursuance of the above referred laws, rules, regulation, guidelines, etc, having a major bearing on the companies affairs.

Place : Chennai
Date : 25/05/2017

Name : G. PORSELVAM
C P No. : 3187

ANNEXURE TO BOARD'S REPORT
ANNEXURE 5 TO BOARD'S REPORT

[Pursuant to Section 186 of the Companies Act, 2013]

DETAILS OF LOANS GIVEN, INVESTMENT MADE OR GUARANTEE GIVEN OR SECURITY PROVIDED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

The particulars of loans given as at 31st March, 2017 are as follows: ₹ in lakhs

Name of the Company	As at 31st March, 2017	Purpose
Thejo Australia Pty Ltd, Australia	494.94	Working Capital Requirement
Thejo Hatcon Industrial Services Company, Saudi Arabia	198.90	Working Capital Requirement

The details of investments made during the Financial Year are as follows: ₹ in lakhs

Name of the Company and Country	During FY 16-17	As at 31st March, 2017
Thejo Hatcon Industrial Services Company, Saudi Arabia	-	333.72
Thejo Australia Pty Ltd, Australia	-	1,202.45
Thejo Brasil Comercio E Servicos Ltda, Brazil	12.07	76.24
Thejo Engineering LatinoAmerica SpA, Chile	80.14	341.66

The details of guarantee given as at 31st March, 2017: Nil

ANNEXURE TO BOARD'S REPORT

ANNEXURE 6 TO BOARD'S REPORT

[Pursuant to Clause (h) of Sub-section (3) of Section 134 and Section 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014]

The particulars of Contracts or arrangements entered into by the Company with related parties under Section 188 of the Companies Act, 2013, are as follows:

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

There were no contracts or arrangements entered into by the Company with the related parties during the Financial Year 2016-17, which were not at arm's length.

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

The details of material contracts or arrangements or transactions at arm's length basis during the Financial Year 2016-17, are as follows: ₹ in lakhs

Name of related Party	Nature of relationship	Duration	Nature of Contract & Salient Terms, if any	Amount
Thejo Hatcon Industrial Services Company, Saudi Arabia	Subsidiary	Based on Orders	Sales net of collections	192.47
		Based on Repayment Schedule	Loan Repayment	-10.49
		Till repayment of loan	Interest charged (Net of amount received)	4.22
Thejo Australia Pty Ltd, Australia	Subsidiary	Based on Orders	Sale net of purchase/ collections	-83.60
		Till repayment of loan	Interest charged (Net of amount received)	13.43
Thejo Brasil Comercio E Servicos Ltda, Brazil	Subsidiary	Not Applicable	Investments	12.07
		Based on Orders	Sales net of collections	13.05
Thejo Engineering LatinoAmerica SpA, Chile	Subsidiary	Not Applicable	Investments	80.14
		Based on Orders	Sales net of collections	130.19
Mr. V. A. George, Managing Director	Key Managerial Personnel	14 th July, 2018	Remuneration	41.00
Mr. Manoj Joseph	Executive Director	19 th June, 2020	Remuneration	36.79
Mr. Rajesh John	Executive Director	15 th January, 2022	Remuneration	23.40
Mr. M. D. Ravikanth, CFO & Secretary	Key Managerial Personnel	Not Applicable	Remuneration	22.09
Mrs. Rosamma Joseph	Relative of Director	Not Applicable	Remuneration	12.09
Mrs. Celinamma John	Relative of Director	Not Applicable	Remuneration	11.95
Mr. Manesh Joseph	Relative of Director	Not Applicable	Remuneration	23.73

For and on behalf of the Board

Place : Chennai
Date : 27th May, 2017

THOMAS JOHN V.A. GEORGE
Vice Chairman Managing Director
DIN 00435035 DIN 01493737

ANNEXURE TO BOARD'S REPORT
ANNEXURE 7a TO BOARD'S REPORT

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i. The details of remuneration of each Director and KMP during the Financial Year 2016-17, the percentage increase in remuneration of each Director and KMP, and ratio of the remuneration of each Director to the median remuneration of the employees for the Financial Year 2016-17 are as follows:

Name of the Director / KMP	Remuneration of Director/KMP for the F.Y 2016-17	% increase in Remuneration in the F.Y. 2016-17	Ratio of Remuneration of each director to median remuneration of employees	Remuneration of Director/KMP for the F.Y 2015-16
Mr. K. J. Joseph	1.00	-16.67	0.49	1.20
Mr. Thomas John	1.30	-13.33	0.64	1.50
Mr. V. A. George	41.00	-2.38	20.10	42.00
Mr. Manoj Joseph	36.79	8.76	18.03	33.83
Mr. Rajesh John	23.40	1.05	11.47	23.16
Mr. N. Ganga Ram	0.90	-55.00	0.44	2.00
Mr. V. K. Srivastava	1.50	50.00	0.74	1.00
Mr. A. Satyaseelan	1.70	-10.53	0.83	1.90
Mr. M. P. Vijay Kumar	1.80	-10.00	0.88	2.00
Dr. C. N. Ramchand	1.30	8.33	0.64	1.20
Mrs. Sujatha Jayarajan	0.90	50.00	0.44	0.60
Mr. M. D. Ravikanth	22.09	5.21	Not Applicable	20.99

- ii. The median remuneration of employees of the Company for the Financial Year was ₹ 2.04 lakhs.
- iii. There was an increase of 10.72% in the median remuneration of employees in the Financial Year.
- iv. There were 1,200 permanent employees on the rolls of the Company as on 31st March, 2017.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2016-17 was 6.74% whereas the managerial remuneration increased by 2.23% (from ₹ 98.99 lakhs in 2015-16 to ₹ 101.19 lakhs in 2016-17).
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE 7b TO BOARD'S REPORT**STATEMENT OF PARTICULARS OF EMPLOYEES:**

During the Financial Year, no employee received remuneration in excess of the limits prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ANNEXURE TO BOARD'S REPORT

Details of top ten employees in terms of remuneration drawn during the year.

Name	Designation	Remuneration* (₹ in lakhs)	Nature of Employment	Qualification	Experience (Years)	Date of employment commencement	Age	Previous Employment
R.P. Singh	Head – Safety	26.05	Contractual	BE (Mech)	50	05-11-2015	73	Tata Steel Limited
Manesh Joseph	Senior VP - Factory	20.97	Regular	B.com	20	02-01-2012	43	Own Business
G. Radhakrishnan	Head - Commercial	20.87	Contractual	M.A., PGDGC	40	11-04-2016	65	India Cements Capital Limited
M.D. Ravikanth	CFO & Secretary	19.33	Regular	CA., ACS	14	03-03-2008	37	India Cements Capital Limited
D. Ravichandran	Head - Lining Division	18.57	Regular	DME	33	01-07-1997	51	MIL Industries Limited
R. Ravichandran	Head - Maintenance	17.35	Regular	BE (Mech), PGDSMM	36	07-11-2011	57	Dunlop India Limited
B. Vivekanandan	Head - Operations, O&M Division	16.99	Regular	BE (Mech)	23	06-11-2014	45	Tecpro Systems Limited
S. Venkataramanan	Head - Business Development, O&M Division	14.97	Regular	DEEE	27	09-10-2009	46	Hofincons Infotech & Industrial Services Private Limited
Thomas K. Abraham	VP - HR & Admin	14.91	Regular	M.A. (Economics), PGDPMIR	27	01-03-2008	49	India Cements Capital Limited
C. Gopinathan	GM - R&D	14.64	Contractual	B.Sc. (Chemistry), LPRI	43	21-07-2003	63	Marc Rubber Components Private Limited

None of the above employees are related to any of the Directors of the Company except Mr. Manesh Joseph who is related to Mr. K.J. Joseph, Chairman, as son and to Mr. Manoj Joseph, Director Marketing, as brother.

* Excluding Retiral Benefits

ANNEXURE TO BOARD'S REPORT
ANNEXURE 8 TO BOARD'S REPORT
CORPORATE GOVERNANCE REPORT
I. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's Code of Corporate Governance permeates in all aspects of its working and towards maximizing the Shareholders' value. The Company believes that good corporate governance system enables it to retain the trust of the Members.

The code of conduct and governance lays strong emphasis on transparency, accountability, community engagement and quick business decisions.

The Company has taken several initiatives towards maintaining good corporate governance system. The Audit Committee and the Compensation/Nomination and Remuneration Committee of the Board consist wholly of Independent Directors.

The Company has norms in line with the provisions of the Companies Act, 2013 and has ensured effective Corporate Governance practices and timely disclosure of information to the Members.

The Company has adopted various codes and policies which include Code for Board of Directors and Senior Managers, Code of Conduct to regulate, monitor and report trading by Insiders, Code of practices and procedures for fair disclosure of unpublished price sensitive information, Whistle Blower Policy, Policy on Prevention of Sexual Harassment in the Workplace, Corporate Social Responsibility Policy and Risk Management Policy.

II. BOARD OF DIRECTORS

The Board of Directors of the Company consists of optimum combination of Executive and Non-Executive Directors. As at 31st March, 2017, the Company's Board had 11 Directors, of which three were Executive Directors, two were Non-executive Non-independent Directors and six Independent Directors. The composition of the Board and category of Directors were as follows:

Category	Name of Director & Designation	DIN
Promoters & Non-executive Directors	Mr. K.J. Joseph, Chairman	00434410
	Mr. Thomas John, Vice Chairman	00435035
Executive Directors	Mr. V.A. George, Managing Director	01493737
	Mr. Manoj Joseph, Whole-time Director	00434579
	Mr. Rajesh John, Whole-time Director	05161087
Independent Directors	Mr. N. Ganga Ram, Independent Director	00001246
	Mr. V.K. Srivastava, Independent Director	00611678
	Mr. A. Satyaseelan, Independent Director	05158896
	Mr. M.P. Vijay Kumar, Independent Director	05170323
	Dr. C.N. Ramchand, Independent Director	05166709
	Mrs. Sujatha Jayarajan, Independent Director	00633989

ANNEXURE TO BOARD'S REPORT

The details of Directorship held in other Companies/Board Committees by each Member of the Board of Directors of the Company as on 31st March, 2017 were as under -

Sl. No.	Name of the Director	Number of Directorship held in other Companies	Number of Board Committee Memberships / Chairmanships held in other Companies	
			Membership	Chairmanship
1	Mr. K.J. Joseph	Nil	Nil	Nil
2	Mr. Thomas John	Nil	Nil	Nil
3	Mr. V.A. George	Nil	Nil	Nil
4	Mr. Manoj Joseph	Nil	Nil	Nil
5	Mr. Rajesh John	Nil	Nil	Nil
6	Mr. N. Ganga Ram	3	2	2
7	Mr. V.K. Srivastava	Nil	Nil	Nil
8	Mr. M.P. Vijay Kumar	1	Nil	Nil
9	Mr. A. Satyaseelan	Nil	Nil	Nil
10	Dr. C.N. Ramchand	3	Nil	Nil
11	Mrs. Sujatha Jayarajan	1	2	Nil

Notes:

- 1) None of the Directors holds chairmanship of the Board Committees in excess of the maximum ceiling of five and Membership in excess of the maximum ceiling of ten.
- 2) For the purpose of reckoning the ceiling, Chairmanship/Membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered and Directorship in Private Limited Companies, Foreign Companies, Companies registered under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013 has not been considered.
- 3) Excluding Directorship in Thejo Engineering Limited and its subsidiaries.

Relationship between Directors

None of the Directors have any family relationships between them, save and except Mr. K.J. Joseph and Mr. Manoj Joseph as father and son and Mr. Thomas John and Mr. Rajesh John also as father and son.

Shareholding of Directors

None of the Directors have any shareholding in our Company as on 31st March, 2017 except as disclosed below:

S.No.	Name of the Director	No. of Shares	% of Equity Share Capital
1	Mr. K.J. Joseph	2,50,000	7.28
2	Mr. Thomas John	2,16,868	6.32
3	Mr. V.A. George	50,000	1.46
4	Mr. Manoj Joseph	1,65,860	4.83
5	Mr. Rajesh John	2,16,866	6.32

ANNEXURE TO BOARD'S REPORT

Meetings and Attendance

Attendance of Directors at Board Meetings and Annual General Meeting (AGM)

During the year, the Board met 4 times. The meetings of the Board of Directors were held on 30th May, 2016, 03rd August, 2016, 11th November, 2016 and 06th March, 2017. The attendance of each Director at the Board Meetings and at the last Annual General Meeting is as under:

S. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Last Annual General Meeting held on 03 rd August, 2016
1	Mr. K.J. Joseph	4	3	Yes
2	Mr. Thomas John	4	4	Yes
3	Mr. V.A. George	4	4	Yes
4	Mr. Manoj Joseph	4	4	Yes
5	Mr. Rajesh John	4	4	Yes
6	Mr. N. Ganga Ram	4	2	No
7	Mr. V.K. Srivastava	4	4	Yes
8	Mr. M.P. Vijay Kumar	4	4	Yes
9	Mr. A. Satyaseelan	4	4	No
10	Dr. C.N. Ramchand	4	4	Yes
11	Mrs. Sujatha Jayarajan	4	4	Yes

III. COMMITTEES

i) Audit Committee

The Audit Committee of the Board of Directors was constituted on 16th January, 2012. The Committee consists of four Independent Directors. The status of the Independent Directors and attendance at the meetings were as follows:

S.No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Mr. M.P. Vijay Kumar	Independent Director, Chairman	4	4
2	Mr. N. Ganga Ram	Independent Director, Member	4	2
3	Mr. A. Satyaseelan	Independent Director, Member	4	4
4	Mrs. Sujatha Jayarajan ¹	Independent Director, Member	4	Not Applicable

¹ Mrs. Sujatha Jayarajan was inducted as a Member of the Committee with effect from 07th March, 2017.

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Audit Committee of the Board were held on 30th May, 2016, 03rd August, 2016, 11th November, 2016 and 06th March, 2017.

Terms of Reference

The principal terms of reference of the Audit Committee are as follows:

1. Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

ANNEXURE TO BOARD'S REPORT

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
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 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 section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the Financial Statements arising out of audit findings, compliance with listing and other legal requirements relating to Financial Statements.
 - e. Disclosure of any related party transactions.
 - f. Qualifications in the draft audit report.
5. Reviewing, with the Management, the half-yearly 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 steps in this matter.
7. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
8. 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.
9. Discussion with Internal Auditors any significant findings and follow-up thereon.
10. 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.
11. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism.
14. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ANNEXURE TO BOARD'S REPORT

16. To review the following information:
- Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief Internal Auditor.
17. Any other terms of reference as contained in the Companies Act, 2013.

Other information

Executives from Accounts, Finance and Secretarial Departments and representatives of statutory and internal auditors attend Audit Committee Meetings.

The Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 03rd August, 2016.

ii) Compensation / Nomination and Remuneration Committee

The Compensation/Nomination and Remuneration Committee of the Board was formed on 16th January, 2012 and the Committee consists of four Independent Directors. The Committee was re-designated as Compensation / Nomination and Remuneration Committee with effect from 27th May, 2015. The status of the Independent Directors and attendance at the meeting were as follows:

S. No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Mr. N. Ganga Ram	Independent Director, Chairman	1	1
2	Mr. V.K. Srivastava	Independent Director, Member	1	1
3	Mr. M.P. Vijay Kumar	Independent Director, Member	1	1
4	Mrs. Sujatha Jayarajan ¹	Independent Director, Member	1	Not Applicable

¹ Mrs. Sujatha Jayarajan was inducted as a Member of the Committee with effect from 07th March, 2017

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Compensation / Nomination and Remuneration Committee of the Board was held on 30th May, 2016.

Terms of Reference

The terms of reference of the Compensation / Nomination and Remuneration Committee include the following

- Recommending /reviewing remuneration of the Managing Director and Whole-time Directors as also of Non-executive Directors based on their performance and defined assessment criteria;
- Determining / recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;

ANNEXURE TO BOARD'S REPORT

3. Determining / recommending the criteria for qualifications, positive attributes and independence of Directors;
4. Identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal;
5. Reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
6. Reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;
7. Determining policy on service contracts, notice period, severance fees for Directors and Senior Management;
8. Evaluating each Director's performance and performance of the Board as a whole.
9. Carrying out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

Directors' Appointment Criteria / Policy

The Board of Directors is collectively responsible for selection of a Member on the Board. The Compensation / Nomination and Remuneration Committee of the Company follows a defined criteria for identification, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

1. Composition of the Board which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
2. Desired age and diversity on the Board;
3. Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with requirements of the law;
4. Professional qualifications, expertise and experience in specific area of business;
5. Balance of skills and expertise in view of the objectives and activities of the Company;
6. Avoidance of any present or potential conflict of interest;
7. Availability of time and other commitments for proper performance of duties; and
8. Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency and pioneering mindset.

Remuneration Policy

1. The reward policy of the Company shall be to pay market competitive reward with a strong linkage to performance, which ensures the effective recognition of performance and encourages a focus on achieving the operational results.
2. The appointment and remuneration of the Executive Directors, Key Managerial Personnel and Senior Management are by virtue of their employment with the Company as management employees and therefore their terms of employment viz. salary, variable pay, service contract, notice period and severance fee, if any, shall be governed by the applicable HR policies at the relevant period. The total reward package for Executive Directors, Key Managerial Personnel and Senior Management are intended to be market competitive with a strong linkage to the performance.

ANNEXURE TO BOARD'S REPORT

Details of Remuneration paid to the Directors for the year 2016-17 were as follows:

₹ in lakhs

Name of Director	Sitting Fee ¹	Salary	Contribution to Statutory & Other Funds	Performance Linked Incentive	Total
Promoters / Non-executive Directors					
Mr. K.J. Joseph	1.00	-	-	-	1.00
Mr. Thomas John	1.30	-	-	-	1.30
Executive Directors					
Mr. V.A. George	-	41.00	-	-	41.00
Mr. Manoj Joseph	-	30.75	6.04	-	36.79
Mr. Rajesh John	-	19.43	3.97	-	23.40
Independent Directors					
Mr. N. Ganga Ram	0.90	-	-	-	0.90
Mr. V.K. Srivastava	1.50	-	-	-	1.50
Mr. A. Satyaseelan	1.70	-	-	-	1.70
Mr. M.P. Vijay Kumar	1.80	-	-	-	1.80
Dr. C.N. Ramchand	1.30	-	-	-	1.30
Mrs. Sujatha Jayarajan	0.90	-	-	-	0.90

Note:

1. Excludes Service Tax Paid on Sitting Fees under Reverse Charge by the Company.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company except services rendered in professional capacity. The Company has not granted any stock option to any of its Non-Executive Directors.

Directors' Tenure details:

Executive Directors	Tenure of Office	Notice Period	Performance Linked Incentive	Severance Fees
Mr. V.A. George	15 th July, 2013 to 14 th July, 2018	Not Applicable	Nil	Nil
Mr. Manoj Joseph	20 th June, 2015 to 19 th June, 2020	Not Applicable	Nil	Nil
Mr. Rajesh John ¹	16 th January, 2017 to 15 th January, 2022	Not Applicable	Nil	Nil

Note:

1. During the year, Mr. Rajesh John was re-appointed as a Whole-time Director for a period of five years commencing from 16th January, 2017.

ANNEXURE TO BOARD'S REPORT
iii) Shareholders' and Investors' Grievance Committee

The Shareholders' and Investors' Grievance Committee of the Board was formed on 16th January, 2012, and the Committee consists of four Directors. The status of the Directors and their attendance at the meetings were as follows:

S. No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Dr. C.N. Ramchand	Independent Director, Chairman	4	4
2	Mr. V. K. Srivastava	Independent Director, Member	4	4
3	Mr. K.J. Joseph	Promoter & Non-executive Non-Independent Director, Member	4	3
4	Mr. Thomas John	Promoter & Non-executive Non-Independent Director, Member	4	4

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Shareholders' and Investors' Grievance Committee of the Board of Directors were held on 30th May, 2016, 03rd August, 2016, 11th November, 2016 and 06th March, 2017.

Terms of Reference

The terms of reference of the Shareholders' and Investors' Grievance Committee, include the oversight and review of all matters connected with the transfer of securities of the Company, approval of the issue of duplicate certificate, monitoring redressal of investors/shareholder grievances related to transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividend. The Committee has to monitor the performance of Registrar and Share Transfer Agent, recommend methods to upgrade the standard of services to the investors, and monitor implementation of and compliance with the Code of Conduct to regulate, monitor and report trading by Insiders.

Name and designation of Compliance Officer

Mr. M.D Ravikanth, CFO & Secretary, is the Compliance Officer of the Company.

Investor Grievance Redressal:

During the Financial Year 2016-17, the Company has not received any complaints from the Shareholders. There were no complaints outstanding as on 31st March, 2017.

ANNEXURE TO BOARD'S REPORT
IV. GENERAL BODY MEETINGS**(i) Details of last three Annual General Meetings held**

The dates and times of the Annual General Meetings held during the preceding three years and the details of Special Resolution(s) passed are as follows:

Year	Date	Time	Location	Special Resolutions Passed
2015-16	03 rd August, 2016	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 14.	Nil
2014-15	26 th August, 2015	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 14.	1) Alteration of Memorandum of Association of the Company. 2) Approval for Employee Stock Option Plan and grant of Employee Stock Options. 3) Approval for the grant of Employee Stock Options to the employees of the subsidiary companies.
2013-14	25 th August, 2014	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 14.	Alteration of Memorandum of Association of the Company

(ii) Special Resolution, if any, passed through postal ballot with details of voting pattern:

The Company did not pass any special resolution through Postal Ballot during the Financial Year 2016-17.

(iii) Special Resolution proposed to be conducted through postal ballot:

None of the business proposed to be transacted in the ensuing Annual General Meeting requires Special Resolution through postal ballot.

V. DISCLOSURES**A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of Issuer at large.**

None of the related party transactions was in potential conflict with the interest of the Company at large. Shareholders can refer to the details of Related Party Transactions as set out in Note 25.5 of the Financial Statements.

B. Details of non-compliance by the Issuer, penalties, and strictures imposed on the Issuer by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the laws relating to Capital Markets; hence there is no non-compliance by the Company in this regard. No penalties / strictures have been imposed by Stock Exchange or SEBI or any statutory authority relating to capital markets during the last three years.

ANNEXURE TO BOARD'S REPORT

C. Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.

The Company has formulated and implemented the Whistle Blower Policy ("the Policy") and the Policy has been disseminated to all the employees through display on Notice Board and website.

The Policy provides for a mechanism to all the employees of the Company, who are free to report to the designated Whistle Blower Committee if there is any violation of laws, rules, regulations or any alleged wrongful conduct.

It is further affirmed that no personnel has been denied access to the Audit Committee.

Compensation / Nomination and Remuneration Committee

As already stated, the Company has constituted Compensation / Nomination and Remuneration Committee and it consists of four Independent Directors. The main function of the Committee is to recommend the Policy on Directors' appointment and Remuneration to Directors, Key Managerial Personnel and Senior Management and to review/recommend the remuneration of the Managing Director, Whole-time Directors and Non-Whole-time Directors based on their performance and defined assessment criteria.

Corporate Social Responsibility Committee

As per Section 135 of the Companies Act, 2013, all Companies having a net worth of ₹ 500 Crore or more or turnover of ₹ 1,000 Crore or more or a net profit of ₹ 5 Crore or more during any Financial Year are required to constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors at least one of whom shall be Independent Director. Accordingly, the Board constituted the CSR Committee on 20th May, 2014. The status of the Directors and their attendance at the meetings were as follows:

S.No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Mr. V. K. Srivastava	Independent Director, Chairman	1	1
2	Mr. K.J. Joseph	Promoter & Non-Executive Non-Independent Director, Member	1	1
3	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	1	1
4	Mr. V.A. George	Managing Director, Member	1	1

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Corporate Social Responsibility Committee of the Board of Directors was held on 30th May, 2016.

The terms of reference of the CSR Committee include:

1. To 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.
2. To recommend the amount of expenditure to be incurred on the CSR activities.
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. Such other functions as may be specified by the Companies Act, 2013 from time to time.

ANNEXURE TO BOARD'S REPORT

Independent Directors Meeting

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. Accordingly, the meeting of Independent Directors, without attendance of non-independent Directors and members of the Management, was held on 06th March, 2017 and it reviewed the performance of the Chairperson, non-independent Directors and the Board as a whole as also the flow of information between the Company Management and the Board.

Audit Qualifications

The Financial Statements of the Company for the Financial Year 2016-17 are unqualified.

Training of Board Members

Periodic presentations are made at the Board Meeting about the business model, performance update of the Company, business strategy and risks involved.

WHISTLE BLOWER POLICY

The Company has adopted the Whistle Blower Mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of law and it provides for a mechanism for employees to report to the designated Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

Designated Exclusive email-id

The Company has designated exclusive email-id for investor servicing, viz., investor@thejo-engg.com

VI. MEANS OF COMMUNICATION

(i) Half-yearly Results

The half-yearly results of the Company are submitted to the Stock Exchange in accordance with the Uniform Listing Agreement and these results are displayed on the Stock Exchange website.

(ii) Dissemination of information through Website

The results of the Company are also displayed on the Company's website "www.thejo-engg.com" immediately after its submission to the Stock Exchange.

VII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting (Day, Date, Time and Venue)

Wednesday, 16th August, 2017 at 10.00 AM

The Music Academy, Kasturi Srinivasan Hall (Mini Hall)

New No. 168 (Old No. 306), T.T.K Road,

Royapettah, Chennai – 600 014, Tamil Nadu, India.

Financial Year: April to March

Date of Book Closure: Thursday, 10th August, 2017 to Monday, 16th August, 2017 (both days inclusive) for payment of dividend and Monday, 09th August, 2017 will be the Record Date for the purposes payment of dividend.

Dividend Payment: Credit / Dispatch of dividend warrants will be completed on or before 05th September, 2017.

ANNEXURE TO BOARD'S REPORT

Listing on Stock Exchanges & Stock Code:

Shares	Code	Stock Exchange
EQUITY SHARES LISTED UNDER CONTINUOUS MARKET	THEJO	National Stock Exchange of India Limited - SME Platform (NSE Emerge) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. Trading Symbol – THEJO – SM ISIN : INE121N01019

Note: Annual listing fees have been duly paid to the National Stock Exchange of India Ltd. (NSE) and no amount is outstanding as on date.

Market Price Data:

in ₹ per share

Month	National Stock Exchange of India Limited - SME Platform (NSE Emerge)	
	Month's High Price ¹	Month's Low Price ¹
April 2016	205.00	192.00
May 2016	205.00	205.00
June 2016	195.00	161.00
July 2016	200.00	190.00
August 2016	200.00	200.00
September 2016	200.00	190.00
October 2016	185.00	170.00
November 2016	195.00	195.00
December 2016	N.A. ²	N.A. ²
January 2017	195.00	195.00
February 2017	200.00	160.00
March 2017	212.00	161.50

Notes:

1. Month's High Price / Low Price are arrived based on daily closing rate.
2. There was no trading in the equity shares of the Company during the month of December 2016.

Performance in comparison to broad-based indices: Not Applicable, since NSE - SME Index is yet to be launched by NSE.

Registrar and Transfer Agents :

Cameo Corporate Services Limited,
Subramanian Building,
No.1, Club House Road, Chennai 600 002.
Tel: +91 44 2846 0390, Fax: +91 44 2846 0129
Website: <http://www.cameoindia.com>
SEBI Registration INR 000003753

ANNEXURE TO BOARD'S REPORT

Share Transfer System: The power to transfer shares has been delegated to the Registrar and Transfer Agents, Cameo Corporate Services Limited, subject to completion of transfer of physical shares within the time frame as prescribed under the applicable laws.

Distribution of Shareholding as on 31st March, 2017:

Nominal Value of Shares (in ₹)		Number of Holders	% of Total Holders	Total Face Value (in ₹)	% of Total Face Value
From	To				
10	5,000	10	4.44	12,000	0.03
5,001	10,000	144	64.00	8,64,000	2.52
10,001	20,000	24	10.67	3,58,000	1.04
20,001	30,000	8	3.56	2,16,000	0.63
30,001	40,000	2	0.89	72,000	0.21
40,001	50,000	1	0.44	42,000	0.12
50,001	1,00,000	7	3.11	4,62,000	1.35
1,00,001	Above	29	12.89	3,23,09,520	94.10
Total		225	100.00	3,43,35,520	100.00

Shareholding Pattern as on 31st March, 2017:

Sl. No.	Category	No. of Shares	As a percentage of (A+B)
A	Promoters' & Promoter Group Holding		
	Individuals	19,46,940	56.70
B	Non-Promoters' Holding		
	Venture Capital Funds	5,65,472	16.47
	Bodies Corporate	2,37,300	6.91
	Individuals	6,71,790	19.57
	Hindu Undivided Family	7,850	0.23
	Non-Resident Indians	4,200	0.12
	Total	34,33,552	100.00

Dematerialisation of Shares and Liquidity as on 31st March, 2017:

Sl. No.	Mode of Holding	No. of Shares	% to total equity shares
1	NSDL	28,11,320	81.88
2	CDSL	5,01,552	14.61
3	Physical	1,20,680	3.51
	Total	34,33,552	100.00

Equity Shares of the Company are regularly traded on NSE-SME Exchange.

ANNEXURE TO BOARD'S REPORT

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: Not Applicable

Plant Locations and Research & Development Centre:

1	Unit – I situated at, Survey No.176/3, 181/5 & 181/6A, Jagannathapuram Road, Irulipattu Village, Alingivakkam Post, Ponneri Taluk, Chennai – 600 067.	2	Unit – II situated at, Survey No. 101/5C & 101/5D Jagannathapuram Road, Athipedu Village, Ponneri Taluk, Chennai – 600 067.
3	Unit – III situated at, Survey No. 100/5, Athipedu Village, Jagannathapuram Road, Ponneri Taluk, Chennai – 600 067.	4	PU Division situated at, Survey No. 179/3B, Jagannathapuram Road, Irulipattu Village, Alingivakkam Post, Ponneri Taluk, Chennai – 600 067.
5	Lining Division situated at, Survey No. 234/2C Jagannathapuram-II, Ponneri Taluk, Tiruvallur District, Chennai – 600 067.	6	Research & Development centre situated at, Survey No. 179/3B, Jagannathapuram Road, Irulipattu Village, Ponneri Taluk, Chennai – 600 067.

Investor Contacts

Company Secretary and Compliance Officer

Mr. M.D. Ravikanth,
VDS House, 41, Cathedral Road,
Chennai 600 086, Tamil Nadu, India.
Tel: + 91 44 4222 1900.
Fax: + 91 44 4222 1910.
E-mail:investor@thejo-engg.com

Registrar and Share Transfer Agents

Cameo Corporate Services Limited,
Subramanian Building,
No.1, Club House Road,
Chennai 600 002, Tamil Nadu, India.
Tel: +91 44 2846 0390.
Fax: +91 44 2846 0129.
Website: <http://www.cameoindia.com>
SEBI Registration No. INR 000003753

ANNEXURE TO BOARD'S REPORT

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To The Members of THEJO ENIGNEERING LIMITED

I hereby declare that all the Board Members and senior management personnel are aware of the provisions of the Code of Conduct laid down by the Board. All the Board Members and senior management personnel have affirmed compliance with the Code of Conduct.

For Thejo Engineering Limited

Place : Chennai
Date : 27th May, 2017

V.A. GEORGE
Managing Director
DIN 01493737

CEO AND CFO CERTIFICATION

The Board of Directors
Thejo Engineering Limited
Chennai

Dear Members of the Board,

We have reviewed the Financial Statements and the cash flow statement of Thejo Engineering Limited for the year ended 31st March, 2017 and to the best of our knowledge and belief:

- (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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls.

We have indicated to the Auditors and the Audit Committee:

- (i) that there are no significant changes in internal control over financial reporting during the year;
- (ii) that there are no significant changes in accounting policies during the year; and
- (iii) that there are no instances of significant fraud of which we have become aware.

For Thejo Engineering Limited

Place : Chennai
Date : 27th May, 2017

M.D. RAVIKANTH
CFO & Secretary

V.A. GEORGE
Managing Director
DIN 01493737

ANNEXURE TO BOARD'S REPORT

**CERTIFICATE UNDER REGULATION 13 OF SECURITIES & EXCHANGE BOARD
OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014**

We have examined the Employees Stock Option Scheme of Thejo Engineering Limited namely, Thejo Employees Stock Option Scheme 2015 (ESOP 2015), for the purpose of issuing a Certificate pursuant to Regulation 13 of the Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in our opinion and to the best of our information and based on the management's representation, we hereby certify that

1. The Board of Directors at their Meeting held on 30th May, 2016, granted 1,50,007 stock options to the employees of the Company, pursuant to the aforesaid scheme during the financial year 2016-17; and
2. During the financial year 2016-17, there was no vesting of options under the concerned scheme; and
3. The Scheme has been implemented in accordance with these Regulations and in accordance with the resolution of the Company in the general meeting.

Date : 27th May, 2017
Place : Chennai

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

LAKSHMINARAYANAN R
Partner
M. No. : 016246

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF THEJO ENGINEERING LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **THEJO ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' 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 controls 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 the 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, 2017, its profit and its cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT**Report on Other Legal and Regulatory Requirements**

1. 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 Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 Operating effectiveness of such controls, we give our separate report in Annexure- B; and
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position as referred to in Note 25.1.4 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

LAKSHMINARAYANAN R
Partner
M. No. : 016246

Date : 27.05.2017
Place : Chennai

ANNEXURE-A TO THE AUDITORS' REPORT

This is the Annexure referred to in our report to the members of **THEJO ENGINEERING LIMITED** ("the Company") on the standalone financial statements for the year ended on 31.03.2017. We report that:

- (i) (a) The Company has generally maintained records showing particulars, and situation of fixed assets.
 - (b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed as per information given.
- (iii) (a) The Company has granted unsecured advance, to one of its subsidiary companies, covered in the Register maintained under section 189 of the Act for which there are no terms of agreement for repayment of advance or payment of interest. The Company has also granted unsecured loan to another subsidiary, covered in the Register maintained under section 189 of the Act, the receipt of principal and interest whereof is regular.
 - (b) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
 - (c) There is no overdue amount in respect of the loans mentioned in para (a) above.
- (iv) Provisions of section 185 and 186 of the Act have been complied with in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the Public.
- (vi) Company maintains cost records as specified by the Central Government under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, in case dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, the amounts involved and the forum where dispute is pending are mentioned below:

ANNEXURE-A TO THE AUDITORS' REPORT

₹ in Lakhs

Name of statute	Amount of Dispute (31/3/17)	Amount of Dispute (31/3/16)	Amount Deposited (31/3/17)	Period to which it relates	Forum where dispute is pending
APGST	8.40	8.40	1.00	2002-03	Commercial Tax Officer, Naidupet
APGST	9.92	9.92		2003-04	Commercial Tax Officer, Naidupet
Central Excise	0.00	29.69		1996-2000	
Central Excise	18.25	18.25		July 2000 - June 2004	CESTAT, Bangalore
Central Excise	3.49	3.49		July 2004 - Jan 2005	CESTAT, Bangalore
Central Excise	1.23	1.23		Feb 2005 - Aug 2005	CESTAT, Bangalore
Central Excise	0.66	0.66		Jan 2007 - April 2007	CESTAT, Bangalore
CST	2.36	2.36	1.00	2002 – 03	Commercial Tax Officer, Naidupet
CST	16.18	16.18		2000 -01	High Court of Judicature at Andhra Pradesh
Customs	12.50	12.50		Oct – 01	Commissioner of Customs
Income Tax	5.43	5.43		AY 2003-04 to 2008-09	Income Tax Department
Service Tax	5.33	5.33		2011-12	Service Tax Department
Central Excise	0.45	0.45	0.22	Sep 2005 - March 2006	CESTAT, Bangalore
CST	0.42	0.42		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Central Excise	1.36	1.36	0.68	April - Dec. 2006	CESTAT, Bangalore
Jharkhand Sales Tax	5.31	5.31		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Income Tax	58.47	58.47	30.00	A.Y 2001-02	CIT(A)
MP Sales Tax	1.04	1.04		2013-14	Commissioner of Commercial Taxes
IT – TDS – Salary	0.58	0.58		AY 2008-09, 2010-11 & 2014-15	TDS – AO
IT – TDS – Non-Salary	1.31	1.31		AY 2008-09 to 2014-15	TDS – AO
Service Tax	5.62	5.62		Apr-Sep 2014	Assistant Commissioner – Service Tax
West Bengal VAT	2.95	2.95	2.95	2015-16	VAT Tribunal

ANNEXURE-A TO THE AUDITORS' REPORT

Name of statute	Amount of Dispute (31/3/17)	Amount of Dispute (31/3/16)	Amount Deposited (31/3/17)	Period to which it relates	Forum where dispute is pending
Uttar Pradesh VAT	3.91	3.91		2011-12	Assistant Commissioner - Appeals
Jharkhand VAT	13.57	0.00	1.36	2010-11	Deputy Commissioner - Appeals
Jharkhand VAT	24.48	0.00	2.45	2011-12	Deputy Commissioner – Appeals
Income Tax	28.91	0.00		AY 2014-15	CIT (Appeals)
Total	232.13	194.86	39.66		

- (viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) Moneys raised by way of initial public offer and term loans were applied for the purposes for which those were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

LAKSHMINARAYANAN R
Partner
M. No. : 016246

Date : 27.05.2017
Place : Chennai

ANNEXURE-B TO THE AUDITORS' REPORT

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 Thejo Engineering Limited ("the Company") as at 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 were established and maintained and such control operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 when 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 auditors' judgement, 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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 controls 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;

ANNEXURE-B TO THE AUDITORS' REPORT

- (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 expenses of the Company are being made only in accordance with authorisations of management/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 management override of control, material misstatements due to fraud or error 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 controls 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 system of internal financial controls over financial reporting and such system was operating effectively as at 31st March, 2017, based on the details furnished by the Company and internal financial controls 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.

Date : 27.05.2017
Place : Chennai

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

LAKSHMINARAYANAN R
Partner
M. No. : 016246

Balance Sheet as at 31st March, 2017

Particulars	Note No.	₹ in lakhs	
		As at 31-03-2017	As at 31-03-2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	343.36	343.36
(b) Reserves and surplus	4	7,065.30	6,474.13
2 Share application money pending allotment			
		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	467.24	802.15
(b) Deferred tax liabilities (Net)	25.6	-	4.12
4 Current liabilities			
(a) Short-term borrowings	6	3,240.63	2,892.03
(b) Trade payables	7	1,240.75	1,315.80
(c) Other current liabilities	8	1,602.60	1,456.97
(d) Short-term provisions	9	1,909.62	1,709.71
TOTAL		15,869.50	14,998.27
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		1,938.91	2,083.11
(ii) Intangible assets		22.93	30.32
(iii) Capital work-in-progress		106.37	31.37
(b) Non-current investments	11	1,954.64	1,862.28
(c) Deferred Tax Asset	25.6	17.54	-
(d) Long-term loans and advances	12	1,138.25	1,136.49
2 Current assets			
(a) Inventories	13	1,675.47	1,702.06
(b) Trade receivables	14	5,627.79	5,205.08
(c) Cash and cash equivalents	15	619.50	558.30
(d) Short-term loans and advances	16	1,144.66	1,042.07
(e) Other current assets	17	1,623.44	1,347.19
TOTAL		15,869.50	14,998.27
Notes including significant accounting policies	1-26		

The notes referred to above form an integral part of the financial statements.

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

LAKSHMINARAYANAN R
Partner
Membership No. 16246

Place : Chennai
Date : 27th May, 2017

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410
M.D. RAVIKANTH
Chief Financial Officer &
Secretary

THOMAS JOHN
Vice Chairman
DIN 00435035
V.A. GEORGE
Managing Director
DIN 01493737

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No.	₹ in lakhs	
		For the year ended 31-03-2017	For the year ended 31-03-2016
I. Revenue from operations	18	16,301.46	15,734.93
II. Other income	19	111.50	87.47
III. Total Revenue (I+II)		<u>16,412.96</u>	<u>15,822.40</u>
IV. Expenses:			
Cost of materials consumed	20	2,735.38	2,516.68
Purchase of Traded Goods	20	853.07	824.35
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	83.45	(225.21)
Employee benefits expense	22	5,591.75	5,628.22
Finance costs	23	562.30	577.76
Depreciation and amortization expense	10	391.99	418.14
Other expenses	24	5,372.27	5,270.45
Total expenses		<u>15,590.21</u>	<u>15,010.39</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		822.75	812.01
VI. Exceptional items:		-	-
VII. Profit before extraordinary items and tax (V-VI)		822.75	812.01
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		822.75	812.01
X. Tax expense:			
(1) Current tax		283.52	278.16
(2) Deferred tax	25.6	(21.66)	(25.18)
XI. Profit / (Loss) for the period (IX-X)		<u>560.89</u>	<u>559.03</u>
XII. Earnings per equity share of face value of ₹ 10/- each fully paid up (before & after extraordinary items)			
(1) Basic (in ₹)		16.34	16.28
(2) Diluted (in ₹)		16.34	16.28
Notes Including significant accounting policies	1-26		

The notes referred to above form an integral part of the financial statements.

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

LAKSHMINARAYANAN R
Partner
Membership No. 16246

Place : Chennai
Date : 27th May, 2017

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410
M.D. RAVIKANTH
Chief Financial Officer &
Secretary

THOMAS JOHN
Vice Chairman
DIN 00435035
V.A. GEORGE
Managing Director
DIN 01493737

Cash Flow Statement for the year ended 31st March, 2017

₹ in lakhs

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
Cash Flow from Operating Activities		
Profit before tax as per Profit and Loss Statement	822.75	812.01
Adjustment for:		
Depreciation	391.99	418.14
Employee Stock Option Expense	30.28	0.00
Loss/(Profit) on sale of asset	(2.56)	(5.46)
Interest Paid	562.30	577.76
Unrealized foreign exchange (gain)/loss (net)	35.93	(23.61)
Interest on Fixed Deposit	(106.27)	(58.36)
Operating Profit before working capital changes	1,734.42	1,720.48
Adjustment for:		
Trade and Other Receivables	(563.68)	279.25
Inventories	26.59	(291.43)
Trade Payables and Other Liabilities	(154.73)	(209.70)
Cash Generated from Operations	1,042.60	1,498.60
Direct Taxes Paid	(284.36)	(276.95)
Net Cash from Operating Activities (A)	758.24	1,221.65
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(317.21)	(346.60)
Sale of assets	4.32	28.93
Investments made	(99.53)	(859.28)
Interest on Fixed Deposit	106.27	58.36
Net cash used in Investing Activities (B)	(306.15)	(1,118.59)
Cash Flow from Financing Activities		
Increase in Term loan & Other credit facilities	474.41	2,188.24
Repayments of Term Loan	(296.77)	(1,952.95)
Interest paid	(562.30)	(577.76)
Net Cash from/(used in) Financing Activities (C)	(384.66)	(342.47)
Exchange difference on translation of Cash & Cash Equivalents (D)	(6.23)	2.30
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)+(D)	61.20	(237.11)
Opening Cash & Cash Equivalents	558.30	795.41
Closing Cash & Cash Equivalents	619.50	558.30

Note: Closing Cash and Cash Equivalents includes ₹ 252.93 lakhs (Previous Year: ₹ 217.92 lakhs) in Fixed Deposits with Banks held as Margin Money for BG & LC.

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

LAKSHMINARAYANAN R
Partner
Membership No. 16246

Place : Chennai
Date : 27th May, 2017

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410

M.D. RAVIKANTH
Chief Financial Officer &
Secretary

THOMAS JOHN
Vice Chairman
DIN 00435035

V.A. GEORGE
Managing Director
DIN 01493737

Notes forming part of Financial Statements for the year ended 31st March, 2017**Note 1****CORPORATE INFORMATION**

Thejo Engineering Limited (formerly known as Thejo Engineering Services Private Limited) (“the Company”) was incorporated on 26th March, 1986 as a private limited company, with its Registered Office at Aysha Building, No. 41, Whites Road, Royapettah, Chennai - 600 014. The name of the Company was changed to Thejo Engineering Private Limited vide Certificate of Incorporation dated 17th June, 2008. The Company was subsequently converted into a public limited company with consequent change of name as Thejo Engineering Limited vide special resolution passed by the Members at their meeting held on 20th June, 2008. Thejo Engineering Limited made an Initial Public Offer (IPO) of 4,72,800 equity shares of the face value of ₹ 10/- each at a premium of ₹ 392/- per share in September 2012 and the shares got listed on the EMERGE SME platform of NSE. The share capital of the Company increased to ₹ 171.68 lakhs in the Financial Year 2012-13. During the year 2013-14, the Company issued Bonus Shares to the existing shareholders in the ratio of 1:1 and the paid-up capital of the Company further increased to ₹ 343.36 lakhs.

The Company is an Engineering Solutions provider for Bulk Material Handling, Mineral Processing and Corrosion Protection to the Core Sector Industries like mining, power, steel, cement, ports and fertilizers. The Company’s services include belt conveyor installation, maintenance and operations, while its product portfolio covers design, manufacture and supply of engineering products for Bulk Material Handling, Mineral Processing and Corrosion Protection.

The Company has a branch in Perth, Australia and four overseas subsidiaries namely, Thejo Hatcon Industrial Services Company, Saudi Arabia, Thejo Australia Pty Ltd, Australia, Thejo Brasil Comercio E Servicos Ltda, Brazil and Thejo Engineering Latinoamerica SpA, Chile. Thejo Hatcon Industrial Services Company is primarily engaged in rubber lagging and industrial services, Thejo Australia Pty Ltd in conveyor splicing, maintenance and related services, Thejo Brasil Comercio E Servicos Ltda and Thejo Engineering Latinoamerica SpA in sale of products used in core sector industries for Bulk Material Handling, Mineral Processing and Corrosion Protection.

Note 2**SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of Accounting**

The financial statements (except cash flow statement) have been prepared under the historical cost convention on an accrual basis and in accordance with applicable Accounting Standards as specified in the Annexure to the Companies (Accounting Standards) Rules, 2006 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 of the Ministry of Corporate Affairs. The cash flow statement has been prepared in accordance with AS 3 on “Cash flow statements” issued by the Institute of Chartered Accountants of India. Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

2.2 Presentation and disclosure of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013. The Company has set a policy of classifying assets and liabilities into current and non-current portion based on the time frame of 12 months from the date of Balance Sheet.

2.3 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income tax, post-sales customer support and the useful lives of fixed tangible assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of any changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Notes forming part of Financial Statements for the year ended 31st March, 2017**2.4 Fixed Assets***Tangible Assets (Property, Plant and Equipment)*

The Company follows Cost model for its Tangible Assets. Tangible Assets are capitalised at acquisition cost of bringing the assets to their working condition for their intended use. Subsequent expenses related to an item of tangible assets are added to its book value if they increase the future benefits from the existing assets beyond its previously assessed standard of performance. Assets which are not ready for intended use are disclosed under capital work-in-progress.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. The cost comprises purchase price, permissible borrowing cost and any cost directly attributable to bring the asset to its working condition for its intended use.

2.5 Depreciation*Tangible Assets (Property, Plant and Equipment)*

Pursuant to the enactment of the Companies Act, 2013, depreciation on Tangible Assets is charged under written down value method based on the useful life of individual asset as prescribed in Schedule II of the Act, retaining a residual value of 5% of the cost of the assets. The estimated useful life of some of the assets is arrived at on the basis of technical evaluation on year to year basis. In respect of additions made during the year, depreciation is charged on pro-rata basis from the date of their being ready for use.

Intangible Assets

They are amortized / depleted over the useful life of the underlying assets and / or as prescribed under Accounting Standards.

2.6 Inventories

Inventories are valued at lower of cost and net realisable value based on FIFO Basis.

The cost of inventory comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase consist of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rebates, duty drawbacks and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs of materials used in production, direct labour, and production overheads.

Other costs are included in the cost of inventories only to the extent they are incurred in bringing the inventories to the present location and condition.

2.7 Investments

Each category/item of investment is valued as follows:

2.7.1 Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature.

2.7.2 Current investments are carried at the lower of cost and fair value.

The carrying amount of such investments is determined on the basis of weighted average cost of each individual investment.

Investments made in shares or debentures of another company to promote the trade or business of the Company are categorized as Trade Investments.

2.8 Cash and Cash Equivalents

2.8.1 Cash comprises cash on hand and demand deposits with bank.

2.8.2 Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.9 Revenue Recognition

2.9.1 Revenue from sale of goods is recognised at the point of despatch to the customers, when the effective control passes on to the buyer.

Notes forming part of Financial Statements for the year ended 31st March, 2017

2.9.2 Revenue from services rendered is recognised based on proportionate completion method, when there is no significant uncertainty regarding the amount of consideration.

2.9.3 Revenue from exports is accounted at the rate of exchange prevailing as on the date of invoicing.

2.9.4 Revenue from export benefits (like Duty Drawback) is accounted at the time of receipt.

2.10 Sales, Works Contracts and Services Income

The amount shown in the Statement of Profit and Loss is net of excise duty and inclusive of all other duties and taxes.

2.11 Employee Benefits

2.11.1 Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages and short term compensated absences as also the expected cost of bonus and ex-gratia are recognised in the period in which the employee renders the related service.

2.11.2 Post employment benefits:

2.11.2.1 *Defined Contribution Schemes:* Contribution to Provident Fund is made monthly to the Provident Fund Authorities. Contribution to Superannuation Fund for eligible employees is made by way of premium to Life Insurance Corporation of India through the Trust and charged to the Profit and Loss Statement, for the year.

2.11.2.2 *Defined Benefit Scheme:* The Company extends defined benefit plan in the form of gratuity to eligible employees. Contribution to gratuity is made to Life Insurance Corporation of India through the Gratuity Fund in accordance with the scheme framed and administered by the Corporation. The present value of the obligation is determined based on actuarial valuation using Projected Unit Credit Method as per the report given by the Corporation.

2.12 Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction or the average of opening and closing rates. The difference in the rate of exchange, if any, is accounted at the time of realisation or settlement and is recognized in the Profit and Loss Statement. Monetary Assets and Liabilities denominated in foreign currencies are translated at year-end rates. The exchange differences for the period end balances are recorded at a group level and are reversed at the beginning of the next accounting period.

2.13 Taxes on Income

Current tax is determined on the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognized on timing differences, being difference between taxable income and the accounting income that originates in one year and reverses in another. Deferred Tax Assets and liabilities are computed on the timing differences applying the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Asset arising on account of unabsorbed depreciation or carry forward of business loss is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.14 Impairment of Assets

Fixed Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of assets is measured in line with the relevant Accounting Standard. An impairment loss is recognised in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of a past event and it is probable that outflows will be required to settle the obligation, which can be readily estimated. Contingent liabilities are disclosed after an evaluation of the facts and legal aspects of the matter involved. Even if there is certainty of the obligation not falling on the Company, the same is disclosed as contingent liability. Contingent assets are neither recognized nor disclosed.

2.16 Dividend

Dividend is provided/paid after it is approved by the Members at the Annual General Meeting.

Notes forming part of Financial Statements as at 31st March, 2017
Note 3
SHARE CAPITAL

Particulars	As at 31-03-2017		As at 31-03-2016	
	Number	Amount ₹ in lakhs	Number	Amount ₹ in lakhs
Authorised				
Equity Shares of ₹ 10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued				
Equity Shares of ₹ 10/- each	34,33,552	343.36	34,33,552	343.36
Subscribed & Paid up				
Equity Shares of ₹ 10/- each	34,33,552	343.36	34,33,552	343.36
((Of the above, 92800 Equity Shares were allotted as fully paid-up for consideration other than cash (15/12/86) and 2055326 shares (108520 shares - 22/2/94; 230030 shares - 4/10/01 & 1716776 shares - 13/9/13) were allotted as fully paid-up bonus shares by transferring ₹ 33.86 lakhs from Statement of Profit & Loss and ₹ 171.68 lakhs from Securities Premium Account)				
Total	<u>34,33,552</u>	<u>343.36</u>	<u>34,33,552</u>	<u>343.36</u>

3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Shares outstanding at the beginning of the year	34,33,552	343.36	34,33,552	343.36
Shares Issued during the year	0	0.00	0	0.00
Shares outstanding at the end of the year	<u>34,33,552</u>	<u>343.36</u>	<u>34,33,552</u>	<u>343.36</u>

3.2 Shares in the Company held by each shareholder holding more than 5 percent shares as on 31-03-2017

Name of the Shareholder	As at 31-03-2017		As at 31-03-2016	
	Number	Percentage	Number	Percentage
SIDBI Venture Capital Ltd. A/c				
India Opportunities Fund	3,17,072	9.23%	3,17,072	9.23%
Mr. K.J. Joseph	2,50,000	7.28%	3,55,380	10.35%
Canbank Venture Capital Ltd. A/c				
Emerging India Growth Fund	2,48,400	7.23%	2,48,400	7.23%
Mr. Thomas John	2,16,868	6.32%	4,75,660	13.85%
Mrs. Celinamma John	2,16,866	6.32%	84,400	2.46%
Mr. Rajesh John	2,16,866	6.32%	1,50,540	4.38%
IDBI Capital Market Services Ltd.	1,98,600	5.78%	2,02,200	5.89%
Mrs. Rosamma Joseph	1,80,320	5.25%	93,240	2.72%

Notes forming part of Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
Note 4		
RESERVES AND SURPLUS		
a. Securities Premium Account		
Opening Balance	1,845.32	1,845.32
Add / Less: Adjustment	0.00	0.00
Closing Balance	<u>1,845.32</u>	<u>1,845.32</u>
b. Share Option Outstanding Account		
Opening Balance	0.00	0.00
(+) Employee Compensation Cost for the year	30.28	0.00
Closing Balance	<u>30.28</u>	<u>0.00</u>
c. Surplus (Balance in Statement of Profit and Loss)		
Opening balance	4,001.10	3,642.61
(+) Net Profit/(Net Loss) For the current year	560.89	559.03
(-) Proposed Dividend	0.00	120.17
(-) Dividend Distribution Tax	0.00	24.46
(-) Transfer to General Reserve	0.00	55.91
Closing Balance	<u>4,561.99</u>	<u>4,001.10</u>
d. Others		
General Reserve		
Opening Balance	627.71	571.80
(+) Transfer from Surplus	0.00	55.91
Closing Balance	<u>627.71</u>	<u>627.71</u>
Total	<u>7,065.30</u>	<u>6,474.13</u>

Notes forming part of Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016

Note 5

LONG TERM BORROWINGS

Secured

Term loans

From Banks	741.25	952.80
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Limit/Liability, Terms of Repayment & Security

Axis Bank Limited

1. Date of Sanction: 15.03.2013 Ref No. AXISB/SME/S/CHN/12-13/642
2. Date of Sanction: 03.02.2015 Ref No. AXISB/SME/S/MEG/CHN/14-15/69 &
3. Date of Sanction: 16.03.2016 Ref No. AXISB/SME/S/MEG/CHN/15-16/65

Sanctioned Limit: 1. ₹ 100 Lakhs 2. ₹ 170 Lakhs & 3. ₹ 300 Lakhs

Purpose: Acquisition of Capital Assets & Take over of Term Loan from State Bank of Mysore.

Period of Repayment :

1. 60 monthly instalments of ₹ 1.67 lakhs commencing from 3 months from the date of last drawdown.
2. 51 monthly instalments of ₹ 3.33 lakhs per month.
3. 60 monthly instalments of ₹ 5.00 lakh commencing from 6 months of first drawdown. For all loans, interest to be paid as and when debited.

Amount of Instalment -

1. ₹ 1.67 Lakhs per month + interest;
2. ₹ 3.33 Lakhs per month + interest &
3. ₹ 5.00 Lakhs per month+interest

Security (For all loans):

First hypothecation charge over all machinery and equipment purchased under the Term Loan.

First charge on Pari-passu basis with SBI & IOB over immovable properties under Equitable Mortgage.

Personal guarantee of: Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph, Mr. Rajesh John and Mr. Manesh Joseph

Liability (Incl interest not due) - ₹ 154.06 Lakhs (₹ 181.81 Lakhs)

Repayable within one year	121.73	60.00
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Overdues/Defaults - Nil (Nil)

Export Import Bank of India

Date of Sanction: 20.01.2014 Ref. CBG: OIF-715: 321

Sanctioned Limit: USD 1.25 million (Equi ₹ 753.48 Lakhs)

Purpose: Onward lending to Thejo Australia Pty Ltd and Thejo Hatcon Industrial Services Company to meet their long term working capital requirements.

Period of Repayment : 16 stepped up quarterly instalments commencing from 12 months after the date of first disbursement with interest to be paid quarterly on debit advice.

Amount of Instalment - 2.5% of the loan amount per quarter in the first year; 5% of the loan amount per quarter in the second year; 7.5% of the loan amount per quarter in the third year and 10% of the loan amount per quarter in the fourth year after moratorium period.

Security:

Pari-passu first charge on the fixed assets of the Company and second charge on the current assets of the Company

Notes forming part of Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
Personal guarantee of: Mr. K.J. Joseph, Mr.Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		
Liability (Incl interest not due) - ₹ 572.70 Lakhs (₹ 751.05 Lakhs)		
Repayable within one year	187.97	109.26
Overdues/Defaults - Nil (Nil)		
ICICI Bank Limited - Auto Loan		
Date of Sanction: 03.06.2014		
Sanctioned Limit: ₹ 28 Lakhs		
Purpose: Acquisition of Vehicle		
Period of Repayment : 60 Equated Monthly Instalments (including interest) from July 2014. Last Instalment June 2019		
EMI Payable - ₹ 0.60 Lakhs per month		
Security:		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 14.49 Lakhs (₹ 19.94 Lakhs)		
Repayable within one year	6.10	5.57
Overdues/Defaults - Nil (Nil)		
From Others		
Financial Institutions	78.72	47.94
Sundaram Finance Limited		
Date of Sanction: 12.09.2014		
Sanctioned Limit: ₹ 100 Lakhs		
Purpose: Acquisition of Vehicles		
Period of Repayment : 35 Equated Monthly Instalments(including interest) from date of each loan		
Amount of Instalment - ₹ 3.21 Lakhs per month for loan availed		
Security:		
Hypothecation of Vehicle purchased under the loan		
Personal guarantee of: Mr.Thomas John		
Liability (Incl interest not due) - ₹ 47.77 Lakhs (₹ 47.94 Lakhs)		
Repayable within one year	30.88	23.76
Overdues/Defaults - Nil (Nil)		
Toyota Finance Australia Ltd		
Date of Sanction: 14.11.2016		
Sanctioned Limit: AUD 66052 (Equi ₹ 33.68 Lakhs)		
Purpose: Acquisition of Vehicles		
Period of Repayment : 60 Equated Monthly Instalments (including interest) from date of the loan		
Amount of Instalment - AUD 1235 (₹ 0.63 Lakhs per month)		
Security:		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 30.95 Lakhs (₹ Nil)		
Repayable within one year	6.05	0.00
Overdues/Defaults - Nil (Nil)		
Total	467.24	802.15

Notes forming part of Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016

Note 6

SHORT TERM BORROWINGS

Secured

Loans repayable on demand

From Banks	3,240.63	2,892.03
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The Company was sanctioned Working capital facilities by consortium of bankers namely, State Bank of India, Axis Bank Limited and Indian Overseas Bank.

Limit/Liability, Terms of Repayment & Security

State Bank of India

Date of Sanction: 29.01.2016 Ref No. RM1/200A

Limit: Cash Credit of ₹ 1500 Lakhs +Stand by CC ₹ 150 Lakhs (Non-fund based limit: Letter of Credit - ₹ 500 lakhs & Bank Guarantee - ₹ 700 lakhs)

Period Of Repayment: On Demand

Security:

First Charge on all the current assets on pari-passu basis with Axis Bank Limited and Indian Overseas Bank.

EM of immovable properties belonging to the Company. (First charge on pari passu basis with Axis Bank Ltd, Indian Overseas Bank and EXIM Bank). Extension of Second Hypothecation Charge on pari passu basis over fixed assets purchased out of term loan from Axis Bank Ltd.

Extension of First Hypothecation Charge on pari passu basis over Company's fixed assets (other than those on exclusive charge for the Term Loans).

Personal guarantee of: Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph, Mr. Rajesh John and Mr. Manesh Joseph

Rate of Interest - 2.00% above base rate

Margin - Cash credit - 25%

LC and BG - 15%

Liability - ₹ 1,302.13 Lakhs (₹ 1,050.47 Lakhs)

Overdues/Defaults: Nil (Nil)

Axis Bank Limited

Date of Sanction: 16.03.2016 Ref No. AXISB/SME/S/MEG/CHN/2015-16/65

Limit: Cash Credit of ₹ 1125 Lakhs +Stand by CC ₹ 112.50 Lakhs (Non-fund based limit: Letter of Credit - ₹ 375 lakhs & Bank Guarantee - ₹ 525 lakhs)

Period Of Repayment: On Demand

Security: Same as given to State Bank of India

Personal guarantee of: Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph, Mr. Rajesh John and Mr. Manesh Joseph

Rate of Interest - 1.85% above base rate

Margin - Cash credit - 25%

LC and BG - 15%

Liability - ₹ 1056.05 Lakhs (₹ 909.79 Lakhs)

Overdues/Defaults: Nil (Nil)

Indian Overseas Bank

Date of Sanction: 03.03.2015 & 21.04.2016

Limit: Cash Credit of ₹ 1000 Lakhs (Non-fund based limit: Letter of Credit - ₹ 375 lakhs & Bank Guarantee - ₹ 450 lakhs)

Period Of Repayment: On Demand

Notes forming part of Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
Security:		
Same as given to State Bank of India		
Personal guarantee of: Mr. K.J. Joseph, Mr.Thomas John, Mr. Manoj Joseph, Mr.Rajesh John and Mr. Manesh Joseph		
Rate of Interest - 1.75% above base rate		
Margin - Cash credit - 25%		
LC and BG - 15%		
Liability - ₹ 882.45 Lakhs (₹ 931.78 Lakhs)		
Overdues/Defaults: Nil (Nil)		
Total	<u>3,240.63</u>	<u>2,892.03</u>
Note 7		
TRADE PAYABLES		
Trade payables:		
Acceptances	518.39	369.29
Other than Acceptances	722.36	946.51
Total	<u>1,240.75</u>	<u>1,315.80</u>
Note 8		
OTHER CURRENT LIABILITIES		
Current Maturities on Long Term Debt	344.89	192.45
Interest accrued but not due on Term Loan	7.84	6.14
Other payables		
Salary and Other Employee Benefits	646.95	644.18
Statutory Dues		
Commercial Tax	31.12	48.99
Service Tax	3.06	17.34
ESI	8.98	5.78
EPF	34.82	35.41
Profession Tax	6.11	5.94
TDS	38.89	50.28
Others	32.10	53.34
Outstanding Liabilities	447.84	397.12
Total	<u>1,602.60</u>	<u>1,456.97</u>
Note 9		
SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
Provision for Bonus / Ex-gratia	174.24	113.21
(b) Others		
Direct Taxes	1,735.38	1,451.87
Proposed Dividend (PY: ₹ 3.50/- per equity share of face value of ₹ 10/- each)	0.00	120.17
Dividend Distribution Tax	0.00	24.46
Total	<u>1,909.62</u>	<u>1,709.71</u>

Notes forming part of Financial Statements as at 31st March, 2017

NATURE OF ASSETS	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	As at 01.04.2016	Addition for the year	Deduction	As at 31.03.2017	Useful Life in years	Upto 31.03.2016	Addition	Deduction	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016			
TANGIBLE ASSETS														
Land	65.72	0.00	0.00	65.72	NA	0.00	0.00	0.00	0.00	65.72	65.72	65.72		
Factory Building	1,074.78	26.81	0.00	1,101.59	30	307.33	74.59	0.00	381.92	719.67	767.45	767.45		
Office Building	39.72	0.00	0.00	39.72	30	20.75	2.54	0.00	23.29	16.43	18.98	18.98		
Plant & Machinery														
Plant & Machinery at Factories	1,344.59	26.73	0.00	1,371.32	15	805.64	100.86	0.00	906.50	464.82	538.95	538.95		
Plant & Machinery at Branches/Sites - Category 1	74.29	0.31	0.00	74.60	5	46.93	11.47	0.00	58.40	16.20	27.36	27.36		
Plant & Machinery at Branches/Sites - Category 2	63.35	11.86	0.00	75.21	4	55.11	5.85	0.00	60.96	14.25	8.24	8.24		
Plant & Machinery at Branches/Sites - Category 3	31.31	9.10	0.00	40.41	3	24.35	4.74	0.00	29.09	11.32	6.95	6.95		
Plant & Machinery at Branches/Sites - Category 4	133.57	14.51	0.00	148.08	1	123.42	7.85	0.00	131.27	16.81	10.15	10.15		
Plant & Machinery at Branches/Sites - Category 5	478.29	0.35	0.00	478.64	15	274.72	36.82	0.00	311.54	167.10	203.58	203.58		
Boiler	71.13	0.00	0.00	71.13	15	44.71	4.70	0.00	49.41	21.72	26.42	26.42		
Dyes & Moulds	206.89	43.69	0.00	250.58	15	83.80	25.56	0.00	109.36	141.22	123.09	123.09		
Vehicle Four Wheelers	360.56	75.89	14.91	421.54	8	253.45	42.98	14.30	282.13	139.41	107.12	107.12		
Vehicle Two Wheelers	32.62	2.08	0.38	34.32	10	22.56	2.77	0.36	24.97	9.35	10.07	10.07		
Office Equipments - Category 1	36.40	1.42	0.16	37.66	5	28.48	3.47	0.06	31.89	5.77	7.92	7.92		
Office Equipments - Category 2	9.28	1.35	0.00	10.63	2	8.51	1.11	0.00	9.62	1.01	0.78	0.78		
Electrical Fittings	195.19	0.34	0.00	195.53	10	141.36	13.99	0.00	155.35	40.18	53.83	53.83		
Furniture & Fittings	226.84	8.43	1.90	233.37	10	146.71	21.55	0.87	167.39	65.98	80.13	80.13		
Computer	156.47	6.86	0.00	163.33	3	143.09	7.67	0.00	150.76	12.57	13.38	13.38		
Computer Server	7.97	0.00	0.00	7.97	6	5.76	0.83	0.00	6.59	1.38	2.22	2.22		
Generator	43.18	0.00	0.00	43.18	10	32.41	2.77	0.00	35.18	8.00	10.77	10.77		
Total Tangible Assets (Current Year)	4,652.15	229.73	17.35	4,864.53		2,569.09	372.12	15.59	2,925.62	1,938.91	2,083.11	2,083.11		
Total Tangible Assets (Previous Year)	4,390.76	340.97	79.59	4,652.16		2,224.76	400.43	56.12	2,569.07	2,083.11	2,166.00	2,166.00		
INTANGIBLE ASSETS														
Technical Knowhow	1.75	0.00	0.00	1.75		1.75	0.00	0.00	1.75	0.00	0.00	0.00		
Computer Software	89.44	12.48	0.00	101.92		59.12	19.87	0.00	78.99	22.93	30.32	30.32		
Total Intangible Assets (Current Year)	91.19	12.48	0.00	103.67		60.87	19.87	0.00	80.74	22.93	30.32	30.32		
Total Intangible Assets (Previous Year)	78.81	12.38	0.00	91.19		43.16	17.71	0.00	60.87	30.32	35.64	35.64		
CAPITAL WORK IN PROGRESS														
Assets Under Construction	31.37	75.00	0.00	106.37	NA	0.00	0.00	0.00	0.00	106.37	31.37	31.37		
Total Capital Work In Progress (Current Year)	31.37	75.00	0.00	106.37		0.00	0.00	0.00	0.00	106.37	31.37	31.37		
Total Capital Work In Progress (Previous Year)	38.12	21.86	28.61	31.37		0.00	0.00	0.00	0.00	31.37	38.12	38.12		
GRAND TOTAL	4,774.71	317.21	17.35	5,074.57		2,629.96	391.99	15.59	3,006.36	2,068.21	2,144.80	2,144.80		
PREVIOUS YEAR	4,507.69	375.21	108.19	4,774.71		2,267.91	418.14	56.12	2,629.93	2,144.80	2,239.75	2,239.75		

Notes forming part of Financial Statements as at 31st March, 2017

**Note 11
NON-CURRENT INVESTMENTS**

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
A Trade Investments (Unquoted)	1,954.64	1,862.28
Investments in Equity Instruments	1,954.64	1,862.28
Total	1,954.64	1,862.28

Details of Trade Investments

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate / JV / Controlled Entity / Others	No. of Shares / Units As at 31-3-2017	As at 31-3-2016	Quoted / Unquoted	Partly paid / Fully paid	Extent of Holding (%)		Whether stated at cost Yes / No		
							As at 31-3-2017	As at 31-3-2016		Amount As at 31-3-2017	Amount As at 31-3-2016
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Investment in Equity Instruments											
1	Thejo Hatcon Industrial Services Company	Subsidiary	2,040	2,040	Unquoted	Fully Paid	51%	51%	333.72	333.72	Yes
2	Thejo Australia Pty Ltd	Subsidiary	22,20,000	22,20,000	Unquoted	Fully Paid	74%	74%	1,202.45	1,202.45	Yes
3	Thejo Brasil Comercio E Servicos Ltda	Subsidiary	3,76,233	3,12,798	Unquoted	Fully Paid	99.99%	99.99%	76.24	64.17	Yes
4	Thejo Engineering LatinoAmerica SpA	Subsidiary	364	265	Unquoted	Fully Paid	99.73%	99.62%	341.66	261.52	Yes
5	Saks Power P Ltd	Others	5,700	4,200	Unquoted	Fully Paid	5.70%	4.20%	0.57	0.42	Yes
Total									1,954.64	1,862.28	

Notes forming part of Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
Note 12		
LONG TERM LOANS AND ADVANCES		
a. EMD and Security Deposits		
Unsecured, considered good	177.57	166.19
b. Other Deposits		
Unsecured, considered good		
Rental Deposit	113.30	107.86
Deposit with Government Agencies	14.90	10.26
Others	50.82	61.89
c. Long Term Loans & Advances to related parties		
Unsecured, considered good		
Thejo Australia Pty Ltd	583.96	582.16
Thejo Hatcon Industrial Services Company	197.70	208.13
Total	<u>1,138.25</u>	<u>1,136.49</u>

Note 13
INVENTORIES
(As certified by Management)

a. Raw Materials and components	670.33	613.47
b. Work-in-progress	327.33	389.27
c. Finished goods	611.83	620.01
d. Stock-in-Trade	59.38	50.81
e. Stock in Transit	6.60	28.50
Total	<u>1,675.47</u>	<u>1,702.06</u>

Note 14
TRADE RECEIVABLES
Unsecured, considered good

Outstanding for more than six months from the date they are due	1,007.32	867.66
Others	4,620.47	4,337.42
Total	<u>5,627.79</u>	<u>5,205.08</u>

Notes forming part of Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
Note 15		
CASH AND CASH EQUIVALENTS		
a. Balances with banks		
(i) In Current Accounts	282.45	211.22
(ii) In Deposit Accounts (₹ 252.93 lakhs (PY ₹ 217.92 lakhs) held as Margin Money for BG & LC)	317.18	316.63
b. Cheques, drafts on hand	3.00	6.00
c. Cash on hand	16.87	24.45
Total	<u>619.50</u>	<u>558.30</u>

Note 16

SHORT-TERM LOANS AND ADVANCES

Others (unsecured, considered good)

EMD & Security deposits	532.70	517.56
Others	611.96	524.51
Total	<u>1,144.66</u>	<u>1,042.07</u>

Note 17

OTHER CURRENT ASSETS

Direct Tax payments	1,609.47	1,325.11
Balance with Central Excise Authority	13.97	22.08
Total	<u>1,623.44</u>	<u>1,347.19</u>

Notes forming part of Financial Statements for the year ended 31st March, 2017

₹ in lakhs

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
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Note 18
REVENUE FROM OPERATIONS

Sale of Products	8,345.39	7,478.54
Sale of Services & Works Contract	8,310.26	8,650.28
Other Operating Income	62.38	35.97
Less:		
Excise duty	416.57	429.86
Total	<u>16,301.46</u>	<u>15,734.93</u>

Note 19
OTHER INCOME

Interest	106.27	58.36
Miscellaneous Income	2.67	23.65
Profit on sale of assets	2.56	5.46
Total	<u>111.50</u>	<u>87.47</u>

Note 20
COST OF MATERIALS CONSUMED

Opening Stock of Raw Materials	613.47	547.25
Add: Purchases made during the year	2,419.84	2,269.31
	<u>3,033.31</u>	<u>2,816.56</u>
Less: Closing Stock of Raw Materials	670.33	613.47
	<u>2,362.98</u>	<u>2,203.09</u>
Add: Consumables	372.40	313.59
Total	<u>2,735.38</u>	<u>2,516.68</u>
Purchase of Traded Goods	853.07	824.35

Notes forming part of Financial Statements for the year ended 31st March, 2017

₹ in lakhs

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
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Note 21

**CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Opening Stock :

Work-in-Progress	389.27	168.62
Finished Goods	620.01	653.05
Stock-in-Trade	50.81	32.22
Scrap Stock from fire accident	0.00	9.49
Stock in Transit	28.50	0.00

Closing Stock :

Work-in-Progress	327.33	389.27
Finished Goods	611.83	620.01
Stock-in-Trade	59.38	50.81
Stock in Transit	6.60	28.50

Total	<u><u>83.45</u></u>	<u><u>(225.21)</u></u>
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Note 22

EMPLOYEE BENEFITS EXPENSE

(a) Salaries and incentives	4,430.24	4,421.27
(b) Contributions to PF, Superannuation, Gratuity & ESI	430.98	431.11
(c) Staff welfare expenses	580.72	629.12
(d) LTA, Ex-gratia, & Leave Encashment	119.53	146.72
(e) Employee Stock Option Expense	30.28	0.00

Total	<u><u>5,591.75</u></u>	<u><u>5,628.22</u></u>
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Note 23

FINANCE COSTS

Interest	453.27	455.60
Other finance costs	109.03	122.16
Total	<u><u>562.30</u></u>	<u><u>577.76</u></u>

Notes forming part of Financial Statements for the year ended 31st March, 2017

₹ in lakhs

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
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Note 24
OTHER EXPENSES
A. Manufacturing & Other Direct Expenses

Power and fuel	226.60	245.52
Machinery Maintenance	110.78	113.93
Factory Maintenance	20.21	18.66
Electrical maintenance	7.90	10.52
Testing charges	2.38	2.90
Dyes & Moulding charges	24.44	29.06
Cartage, Coolie & Freight charges	308.31	312.14
Packing materials & charges	199.42	133.02
Service & Labour charges	1,491.17	1,405.45
Total Manufacturing & Other Direct Expenses	2,391.21	2,271.20

B. Administrative & Selling Expenses

Professional Service Charges	102.94	163.97
Rent	211.99	204.70
Repairs & Maintenance	45.43	47.27
Travelling, Conveyance & Vehicle hire charges	371.57	383.15
Foreign Travel expenses	69.69	21.45
Vehicle Maintenance	140.38	126.45
Difference in foreign exchange (Loss)	23.43	0.00
Telephone, Telex & Postage	76.95	74.01
Printing & Stationery	28.36	35.07
Office Maintenance	47.95	48.30
Books & Periodicals	2.24	3.03
Computer Maintenance	15.24	17.81
Seminar & Conference	15.89	5.31
Electricity	18.10	21.86
Legal Fee & Charges	3.00	2.21
Donation	8.54	9.94

Notes forming part of Financial Statements for the year ended 31st March, 2017

Particulars	₹ in lakhs	
	For the year ended 31-03-2017	For the year ended 31-03-2016
OTHER EXPENSES (Contd.)		
Recruitment, Training & Development	11.34	13.51
ECGC Premium	1.72	1.03
ISO Certification Charges	0.58	0.57
CSR Expenses	20.00	24.18
Insurance	30.49	34.73
Rates and taxes	15.29	12.53
Directors Sitting Fees	10.40	11.40
Commission	13.76	51.58
Advertisement	3.70	1.79
Sales Promotion Expenses	11.17	18.31
Freight on Exports	51.15	19.23
Loading & Unloading charges	12.71	12.17
Late Delivery Charges	17.15	34.40
Bad Debts	0.90	73.26
Payments to the Auditors		
a. Statutory Audit	6.00	5.00
b. Tax Audit	1.00	1.00
c. For certification & other services	5.42	6.11
Miscellaneous expenses	3.55	5.74
Total Administration & Selling Expenses	1,398.02	1,491.07
Sales Tax, Service Tax & Other Indirect Tax Expenses	1,583.04	1,508.17
Total	5,372.27	5,270.44

Notes forming part of Financial Statements for the year ended 31st March, 2017
Note 25 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS
Note 25.1 Contingent Liabilities (to the extent not provided for)

Particulars	₹ in lakhs	
	2016-17	2015-16
25.1.1 Claims against the company not acknowledged as debts	-	-
25.1.2 Guarantees issued by the Banks	1,233.12	1,049.25
25.1.3 Guarantee provided by the Company (for loan availed by Thejo Australia Pty Ltd)	-	49.69
	<u>1,233.12</u>	<u>1,098.94</u>

25.1.4 Others
₹ in lakhs

Name of statute	Amount of Dispute (31/3/17)	Amount of Dispute (31/3/16)	Amount Deposited (31/3/17)	Period to which it relates	Forum where dispute is pending
APGST	8.40	8.40	1.00	2002-03	Commercial Tax Officer, Naidupet
APGST	9.92	9.92		2003-04	Commercial Tax Officer, Naidupet
Central Excise	0.00	29.69		1996-2000	
Central Excise	18.25	18.25		July 2000 - June 2004	CESTAT, Bangalore
Central Excise	3.49	3.49		July 2004 - Jan 2005	CESTAT, Bangalore
Central Excise	1.23	1.23		Feb 2005 - Aug 2005	CESTAT, Bangalore
Central Excise	0.66	0.66		Jan 2007 - April 2007	CESTAT, Bangalore
CST	2.36	2.36	1.00	2002 – 03	Commercial Tax Officer, Naidupet
CST	16.18	16.18		2000 -01	High Court of Judicature at Andhra Pradesh
Customs	12.50	12.50		Oct – 01	Commissioner of Customs
Income Tax	5.43	5.43		AY 2003-04 to 2008-09	Income Tax Department
Service Tax	5.33	5.33		2011-12	Service Tax Department
Central Excise	0.45	0.45	0.22	Sep 2005 - March 2006	CESTAT, Bangalore
CST	0.42	0.42		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Central Excise	1.36	1.36	0.68	April - Dec. 2006	CESTAT, Bangalore
Jharkhand Sales Tax	5.31	5.31		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Income Tax	58.47	58.47	30.00	A.Y 2001-02	CIT(A)
MP Sales Tax	1.04	1.04		2013-14	Commissioner of Commercial Taxes

Notes forming part of Financial Statements for the year ended 31st March, 2017

₹ in lakhs

Name of statute	Amount of Dispute (31/3/17)	Amount of Dispute (31/3/16)	Amount Deposited (31/3/17)	Period to which it relates	Forum where dispute is pending
IT – TDS –Salary	0.58	0.58		AY 2008-09, 2010-11 & 2014-15	TDS – AO
IT – TDS –Non-Salary	1.31	1.31		AY 2008-09 to 2014-15	TDS – AO
Service Tax	5.62	5.62		Apr-Sep 2014	Assistant Commissioner – Service Tax
West Bengal VAT	2.95	2.95	2.95	2015-16	VAT Tribunal
Uttar Pradesh VAT	3.91	3.91		2011-12	Assistant Commissioner - Appeals
Jharkhand VAT	13.57	0.00	1.36	2010-11	Deputy Commissioner - Appeals
Jharkhand VAT	24.48	0.00	2.45	2011-12	Deputy Commissioner - Appeals
Income Tax	28.91	0.00		AY 2014-15	CIT (Appeals)
Total	232.13	194.86	39.66		

25.1.5. Commitments

Estimated amount of contracts remaining to be executed on capital account: ₹ 106.37 lakhs (Previous Year - ₹ 31.37 lakhs)

Particulars	₹ in lakhs	
	2016-17	2015-16

Note 25.2 Foreign currency transactions
25.2.1 Payments in foreign currency towards Imports
Imports at CIF Value

Raw Materials and Traded goods	380.33	400.73
Capital goods	33.34	18.54
Total	<u>413.67</u>	<u>419.27</u>

25.2.2 Payments in foreign currency towards Expenditure
Expenditure in Foreign currency

Professional and consultation fees	8.93	8.77
Foreign Tour	10.01	3.75
Salaries & Incentives of Perth Branch	259.04	175.91
Other Expenditure of Perth Branch	224.48	164.40
Others	56.46	37.08
Total	<u>558.92</u>	<u>389.91</u>

25.2.3 Earnings in foreign currency on Accrual basis
Earnings in foreign exchange

Exports - Products	2,267.07	1,659.91
Exports - Services	26.63	4.50
Total	<u>2,293.70</u>	<u>1,664.41</u>

Notes forming part of Financial Statements for the year ended 31st March, 2017

Particulars	₹ in lakhs	
	2016-17	2015-16
25.2.4 Net Gain or Loss on Foreign Currency Translation		
Profit/(Loss) on Foreign Currency Translation	(23.43)	23.60

Note 25.3 Employee Benefits

The Company has accounted for the Long term defined benefits and contribution schemes as under:

25.3.1 Defined Contribution Schemes

Contribution to Provident Fund is made monthly to the Provident Fund Authorities. Contribution to Superannuation fund for eligible employees is made by way of premium to Life Insurance Corporation of India through the Trust and charged to the Profit & Loss Statement for the year.

25.3.2 Defined Benefit Scheme

The Company has defined benefit scheme in the form of gratuity to employees.

Contribution to gratuity is made to Life Insurance Corporation of India through the Gratuity Fund as per the scheme framed by the Corporation. The disclosure under AS -15(Revised) in this regard is given hereunder:

Assumptions	2016-17	2015-16
Discount Rate	8.00%	8.00%
Salary Escalation	5.00%	5.00%

Particulars	₹ in lakhs	
	As at 31 st March, 2017	As at 31 st March, 2016

Table Showing Changes in Present Value of Obligations

Present value of obligations at the beginning of the year	257.17	198.04
Interest Cost	20.57	15.84
Current Service Cost	26.21	24.29
Benefits Paid	(18.52)	(6.53)
Actuarial (Gain) / Loss on obligations	25.82	25.53
Present value of obligations as at end of the year	<u>311.25</u>	<u>257.17</u>

Table Showing Changes in Fair Value of Plan Assets

Fair value of plan assets at the beginning of the year	233.35	174.83
Expected return on plan assets	22.71	18.85
Contributions	52.85	46.20
Benefits Paid	(18.52)	(6.53)
Actuarial Gain / (Loss) on plan assets	0.00	0.00
Fair value of plan assets at the end of the year	<u>290.39</u>	<u>233.35</u>

Notes forming part of Financial Statements for the year ended 31st March, 2017

Particulars	₹ in lakhs	
	As at 31 st March, 2017	As at 31 st March, 2016
Table Showing Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the year	233.35	174.83
Actual return on plan assets	22.71	18.85
Contributions	52.85	46.20
Benefits Paid	(18.52)	(6.53)
Fair value of plan assets at the end of the year	290.39	233.35
Funded Status	<u>(20.86)</u>	<u>(23.82)</u>
Excess of Actual over Estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 st March, 2017)	0.00	0.00
Particulars	For the year ended 31st March, 2017	For the year ended 31 st March, 2016
Actuarial Gain / Loss Recognized		
Actuarial (gain) / loss on obligations	(25.82)	(25.53)
Actuarial (gain) / loss for the year - plan assets	0.00	0.00
Total (gain) / loss for the year	25.82	25.53
Actuarial (gain) / loss recognized in the year	<u>25.82</u>	<u>25.53</u>
	As at 31st March, 2017	As at 31 st March, 2016
Amounts to be Recognized in Balance Sheet & Statement of Profit & Loss		
Present value of obligations as at the end of the year	311.25	257.17
Fair value of plan assets as at the end of the year	290.39	233.35
Funded Status	(20.86)	(23.82)
Net asset / (liability) recognized in balance sheet	<u>(20.86)</u>	<u>(23.82)</u>
	For the year ended 31st March, 2017	For the year ended 31 st March, 2016
Expenses Recognized in Statement of Profit & Loss		
Current Service Cost	26.21	24.29
Interest Cost	20.57	15.84
Expected return on plan assets	(22.71)	(18.85)
Net Actuarial (gain) / loss recognized in the year	25.82	25.53
Expenses recognized in profit and loss statement	<u>49.89</u>	<u>46.81</u>
Note: Entire plan assets are lying in the Gratuity Fund administered through Life Insurance Corporation of India (P & GS Department)		

Notes forming part of Financial Statements for the year ended 31st March, 2017
Note 25.4 Segment Reporting
Primary Segment Information (Business Segment)

₹ in lakhs

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others		2016-17	2015-16
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16		
Segment Revenue	7,570.18	6,628.23	9,171.29	9,418.64	1,837.61	1,579.24	18,579.08	17,626.11
Less: Inter segment Revenue	2,229.38	1,864.76	21.52	15.53	26.72	10.89	2,277.62	1,891.18
Total Revenue	5,340.80	4,763.47	9,149.77	9,403.11	1,810.89	1,568.35	16,301.46	15,734.93
Segment Results	1,376.69	1,375.66	1,038.69	948.12	139.47	132.16	2,554.85	2,455.94
Less : Finance Cost							562.30	577.76
Un allocable Expenses (net of income)							1,169.80	1,066.17
Total Profit Before Tax							822.75	812.01
Tax Expenses							261.86	252.98
Profit after Tax							560.89	559.03
Segment Assets	5,209.79	4,742.62	3,606.12	3,565.16	250.11	464.35	9,066.02	8,772.13
Segment Liabilities	789.89	779.43	319.35	197.39	78.73	269.24	1,187.97	1,246.06
Capital Employed	4,419.90	3,963.19	3,286.77	3,367.77	171.38	195.11	7,878.05	7,526.07
Less: Un allocated Capital Employed							(469.39)	(708.58)
Total Capital Employed							7,408.66	6,817.49

There is no reportable secondary segment, i.e., geographic segment.

Note 25.5 Related Party Disclosures

List of Related Parties

Name of the Party	Relationship
Thejo Hatcon Industrial Services Company	Subsidiary
Thejo Australia Pty Ltd	Subsidiary
Thejo Brasil Comercio E Servicos Ltda	Subsidiary
Thejo Engineering LatinoAmerica SpA	Subsidiary
Mr. K.J. Joseph	Key Management Personnel
Mr. Thomas John	Key Management Personnel
Mr. V.A. George	Key Management Personnel
Mr. Manoj Joseph	Key Management Personnel
Mr. Rajesh John	Key Management Personnel
Mr. M.D. Ravikanth	Key Management Personnel
Mr. Manesh Joseph	Relative of Key Management Personnel
Mrs. Rosamma Joseph	Relative of Key Management Personnel
Mrs. Celinamma John	Relative of Key Management Personnel

Notes forming part of Financial Statements for the year ended 31st March, 2017
Related Party Transaction Details:

₹ in lakhs

Related Party	Nature of Payment	Current Year Transaction	Outstanding as on 31 st March, 2017
Thejo Hatcon Industrial Services Company	Share Capital	0.00	333.72
Thejo Australia Pty Ltd	Share Capital	0.00	1,202.45
Thejo Brasil Comercio E Servicos Ltda	Share Capital	12.07	76.24
Thejo Engineering LatinoAmerica SpA	Share Capital	80.14	341.66
Thejo Hatcon Industrial Services Company	Loan	(10.49)	198.90
Thejo Australia Pty Ltd	Loan	0.00	494.94
Thejo Hatcon Industrial Services Company	Interest on Loan	22.53	5.33
Thejo Australia Pty Ltd	Interest on Loan	55.86	88.58
Thejo Hatcon Industrial Services Company	Advance	0.00	114.15
Thejo Hatcon Industrial Services Company	Purchase & Sales	302.37	254.84
Thejo Australia Pty Ltd	Purchase & Sales	182.74	121.02
Thejo Brasil Comercio E Servicos Ltda	Purchase & Sales	13.05	35.75
Thejo Engineering LatinoAmerica SpA	Purchase & Sales	148.12	203.64
Mr. K.J. Joseph	Sitting Fee	1.00	0.00
Mr. Thomas John	Sitting Fee	1.30	0.00
Mr. V.A. George	Remuneration	41.00	0.00
Mr. Manoj Joseph	Remuneration	36.79	(1.39)
Mr. Rajesh John	Remuneration	23.40	(1.15)
Mr. M.D. Ravikanth	Remuneration	22.09	(0.89)
Mr. Manesh Joseph	Remuneration	23.73	(0.92)
Mrs. Rosamma Joseph	Remuneration	12.09	(0.78)
Mrs. Celinamma John	Remuneration	11.95	(0.88)

Note 25.6 Calculation of Deferred Tax

₹ in lakhs

Particulars	DTA	DTL	DTA	DTL
	31 st March, 2017		31 st March, 2016	
Opening Balance	0.00	4.12	0.00	29.30
Timing Difference in Depreciation	22.50	0.00	26.99	0.00
Profit on sale of asset	0.00	0.84	0.00	1.81
Total	22.50	4.96	26.99	31.11
Net Deferred Tax Liability/(Asset)	17.54	0.00	0.00	4.12

Note 25.7 Leases

The Company has taken various commercial premises under cancellable leases. These lease agreements are normally renewed on expiry.

The rentals are expensed with reference to the lease terms and conditions.

Notes forming part of Financial Statements for the year ended 31st March, 2017

Items	₹ in lakhs			
	2016-17	2015-16		
Note 25.8 Particulars of Stock				
Purchase of Goods (including Trading)				
Rubber Items	1,774.30	1,279.49		
Others	1,871.01	2,127.76		
Total	3,645.31	3,407.25		
Raw Materials Consumed (including Trading)				
Rubber Items	1,769.23	1,252.97		
Others	1,810.65	2,088.05		
Total	3,579.88	3,341.02		
Stock Particulars Raw Materials, WIP & Finished Goods (including Trading)				
Opening Stock				
Rubber Items	1,066.36	986.39		
Others	607.20	394.08		
Total	1,673.56	1,380.47		
Closing Stock				
Rubber Items	1,025.47	1,066.36		
Others	643.40	607.20		
Total	1,668.87	1,673.56		
Value of Raw Materials, Spare Parts and Components consumed				
Items	2016-17		2015-16	
	% of Consumption	Value	% of Consumption	Value
Imported	10.64%	380.95	11.34%	378.73
Indigenous	89.36%	3,198.93	88.66%	2,962.29
Total		3,579.88		3,341.02
₹ in lakhs				
Items	2016-17		2015-16	
Gross Income from services				
Maintenance & Repair Services	7,940.46		8,310.09	
Manpower Supply Services	229.10		159.37	
Others	140.70		180.82	
Total	8,310.26		8,650.28	
Stock Particulars Work In Progress				
Opening Stock				
Rubber Items	350.56		128.12	
Others	38.71		40.50	
Total	389.27		168.62	
Closing Stock				
Rubber Items	290.47		350.56	
Others	36.86		38.71	
Total	327.33		389.27	

Notes forming part of Financial Statements for the year ended 31st March, 2017

Particulars	2016-17	2015-16
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Note 25.9 Earnings Per Share

Basic & Diluted:

Net Profit after Tax (₹ in Lakhs)	560.89	559.03
Weighted Average Number of Equity Shares during the year (Nos.)	3433552	3433552
Earnings per Share (FV of ₹ 10/- each fully paid up) (₹)	16.34	16.28

The Employee stock options are anti-dilutive for the year. Hence, Diluted Earnings Per Share is same as Basic Earnings Per Share.

Note 25.10 Thejo Employee Stock Option Plan 2015

Information in respect of Options granted under Thejo Employee Stock Option Plan 2015

Name of the Plan	Thejo Employee Stock Option Plan 2015 ("ESOP 2015")
Date of Shareholders' Approval	August 26, 2015
Number of options approved under the Scheme	3,00,000 options equivalent to 3,00,000 Equity shares of ₹ 10/- each.
Vesting Schedule	1/6 th of Options granted on completion of one year of grant; balance in 6 equal instalments on completion of 18, 24, 30, 36, 42 and 48 months of grant.
Pricing Formula	The Members have approved the Board to decide the Pricing in line with SEBI guidelines. The Board has decided that the pricing will be not less than 75% of the prevailing market value of the Shares on the date of grant of Options as fixed by Compensation Committee based on the closing market price one day prior to date of grant.
Maximum Term of Options granted	60 Months from the date of granting of the Options.
Source of Shares	Primary
Method of Settlement	Equity Shares
Variation in terms of Options	None
Method used for accounting	Intrinsic Value Method
Impact of Fair Value Method	Had the Company used Fair Value Method (under Black Scholes Method) to expense the employee compensation cost, the Employee Stock Option Expense would have been ₹ 51.44 lakhs, which is ₹ 21.16 lakhs higher than the expense under Intrinsic Value Method of ₹ 30.28 lakhs. Had fair value been considered for expensing ESOP cost, the profit for the year and EPS (Basic and Diluted. FV of ₹ 10/- each fully paid) would have been ₹ 539.73 lakhs and ₹ 15.72/- respectively (as against ₹ 560.89 lakhs and ₹ 16.34/- under intrinsic value method).
Option Movement during the year	Number of Options at the beginning of the period – Nil Number of Options Granted during the year – 1,50,007 Number of Options forfeited/lapsed during the year – 10,451 Number of Options vested during the year – Nil Number of Options exercised during the year – Nil Number of Shares arising as a result of exercise of options – Nil Money Realized by exercise of Option – Nil Loan Repaid by the Trust from exercise price received – NA Number of Options outstanding at the end of the year – 1,39,556 Number of Options exercisable at the end of the year – Nil
Weighted Average Exercise Price	₹ 153.75/- per share

Notes forming part of Financial Statements for the year ended 31st March, 2017

Weighted Average Fair Value/Option	₹ 88.87/-				
Details of Options Granted to specified employees	<p>(A) Senior Managerial Personnel: Employee-Designation-Options granted-Exercise Price Mr. M.D. Ravikanth – CFO & Secretary – 12,295 – ₹ 153.75/- Mr. S. Premjit – VP (Services) – 7,377 – ₹ 153.75/- Mr. Thomas K Abraham – VP (HR & Admin) – 8,607 – ₹ 153.75/- Mr. S. Satish – VP (Commercials) – 7,377 – ₹ 153.75/- Mr. Dinesh Bennet Fernandez (AVP – Materials) – 6,148 – ₹ 153.75/- Mr. S. Suryanarayanan – Sr. Manager (Accounts) – 3,689 – ₹ 153.75/-</p> <p>(B) Any other employee granted options amounting to 5% or more of option granted during the year Employee-Designation-Options granted-Exercise Price Mr. Shine James – MD, TAPL – 9,221 – ₹ 153.75/-</p> <p>(C) There is no identified employee who was granted option during the year equal to or exceeding 1% of issued capital.</p>				
Method and Significant Assumptions to estimate fair value	Method Used: Black Scholes Method Significant Assumptions Used: Weighted Average Value of Share Price: ₹ 205/- Weighted Average Price of Exercise Price: ₹ 153.75/- Expected Volatility: 35.40%-38.50% Expected Option Life: 3-4.5 years Expected Dividends: 1.81% Risk-free interest rate: 6.93%-7.07% Method to determine Expected Volatility: Standard deviation of the continuously compounded rate of return of the stock during the expected option life based on historic value.				
Status of Options					
Particulars	As at 31/3/17		As at 31/3/16		
	No of Options	WAEP (₹)	No of Options	WAEP (₹)	
Outstanding at the beginning of the year	0	0	0	0	
Add: Granted during the year	1,50,007	153.75	0	0	
Less: Forfeited/Lapsed during the year	10,451	153.75	0	0	
Less: Exercised during the year	0	NA	0	0	
Outstanding at the end of the year	1,39,556	153.75	0	0	
Exercisable at the end of the year	0	NA	0	0	
WAEP – Weighted Average Exercise Price/Option NA – Not Applicable					
Summary of Options Outstanding:					
Thejo ESOP 2015					
As at 31/3/2017			As at 31/3/2016		
No of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life	No of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life
1,39,556	153.75	50 Months	0	NA	NA
NA – Not Applicable					
Diluted EPS as per AS 20		Diluted EPS (Per Equity Share of face value of Rs. 10/- each fully paid) – ₹ 16.34/-			
Price of underlying shares in Market at the time of grant of option		₹ 205/- per Equity Share			

Notes forming part of Financial Statements for the year ended 31st March, 2017

Description	₹ in lakhs	
	2016-17	2015-16
Note 25.11 Payment to Auditors		
For Audit	6.00	5.00
For Taxation Matters	1.00	1.00
For Company Law Matters	0.00	0.00
For Management Services	0.00	0.00
For Other Services	5.42	6.11
For Reimbursement of Expenses	0.00	0.00
Total	12.42	12.11

Note 25.12 Corporate Social Responsibility

The Company has spent ₹ 20.00 lakhs for various CSR activities.

Note 25.13 Other Disclosures

25.13.1 The Company has sent letters for confirmation to debtors, based on materiality. While few parties have confirmed the balance, confirmations from the remaining parties are awaited.

25.13.2 The estimated useful life of the following assets has been arrived at on the basis of technical evaluation different from prescribed useful life as given in Schedule II and, as approved by the Management.

Asset	Useful Life as Evaluated	Useful Life as per Schedule II
Hardness tester, Welding machines and similar assets (Plant & Machinery at Branch/Sites- Category 1)	5 years	15 years
Chain Pulley Blocks (Plant & Machinery at Branch / Sites- Category 2)	4 years	15 years
Wire Ropes and similar assets (Plant & Machinery at Branch / Sites- Category 3)	3 years	15 years
Pulling lifting machine, Hook chook, drilling, buffing, grinding & sander machines, Hot air gun and similar assets (Plant & Machinery at Branch / Sites- Category 4)	1 year	15 years
Air / Water Cooler and similar assets (Office Equipment - Category 2)	2 years	5 years

Residual value:

In respect of Fixed Assets which have completed the useful life, the carrying amount as on 01.04.2014 or 5% of the cost, whichever is lower, is retained as residual value in the books.

25.13.3 The Company has not received any communication from its suppliers claiming that they are micro, small scale or medium enterprises.

25.13.4 As the estimated recoverable amounts of the assets/cash generating units of the Company are higher than their carrying amount, no impairment of assets has been recognized in the accounts of the Company in line with AS - 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India.

25.13.5 During the FY 2016-17, the Company has incurred a revenue expenditure (excluding depreciation) of ₹ 90.67 lakhs and capital expenditure of ₹ 1.78 lakhs in relation to Research & Development. (FY 15-16: ₹ 88.12 lakhs and ₹ 0.20 lakhs respectively).

25.13.6 The Board has recommended a dividend of ₹ 3.50/- per equity share of face value of ₹ 10/- each (fully paid) for the FY 2016-17 aggregating to ₹ 120.17 lakhs on the total number of shares outstanding as on 31/3/2017. Dividend and Dividend Distribution Tax will be treated as an appropriation from Reserves & Surplus during the period in which

Notes forming part of Financial Statements for the year ended 31st March, 2017

it is approved by the Members. No provision is being made in the accounts for the current financial year in respect of dividend recommended by the Board after the balance sheet date. For the previous year, provision was made in the accounts for the dividend recommended by the Board of Directors, pending approval of the Members at the Annual General Meeting. Provision for Dividend Distribution Tax was made at appropriate rate on the amount of provision made for dividend.

25.13.7 Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are as follows:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	9,05,500	29,70,488	38,75,988
(+) Permitted receipts	0	67,39,182	67,39,182
(-) Permitted payments	0	63,38,230	63,38,230
(-) Amount deposited in Banks	9,05,500	420	9,05,920
Closing cash in hand as on 30.12.2016	0	33,71,020	33,71,020

Note 26 Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of even date

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

LAKSHMINARAYANAN R
Partner
Membership No. 16246

Place : Chennai
Date : 27th May, 2017

For & on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410

M.D. RAVIKANTH
Chief Financial Officer &
Secretary

THOMAS JOHN
Vice Chairman
DIN 00435035

V.A. GEORGE
Managing Director
DIN 01493737

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF THEJO ENGINEERING LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of **THEJO ENGINEERING LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Profit and Loss Statement, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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 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 respective Board of Directors of the companies included in the Group are 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 or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account, 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 Consolidated Financial Statements are free from material misstatement.

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 auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls 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. 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.

INDEPENDENT AUDITORS' REPORT

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

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 as at 31st March, 2017, its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

The audit of the financial statements/financial information of the subsidiaries (i) THEJO HATCON INDUSTRIAL SERVICES COMPANY, Saudi Arabia, (ii) THEJO AUSTRALIA PTY LTD, Australia, (iii) THEJO BRASIL COMERCIO E SERVICOS LTDA, Brazil and (iv) THEJO ENGINEERING LATINOAMERICA SPA, Chile for the year ended 31st March, 2017 was conducted by other Auditors. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the Audit Certificates given by the other Auditors.

Report on Other Legal and Regulatory Requirements

1. The Holding Company does not have any Subsidiary incorporated in India. Hence, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of 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 Act to the extent applicable to the Holding Company.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 of the Holding Company and our reliance on the Audit Certificates given by other Auditors in respect of the four subsidiaries.
 - c. The Consolidated Balance Sheet, the Consolidated Profit and Loss Statement, 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, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

INDEPENDENT AUDITORS' REPORT

- f. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Group and Operating effectiveness of such controls, we give our separate report in Annexure B, in respect of the Holding Company as Holding Company doesn't have any subsidiary incorporated in India; and
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the financial position of the group as referred to in Note 28.1.3 to the Consolidated Financial Statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and
 - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
 - iv. The holding Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

Date : 27.05.2017
Place : Chennai

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

LAKSHMINARAYANAN R
Partner
M. No. : 016246

ANNEXURE-A TO THE AUDITORS' REPORT

This is the Annexure referred to in our report to the members of **THEJO ENGINEERING LIMITED** (“the Holding Company”) on the consolidated financial statements for the year ended on 31.03.2017. We report that:

- (i) (a) The Holding Company has generally maintained records showing particulars, and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, the title deeds of immovable properties are held in the name of the Holding Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed as per information given.
- (iii) (a) The Holding Company has granted unsecured advance, to one of its subsidiary companies, covered in the Register maintained under section 189 of the Act for which there are no terms of agreement for repayment of advance or payment of interest. The Holding Company has also granted unsecured loan to another subsidiary, covered in the Register maintained under section 189 of the Act, the receipt of principal and interest whereof is regular.
- (b) The terms and conditions of the grant of such loans are not prejudicial to the Holding Company's interest.
- (c) There is no overdue amount in respect of the loans mentioned in para (a) above.
- (iv) Provisions of section 185 and 186 of the Act have been complied with in respect of loans, investments, guarantees, and security.
- (v) The Holding Company has not accepted any deposits from the Public.
- (vi) Holding Company maintains cost records as specified by the Central Government under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Holding Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, in case dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, the amounts involved and the forum where dispute is pending are mentioned below:

ANNEXURE-A TO THE AUDITORS' REPORT

₹ in lakhs

Name of statute	Amount of Dispute (31/3/17)	Amount of Dispute (31/3/16)	Amount Deposited (31/3/17)	Period to which it relates	Forum where dispute is pending
APGST	8.40	8.40	1.00	2002-03	Commercial Tax Officer, Naidupet
APGST	9.92	9.92		2003-04	Commercial Tax Officer, Naidupet
Central Excise	0.00	29.69		1996-2000	
Central Excise	18.25	18.25		July 2000 - June 2004	CESTAT, Bangalore
Central Excise	3.49	3.49		July 2004 - Jan 2005	CESTAT, Bangalore
Central Excise	1.23	1.23		Feb 2005 - Aug 2005	CESTAT, Bangalore
Central Excise	0.66	0.66		Jan 2007 - April 2007	CESTAT, Bangalore
CST	2.36	2.36	1.00	2002 – 03	Commercial Tax Officer, Naidupet
CST	16.18	16.18		2000 -01	High Court of Judicature at Andhra Pradesh
Customs	12.50	12.50		Oct – 01	Commissioner of Customs
Income Tax	5.43	5.43		AY 2003-04 to 2008-09	Income Tax Department
Service Tax	5.33	5.33		2011-12	Service Tax Department
Central Excise	0.45	0.45	0.22	Sep 2005 - March 2006	CESTAT, Bangalore
CST	0.42	0.42		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Central Excise	1.36	1.36	0.68	April - Dec. 2006	CESTAT, Bangalore

ANNEXURE-A TO THE AUDITORS' REPORT

₹ in lakhs

Name of statute	Amount of Dispute (31/3/17)	Amount of Dispute (31/3/16)	Amount Deposited (31/3/17)	Period to which it relates	Forum where dispute is pending
Jharkhand Sales Tax	5.31	5.31		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Income Tax	58.47	58.47	30.00	A.Y 2001-02	CIT(A)
MP Sales Tax	1.04	1.04		2013-14	Commissioner of Commercial Taxes
IT – TDS – Salary	0.58	0.58		AY 2008-09, 2010-11 & 2014-15	TDS – AO
IT – TDS – Non-Salary	1.31	1.31		AY 2008-09 to 2014-15	TDS – AO
Service Tax	5.62	5.62		Apr-Sep 2014	Assistant Commissioner – Service Tax
West Bengal VAT	2.95	2.95	2.95	2015-16	VAT Tribunal
Uttar Pradesh VAT	3.91	3.91		2011-12	Assistant Commissioner - Appeals
Jharkhand VAT	13.57	0.00	1.36	2010-11	Deputy Commissioner - Appeals
Jharkhand VAT	24.48	0.00	2.45	2011-12	Deputy Commissioner – Appeals
Income Tax	28.91	0.00		AY 2014-15	CIT (Appeals)
Total	232.13	194.86	39.66		

- (viii) The Holding Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) Moneys raised by way of initial public offer and term loans were applied for the purposes for which those were raised.
- (x) According to the information and explanations given to us, no material fraud by the Holding Company or any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

ANNEXURE-A TO THE AUDITORS' REPORT

- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, the Holding Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Holding Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Consolidated Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, the Holding Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, the Holding Company has not entered into non-cash transactions with directors or persons connected with the Directors.
- (xvi) The Holding Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date : 27.05.2017
Place : Chennai

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S
LAKSHMINARAYANAN R
Partner
M. No. : 016246

ANNEXURE-B TO THE AUDITORS' REPORT**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 Thejo Engineering Limited ("the Holding Company") as at 31st March, 2017 in conjunction with our audit of the consolidated financial statements for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding 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, both issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 were established and maintained and such control operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 when 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 auditors' judgement, 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 Holding Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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 controls 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 expenses of the Company are being made only in accordance with authorisations of management/directors of the Company; and

ANNEXURE-B TO THE AUDITORS' REPORT

- (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 management override of controls, material misstatements due to fraud or error 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 controls 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 Holding Company has, in all material respects, an adequate system of internal financial controls over financial reporting and such system was operating effectively as at 31st March, 2017, based on the details furnished by the Holding Company and internal financial controls over financial reporting criteria established by the Holding 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.

Date : 27.05.2017
Place : Chennai

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

LAKSHMINARAYANAN R
Partner
M. No. : 016246

Consolidated Balance Sheet as at 31st March, 2017

Particulars	Note No.	₹ in lakhs	
		As at 31-03-2017	As at 31-03-2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	343.36	343.36
(b) Reserves and surplus	4	5,249.88	4,630.11
2 Share application money pending allotment		-	-
3 Minority Interest	5	248.35	215.93
4 Non-current liabilities			
(a) Long-term borrowings	6	523.89	802.22
(b) Others	7	23.64	14.55
5 Current liabilities			
(a) Short-term borrowings	8	3,240.63	2,892.03
(b) Trade payables	9	2,007.30	1,545.61
(c) Other current liabilities	10	1,858.99	2,112.70
(d) Short-term provisions	11	1,910.60	1,709.71
TOTAL		15,406.64	14,266.22
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		2,908.86	3,005.28
(ii) Intangible assets		33.72	41.05
(iii) Capital work-in-progress		106.37	31.37
(b) Non-current investments	13	0.57	0.42
(c) Deferred Tax Asset (Net)	28.6	19.27	46.45
(d) Long-term loans and advances	14	403.95	404.06
(e) Other non-current assets	15	148.41	215.87
2 Current assets			
(a) Inventories	16	2,350.86	2,250.82
(b) Trade receivables	17	5,884.10	5,374.68
(c) Cash and cash equivalents	18	939.18	653.60
(d) Short-term loans and advances	19	987.93	895.45
(e) Other current assets	20	1,623.42	1,347.17
TOTAL		15,406.64	14,266.22
Notes including significant accounting policies	1-29		

The notes referred to above form an integral part of the financial statements.

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

LAKSHMINARAYANAN R
Partner
Membership No. 16246

Place : Chennai
Date : 27th May, 2017

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410
M.D. RAVIKANTH
Chief Financial Officer &
Secretary

THOMAS JOHN
Vice Chairman
DIN 00435035
V.A. GEORGE
Managing Director
DIN 01493737

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No.	₹ in lakhs	
		For the year ended 31-03-2017	For the year ended 31-03-2016
I. Revenue from operations	21	19,423.10	17,535.79
II. Other income	22	34.10	36.82
III. Total Revenue (I+II)		<u>19,457.20</u>	<u>17,572.61</u>
IV. Expenses:			
Cost of materials consumed	23	3,521.78	2,638.30
Purchase of Traded Goods	23	853.07	824.35
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(43.18)	(543.96)
Employee benefits expense	25	6,914.28	7,183.05
Finance costs	26	574.56	603.36
Depreciation and amortization expense	12	534.82	568.30
Other expenses	27	6,173.52	6,150.44
Total expenses		<u>18,528.85</u>	<u>17,423.84</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		928.35	148.77
VI. Exceptional items:		-	-
VII. Profit before extraordinary items and tax (V-VI)		928.35	148.77
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		928.35	148.77
X. Tax expense:			
(1) Current tax		283.51	278.16
(2) Deferred tax	28.6	27.18	(56.01)
XI. Profit / (Loss) for the period (IX-X)		617.66	(73.38)
XII. Transfer to Minority Interest		41.80	(94.52)
XIII. Profit / (Loss) for the period after tax and transfer to Minority Interest (XI-XII)		<u>575.86</u>	<u>21.14</u>
XIV. Earnings per equity share of face value of ₹ 10/- each fully paid up (before & after extraordinary items)			
(1) Basic (in ₹)		16.77	0.62
(2) Diluted (in ₹)		16.77	0.62
Notes Including significant accounting policies	1-29		

The notes referred to above form an integral part of the financial statements.

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

LAKSHMINARAYANAN R
Partner
Membership No. 16246

Place : Chennai
Date : 27th May, 2017

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410
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Chief Financial Officer &
Secretary

THOMAS JOHN
Vice Chairman
DIN 00435035
V.A. GEORGE
Managing Director
DIN 01493737

Consolidated Cash Flow Statement for the year ended 31st March, 2017

₹ in lakhs

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
Cash Flow from Operating Activities		
Profit before tax as per Consolidated Profit and Loss Statement	928.35	148.77
Adjustment for:		
Depreciation	534.82	568.30
Pre-operative Expenses written off	67.46	30.78
Employee Stock Option Expense	30.28	-
Loss/(Profit) on sale of asset	(2.56)	8.69
Interest Paid	574.56	603.36
Unrealized foreign exchange (gain)/loss (net)	47.82	(81.02)
Interest on Fixed Deposit	(28.44)	(28.28)
Operating Profit before working capital changes	2,152.29	1,250.60
Adjustment for:		
Trade and Other Receivables	(629.80)	165.28
Inventories	(100.04)	(610.16)
Trade Payables and Other Liabilities	23.79	(127.10)
Cash Generated from Operations	1,446.24	678.61
Direct Taxes Paid	(283.37)	(276.94)
Net Cash from Operating Activities (A)	1,162.87	401.67
Cash flow from Investing Activities		
Purchase of Fixed Assets	(531.30)	(461.95)
Sale of assets	4.32	46.54
Investments made	(0.15)	(0.42)
Interest on Fixed Deposit	28.44	28.28
Net cash used in Investing Activities (B)	(498.69)	(387.53)
Cash Flow from Financing Activities		
Increase in Term loan & Other credit facilities	507.27	2,163.88
Repayments of Term Loan	(305.08)	(1,952.95)
Increase in Minority Interest	-	-
Interest paid	(574.56)	(603.36)
Net Cash from/(used in) Financing Activities (C)	(372.37)	(392.43)
Exchange difference on translation of Cash & Cash Equivalents (D)	(6.23)	2.30
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)+(D)	285.58	(375.99)
Opening Cash & Cash Equivalents	653.60	1,029.59
Closing Cash & Cash Equivalents	939.18	653.60

Note : Closing Cash and Cash Equivalents includes ₹ 252.93 lakhs (Previous Year: ₹ 217.92 lakhs) in Fixed Deposits with Banks held as Margin Money for BG & LC

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S
LAKSHMINARAYANAN R
Partner
Membership No. 16246

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410
M.D. RAVIKANTH
Chief Financial Officer &
Secretary

THOMAS JOHN
Vice Chairman
DIN 00435035
V.A. GEORGE
Managing Director
DIN 01493737

Place : Chennai
Date : 27th May, 2017

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017**Note 1****CORPORATE INFORMATION (PARENT AND SUBSIDIARY COMPANIES)**

Thejo Engineering Limited (formerly known as Thejo Engineering Services Private Limited) (“the Company”/“Parent Company”) was incorporated on 26th March, 1986 as a private limited company, with its Registered Office at Aysha Building, No. 41, Whites Road, Royapettah, Chennai - 600 014. The name of the Company was changed to Thejo Engineering Private Limited vide Certificate of Incorporation dated 17th June, 2008. The Company was subsequently converted into a public limited company with consequent change of name as Thejo Engineering Limited vide special resolution passed by the Members at their meeting held on 20th June, 2008. Thejo Engineering Limited made an Initial Public Offer (IPO) of 4,72,800 equity shares of the face value of ₹ 10/- each at a premium of ₹ 392/- per share in September 2012 and the shares got listed on the EMERGE SME platform of NSE. The share capital of the Company increased to ₹ 171.68 lakhs in the Financial Year 2012-13. During the year 2013-14, the Company issued Bonus Shares to the existing shareholders in the ratio of 1:1 and the paid-up capital of the Company further increased to ₹ 343.36 lakhs.

The Company is an Engineering Solutions provider for Bulk Material Handling, Mineral Processing and Corrosion Protection to the Core Sector Industries like mining, power, steel, cement, ports and fertilizers. The Company's services include belt conveyor installation, maintenance and operations, while its product portfolio covers design, manufacture and supply of engineering products for Bulk Material Handling, Mineral Processing and Corrosion Protection.

The Company has a branch in Perth, Australia and four overseas subsidiaries namely, Thejo Hatcon Industrial Services Company, Saudi Arabia, Thejo Australia Pty Ltd, Australia, Thejo Brasil Comercio E Servicos Ltda, Brazil and Thejo Engineering Latinoamerica SpA, Chile. Thejo Hatcon Industrial Services Company is primarily engaged in rubber lagging and industrial services, Thejo Australia Pty Ltd in conveyor splicing, maintenance and related services, Thejo Brasil Comercio E Servicos Ltda and Thejo Engineering Latinoamerica SpA in sale of products used in the core sector industries for Bulk Material Handling, Mineral Processing and Corrosion Protection.

Note 2**SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of Accounting**

The financial statements (except cash flow statement) have been prepared under the historical cost convention on an accrual basis and in accordance with applicable Accounting Standards as specified in the Annexure to the Companies (Accounting Standards) Rules, 2006 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 of Ministry of Corporate Affairs. The cash flow statement has been prepared in accordance with AS 3 on “Cash flow statements” issued by the Institute of Chartered Accountants of India. Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

2.2 Principles of Consolidation

- (i) The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, “Consolidated Financial Statements”.
- (ii) The financial statements of the Parent Company and its subsidiaries are consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting therefrom and are presented to the extent possible, in the same manner as the Company's independent financial statements.
- (iii) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances except the method of depreciation as adopted by the subsidiary companies has been retained for the purpose of consolidation.
- (iv) The excess of cost to the Parent Company of its investment in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the consolidated financial statements as ‘goodwill on consolidation’ and carried in the consolidated balance sheet as an asset. Where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the company, it is recognised as ‘capital reserve’ and shown under the head Reserves and Surplus, in the consolidated financial statements.
- (v) Minority interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017

in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

- (vi) The transactions of sale and purchase between the Parent Company and the Subsidiaries are eliminated by reducing both sales and purchases. The unrealized profit on the closing inventory and fixed assets held by the Subsidiaries out of the sales made by the Parent Company is reduced from the closing inventory and fixed assets on consolidation as per AS 21.
- (vii) In order to harmonize the accounting policies followed so as to bring in uniformity in consolidation process, adjustments are made wherever required/possible.

2.3 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income tax, post-sales customer support and the useful lives of fixed tangible assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of any changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.4 Foreign currency transactions

- (a) The reporting currency is Indian Rupees.
- (b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (c) Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.
- (d) Where financial statements of the foreign operations are treated as integral operations, they are translated as in the same manner as foreign currency transactions, as described above. Exchange differences arising on such translations are recognized as income or expenses of the period in which they arise.
- (e) Where financial statements of foreign subsidiaries are treated as non-integral operations, their financial statements are translated at the following exchange rates:
 - (i) Share capital: At the original rate when the capital was infused.
 - (ii) Fixed assets: Exchange rate prevailing at the end of the year.
 - (iii) Current/Non current assets and current/Non current liabilities: Exchange rate prevailing at the end of the year.
 - (iv) Revenues and expenses: At the average rate during the year.

The resultant exchange difference is accounted as foreign currency translation reserve until the disposal of the net investment.

2.5 Presentation and disclosure of Consolidated financial statements

The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013. The Company has set a policy of classifying assets and liabilities into current and non-current portion based on the time frame of 12 months from the date of Balance Sheet.

2.6 Fixed Assets
Tangible Assets (Property, Plant and Equipment)

The Company follows Cost model for its Tangible Assets. Tangible Assets are capitalised at acquisition cost of bringing the assets to their working condition for their intended use. Subsequent expenses related to an item of tangible assets are added to its book value if they increase the future benefits from the existing

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017

assets beyond its previously assessed standard of performance. Assets which are not ready for intended use are disclosed under capital work-in-progress.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. The cost comprises purchase price, permissible borrowing cost and any cost directly attributable to bring the asset to its working condition for its intended use.

2.7 Depreciation
a. Parent Company
Tangible Assets (Property, Plant and Equipment)

Pursuant to the enactment of the Companies Act, 2013, depreciation on Tangible Assets is charged under written down value method based on the useful life of individual asset as prescribed in Schedule II of the Act, retaining a residual value of 5% of the cost of the assets. The estimated useful life of some of the assets is arrived at on the basis of technical evaluation on year to year basis. In respect of additions made during the year, depreciation is charged on pro-rata basis from the date of their being ready for use.

Intangible Assets

They are amortized/ depleted over the useful life of the underlying assets and/ or as prescribed under Accounting Standards.

b. Foreign Subsidiaries

Depreciation has been provided on written down value or straight line method at the rates or on the basis of useful life of assets as evaluated and estimated by the Management.

2.8 Inventories

Inventories are valued at lower of cost and net realisable value under FIFO basis.

The cost of inventory comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase consist of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rebates, duty drawbacks and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs of materials used in production, direct labour, and production overheads.

Other costs are included in the cost of inventories only to the extent they are incurred in bringing the inventories to the present location and condition.

2.9 Revenue Recognition

2.9.1 In respect of sale of products, revenue is recognised at the point of despatch to the customers, when the effective control passes on to the buyer and in respect of services rendered, revenue is recognised based on proportionate completion method, when there is no significant uncertainty regarding the amount of consideration

2.9.2 Exports sales are accounted at the rate of exchange prevailing as on the date of invoicing.

2.9.3 Revenue from export benefits (like Duty Drawback) is accounted at the time of receipt.

2.9.4 The transactions of sale and purchase between the Parent company and the Subsidiaries are eliminated by reducing both sales and purchases.

2.10 Sales, Works Contracts and Services Income

The amount shown in the Consolidated Statement of Profit and Loss is net of excise duty and inclusive of all other duties and taxes except Thejo Australia Pty Ltd where revenue is stated net of GST.

2.11 Employee Benefits
Parent Company

2.11.1 *Short term employee benefits:*

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages and short term compensated absences as also the expected cost of bonus and ex-gratia are recognised in the period in which the employee renders the related service.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017**2.11.2 Post employment benefits:**

2.11.2.1 *Defined Contribution Schemes:* Contribution to Provident Fund is made monthly to the Provident Fund Authorities. Contribution to Superannuation fund for eligible employees is made by way of premium to Life Insurance Corporation of India through the Trust and charged to the Consolidated Statement of Profit and Loss for the year.

2.11.2.2 *Defined Benefit Scheme:* The Company extends defined benefit plan in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India through the Gratuity Fund in accordance with the scheme framed and administered by the Corporation. The present value of the obligation is determined based on actuarial valuation using Projected Unit Credit Method as per the report given by the Corporation.

Employee benefits in respect of subsidiaries are provided as per the applicable laws of the country where the subsidiaries are situated.

2.12 Taxes on Income*Parent Company*

Current tax is determined on the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognized on timing differences, being difference between taxable income and the accounting income that originates in one year and reverses in another. Deferred Tax Assets and liabilities are computed on the timing differences applying the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Asset arising on account of unabsorbed depreciation or carry forward of business loss is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Subsidiaries

Generally, the breakup of the major components of the Deferred Tax Assets and Liabilities as at Balance Sheet date of the subsidiary companies is arrived at after setting off deferred tax assets and liabilities where the respective companies have a legally enforceable right to set off assets against liabilities where such assets and liabilities relate to taxes on income levied by the same governing taxation laws of the country concerned.

2.13 Impairment of Assets

Fixed Assets are reviewed for impairment by the Parent Company whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of assets is measured in line with the relevant Accounting Standard.

2.14 Investments

Each category/item of investment is valued as follows:

2.14.1 Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature.

2.14.2 Current investments are carried at the lower of cost and fair value.

The carrying amount of such investments are determined on the basis of weighted average cost of each individual investment.

2.15 Cash and Cash Equivalents

2.15.1 Cash comprises cash on hand and demand deposits with bank.

2.15.2 Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of a past event and it is probable that outflows will be required to settle the obligation, which can be readily estimated. Contingent liabilities are disclosed after an evaluation of the fact and legal aspects of the matter involved. Even if there is certainty of the obligation not falling on the Company, the same is disclosed as contingent liability. Contingent assets are neither recognized nor disclosed.

2.17 Dividend

Dividend is provided/paid after it is approved by the Members at the Annual General Meeting.

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017
Note 3
SHARE CAPITAL

Particulars	As at 31-03-2017		As at 31-03-2016	
	Number	Amount ₹ in lakhs	Number	Amount ₹ in lakhs
Authorised				
Equity Shares of ₹10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued				
Equity Shares of ₹ 10/- each	34,33,552	343.36	34,33,552	343.36
Subscribed & Paid up				
Equity Shares of ₹ 10/- each	34,33,552	343.36	34,33,552	343.36
(Of the above, 92800 Equity Shares were allotted as fully paid-up for consideration other than cash (15/12/86) and 2055326 shares (108520 shares - 22/2/94; 230030 shares - 4/10/01 and 1716776 shares - 13/9/13) were allotted as fully paid-up bonus shares by transferring ₹ 33.86 lakhs from Profit & Loss Account and ₹ 171.68 lakhs from Securities Premium Account)				
Total	<u>34,33,552</u>	<u>343.36</u>	<u>34,33,552</u>	<u>343.36</u>

3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Shares outstanding at the beginning of the year	34,33,552	343.36	34,33,552	343.36
Shares issued during the year	0	0.00	0	0.00
Shares outstanding at the end of the year	<u>34,33,552</u>	<u>343.36</u>	<u>34,33,552</u>	<u>343.36</u>

3.2 Shares in the Company held by each shareholder holding more than 5 percent shares as on 31/3/2017

Name of the Shareholder	As at 31-03-2017		As at 31-03-2016	
	Number	Percentage	Number	Percentage
SIDBI Venture Capital Ltd. A/c India Opportunities Fund	3,17,072	9.23%	3,17,072	9.23%
Mr. K.J. Joseph	2,50,000	7.28%	3,55,380	10.35%
Canbank Venture Capital Ltd. A/c Emerging India Growth Fund	2,48,400	7.23%	2,48,400	7.23%
Mr. Thomas John	2,16,868	6.32%	4,75,660	13.85%
Mrs. Celinamma John	2,16,866	6.32%	84,400	2.46%
Mr. Rajesh John	2,16,866	6.32%	1,50,540	4.38%
IDBI Capital Market Services Ltd.	1,98,600	5.78%	2,02,200	5.89%
Mrs. Rosamma Joseph	1,80,320	5.25%	93,240	2.72%

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
Note 4		
RESERVES AND SURPLUS		
a. Securities Premium Account		
Opening Balance	1,845.31	1,845.31
Add/Less: Adjustments	0.00	0.00
Closing Balance	1,845.31	1,845.31
b. Share Option Outstanding Account		
Opening Balance	0.00	0.00
(+) Employee Compensation Cost for the year	30.28	0.00
Closing Balance	30.28	0.00
c. Surplus (Balance in Statement of Profit and Loss)		
Opening balance	2,157.09	2,356.42
(+) Net Profit/(Net Loss) For the current year	575.86	21.14
(-) Proposed Dividend	0.00	120.17
(-) Dividend Distribution Tax	0.00	24.46
(-) Transfer to General Reserve	0.00	55.91
(+) Foreign Currency Translation Reserve	0.00	(19.93)
(-) Transfer on account of re-grouping	(33.77)	0.00
Closing Balance	2,766.72	2,157.09
d. Others		
General Reserve		
Opening Balance	627.71	571.80
(+) Transfer from Surplus	0.00	55.91
Closing Balance	627.71	627.71
Foreign Currency Translation Reserve		
Opening Balance	0.00	0.00
Add: Transfer on account of re-grouping from Surplus	(33.77)	0.00
Add: Foreign Currency Translation Reserve during the year	13.63	0.00
Closing Balance	(20.14)	0.00
Total	5,249.88	4,630.11
Note 5		
MINORITY INTEREST		
Opening Balance	215.93	294.80
Additions during the year		
a. Share capital	0.00	0.00
b. Share of (Loss)/profit of the year	41.80	(94.52)
c. Foreign currency translation adjustment for the year	(9.38)	15.65
Closing balance	248.35	215.93

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016

Note 6

LONG TERM BORROWINGS

Secured

Term loans

From Banks	741.25	1,002.56
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Limit/Liability, Terms of Repayment & Security

Axis Bank Limited

1. Date of Sanction: 15.03.2013 Ref No. AXISB/SME/S/CHN/12-13/642
2. Date of Sanction: 03.02.2015 Ref No. AXISB/SME/S/MEG/CHN/14-15/69 &
3. Date of Sanction: 16.03.2016 Ref No. AXISB/SME/S/MEG/CHN/15-16/65

Sanctioned Limit: 1. ₹ 100 Lakhs 2. ₹ 170 Lakhs & 3. ₹300 Lakhs

Purpose: Acquisition of Capital Assets & Take over of Term Loan from State Bank of Mysore.

Period of Repayment :

1. 60 monthly instalments of ₹ 1.67 lakhs commencing from 3 months from the date of last drawdown.
2. 51 monthly instalments of ₹ 3.33 lakhs per month.
3. 60 monthly instalments of ₹ 5.00 lakh commencing from 6 months of first drawdown. For all loans, interest to be paid as and when debited.

Amount of Instalment -

1. ₹ 1.67 Lakhs per month + interest;
2. ₹ 3.33 Lakhs per month + interest &
3. ₹ 5.00 Lakhs per month+interest

Security (For all loans):

First hypothecation charge over all machinery and equipment purchased under the Term Loan.

First charge on Pari-passu basis with SBI & IOB over immovable properties under Equitable Mortgage.

Personal guarantee of: Mr. K.J. Joseph, Mr.Thomas John, Mr. Manoj Joseph, Mr.Rajesh John and Mr.Manesh Joseph

Liability (Incl interest not due) - ₹ 154.06 Lakhs (₹ 181.81 Lakhs)

Repayable within one year	121.73	60.00
Overdues/Defaults - Nil (Nil)		

Export Import Bank of India

Date of Sanction: 20.01.2014 Ref. CBG: OIF-715: 321

Sanctioned Limit: USD 1.25 million (Equi ₹ 753.48 Lakhs)

Purpose: Onward lending to Thejo Australia Pty Ltd and Thejo Hatcon Industrial Services Company to meet their long term working capital requirements.

Period of Repayment : 16 stepped up quarterly instalments commencing from 12 months after the date of first disbursement with interest to be paid quarterly on debit advice.

Amount of Instalment - 2.5% of the loan amount per quarter in the first year; 5% of the loan amount per quarter in the second year; 7.5% of the loan amount per quarter in the third year and 10% of the loan amount per quarter in the fourth year after moratorium period.

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
Security:		
Pari-passu first charge on the fixed assets of the Company and second charge on the current assets of the Company.		
Personal guarantee of: Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		
Liability (Incl interest not due) - ₹ 572.70 Lakhs (₹ 751.05 Lakhs)		
Repayable within one year	187.97	109.26
Overdues/Defaults - Nil (Nil)		
Export Import Bank of India		
Date of Sanction: 20.03.2014 Ref. LOC-TF: DIR-970:14:75		
Sanctioned Limit: USD 1 million (Equi ₹ 613 lacs)		
Purpose: Buyers Credit to Thejo Australia Pty Ltd for acquisition of capital assets from Thejo Engineering Limited.		
Period of Repayment : 16 stepped up quarterly instalments commencing from 12 months after the date of first disbursement with interest to be paid quarterly on debit advice.		
Amount of Instalment - 2.5% of the loan amount per quarter in the first year; 5% of the loan amount per quarter in the second year; 7.5% of the loan amount per quarter in the third year and 10% of the loan amount per quarter in the fourth year after moratorium period.		
Security:		
Pari-passu first charge on the fixed assets of the Company and second charge on the current assets of the Company and Corporate guarantee by the Company.		
Personal guarantee of: Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		
Liability (Incl interest not due) - ₹ Nil (₹ 49.69 Lakhs)		
Repayable within one year	0.00	49.69
Overdues/Defaults - Nil (Nil)		
ICICI Bank Limited - Auto Loan		
Date of Sanction: 03.06.2014		
Sanctioned Limit: ₹ 28 Lakhs		
Purpose: Acquisition of Vehicle		
Period of Repayment : 60 Equated Monthly Instalments(including interest) from July 2014. Last Instalment June 2019		
EMI Payable - ₹ 0.60 Lakhs per month		
Security:		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 14.49 Lakhs (₹ 19.94 Lakhs)		
Repayable within one year	6.10	5.57
Overdues/Defaults - Nil (Nil)		

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
From Others		
Financial Institutions	153.04	47.94
Sundaram Finance Limited		
Date of Sanction: 12.09.2014		
Sanctioned Limit: ₹ 100 Lakhs		
Purpose: Acquisition of Vehicles		
Period of Repayment : 35 Equated Monthly Instalments(including interest) from date of each loan		
Amount of Instalment - ₹ 3.21 Lakhs per month for loan availed		
Security:		
Hypothecation of Vehicle purchased under the loan		
Personal guarantee of: Mr. Thomas John		
Liability (Incl interest not due) - ₹ 47.77 Lakhs (₹ 47.94 Lakhs)		
Repayable within one year	30.88	23.76
Overdues/Defaults - Nil (Nil)		
Toyota Finance Australia Ltd		
Date of Sanction: 14.11.2016		
Sanctioned Limit: AUD 66052 (Equi ₹ 33.68 Lakhs)		
Purpose: Acquisition of Vehicles		
Period of Repayment : 60 Equated Monthly Instalments (including interest) from date of the loan		
Amount of Instalment - AUD 1235 (₹ 0.63 Lakhs per month)		
Security:		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 30.95 Lakhs (₹ Nil)		
Repayable within one year	6.05	0.00
Overdues/Defaults - Nil (Nil)		
Toyota Finance Australia Ltd (Thejo Australia Pty Ltd)		
Date of Sanction: March 2017		
Sanctioned Limit: AUD 179184 (Equi ₹ 88.79 Lakhs)		
Purpose: Acquisition of Vehicles		
Period of Repayment : 28 to 60 Equated Monthly Instalments (including interest) from date of each loan		
Amount of Instalment - AUD 4361 (₹ 2.16 Lakhs per month)		
Security:		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 74.32 Lakhs (₹ Nil)		
Repayable within one year	17.67	0.00
Overdues/Defaults - Nil (Nil)		
Total	<u>523.89</u>	<u>802.22</u>

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
Note 7		
OTHER NON-CURRENT LIABILITIES		
Terminal Provision	23.64	14.55
Total	<u>23.64</u>	<u>14.55</u>

Note 8

SHORT TERM BORROWINGS

Secured

Loans repayable on demand

From Banks	3,240.63	2,892.03
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The Company was sanctioned Working capital facilities by consortium of bankers namely, State Bank of India, Axis Bank Limited and Indian Overseas Bank.

Limit/Liability, Terms of Repayment & Security

State Bank of India

Date of Sanction: 29.01.2016 Ref No. RM1/200A

Limit: Cash Credit of ₹1500 Lakhs +Stand by CC ₹ 150 Lakhs (Non-fund based limit: Letter of Credit - ₹ 500 lakhs & Bank Guarantee - ₹ 700 lakhs)

Period Of Repayment: On Demand

Security:

First Charge on all the current assets on pari-passu basis with Axis Bank Limited and Indian Overseas Bank. EM of immovable properties belonging to the Company. (First charge on pari passu basis with Axis Bank Ltd, Indian Overseas Bank and EXIM Bank).

Extension of Second Hypothecation Charge on pari passu basis over fixed assets purchased out of term loan from Axis Bank Ltd.

Extension of First Hypothecation Charge on pari passu basis over Company's fixed assets (other than those on exclusive charge for the Term Loans).

Personal guarantee of: Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph, Mr. Rajesh John and Mr. Manesh Joseph

Rate of Interest - 2.00% above base rate

Margin - Cash credit - 25%
LC and BG - 15%

Liability - ₹ 1,302.13 Lakhs (₹ 1,050.47 Lakhs)

Overdues/Defaults: Nil (Nil)

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017

Particulars	As at 31-03-2017	As at 31-03-2016
₹ in lakhs		
Axis Bank Limited		
Date of Sanction: 16.03.2016 Ref No. AXISB/SME/S/MEG/CHN/2015-16/65		
Limit: Cash Credit of ₹ 1,125 Lakhs + Stand by CC ₹ 112.50 Lakhs (Non-fund based limit: Letter of Credit - ₹ 375 lakhs & Bank Guarantee - ₹ 525 lakhs)		
Period Of Repayment: On Demand		
Security: Same as given to State Bank of India		
Personal guarantee of: Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph, Mr. Rajesh John and Mr. Manesh Joseph		
Rate of Interest - 1.85% above base rate		
Margin - Cash credit - 25%		
LC and BG - 15%		
Liability - ₹ 1,056.05 Lakhs (₹ 909.79 Lakhs)		
Overdues/Defaults: Nil (Nil)		
Indian Overseas Bank		
Date of Sanction: 03.03.2015 & 21.04.2016		
Limit: Cash Credit of ₹ 1,000 Lakhs (Non-fund based limit: Letter of Credit - ₹ 375 lakhs & Bank Guarantee - ₹ 450 lakhs)		
Period Of Repayment: On Demand		
Security:		
Same as given to State Bank of India		
Personal guarantee of: Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph, Mr. Rajesh John and Mr. Manesh Joseph		
Rate of Interest - 1.75% above base rate		
Margin - Cash credit - 25%		
LC and BG - 15%		
Liability - ₹ 882.45 Lakhs (₹ 931.78 Lakhs)		
Overdues/Defaults: Nil (Nil)		
Total	3,240.63	2,892.03

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
Note 9		
TRADE PAYABLES		
Trade payables:		
Acceptances	518.39	369.29
Other than Acceptances	1,488.91	1,176.32
Total	<u>2,007.30</u>	<u>1,545.61</u>
Note 10		
OTHER CURRENT LIABILITIES		
Current Maturities on Long Term Debt	362.56	242.15
Interest accrued but not due on Term Loan	7.84	6.14
Other payables		
Salary and Other Employee Benefits	686.40	686.86
Statutory Dues		
Commercial Tax	31.12	48.99
Service Tax	3.06	17.34
ESI	8.98	5.78
EPF	43.88	45.13
Profession Tax	6.11	5.94
TDS	85.26	163.73
Others	32.10	53.34
Outstanding Liabilities	591.68	837.30
Total	<u>1,858.99</u>	<u>2,112.70</u>
Note 11		
SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
Provision for Bonus / Ex-gratia	174.24	113.21
(b) Others		
Direct Taxes	1,736.36	1,451.87
Proposed Dividend (PY ₹ 3.50/- per equity share of face value of ₹ 10/- each)	0.00	120.17
Dividend Distribution Tax	0.00	24.46
Total	<u>1,910.60</u>	<u>1,709.71</u>

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017

Note 12

FIXED ASSETS

₹ in lakhs

NATURE OF ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As at 01.04.2016	Addition for the year	Deduction	Diff. in forex rate conversion	As at 31.03.2017	Upto 31.03.2016	Addition	Deduction	Diff. in forex rate conversion	Unrealized profit	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
TANGIBLE ASSETS													
Land	65.72	0.00	0.00	0.00	65.72	0.00	0.00	0.00	0.00	0.00	0.00	65.72	65.72
Factory Building	1,140.58	26.81	0.00	-1.70	1,165.69	311.13	76.21	0.00	-0.12	0.00	387.22	778.47	829.46
Office Building	588.09	27.61	0.00	-12.38	603.32	159.77	56.77	0.00	-3.66	0.00	212.88	390.44	428.32
Plant & Machinery													
Plant & Machinery at Factories	1,344.59	26.73	0.00	0.00	1,371.32	805.64	100.86	0.00	0.00	0.00	906.50	464.82	538.95
Plant & Machinery at Branches/Sites - Category 1	74.29	0.31	0.00	0.00	74.60	46.92	11.47	0.00	0.00	0.00	58.39	16.21	27.37
Plant & Machinery at Branches/Sites - Category 2	63.35	11.86	0.00	0.00	75.21	55.11	5.85	0.00	0.00	0.00	60.96	14.25	8.24
Plant & Machinery at Branches/Sites - Category 3	31.31	9.10	0.00	0.00	40.41	24.35	4.74	0.00	0.00	0.00	29.09	11.32	6.96
Plant & Machinery at Branches/Sites - Category 4	133.56	14.51	0.00	0.00	148.07	123.42	7.85	0.00	0.00	0.00	131.27	16.80	10.14
Plant & Machinery at Branches/Sites - Category 5	1,045.70	88.91	0.00	-15.06	1,119.55	491.22	101.55	0.00	-5.33	-9.62	577.82	541.73	554.47
Boiler	71.13	0.00	0.00	0.00	71.13	44.71	4.70	0.00	0.00	0.00	49.41	21.72	26.42
Dyes & Moulds	206.89	43.69	0.00	0.00	250.58	83.80	25.56	0.00	0.00	0.00	109.36	141.22	123.10
Vehicle Four Wheelers	477.48	166.02	14.91	-3.84	624.75	332.26	61.52	14.30	-1.98	0.00	377.50	247.25	145.22
Vehicle Two Wheelers	32.61	2.08	0.38	0.00	34.31	22.56	2.77	0.36	0.00	0.00	24.97	9.34	10.05
Office Equipments - Category 1	36.41	1.42	0.16	0.00	37.67	28.48	3.47	0.06	0.00	0.00	31.89	5.78	7.93
Office Equipments - Category 2	9.28	1.35	0.00	0.00	10.63	8.51	1.11	0.00	0.00	0.00	9.62	1.01	0.77
Electrical Fittings	195.19	0.34	0.00	0.00	195.53	141.36	13.99	0.00	0.00	0.00	155.35	40.18	53.83
Furniture & Fittings	313.09	13.95	1.90	-2.00	323.14	174.52	31.93	0.87	-0.76	0.00	204.82	118.32	138.57
Computer	170.84	8.73	0.00	-0.37	179.20	154.05	10.57	0.00	-0.32	0.00	164.30	14.90	16.79
Computer Server	7.97	0.00	0.00	0.00	7.97	5.76	0.83	0.00	0.00	0.00	6.59	1.38	2.21
Generator	43.18	0.00	0.00	0.00	43.18	32.41	2.77	0.00	0.00	0.00	35.18	8.00	10.76
Total Tangible Assets(Current Year)	6,051.26	443.42	17.35	-35.35	6,441.98	3,045.98	524.52	15.59	-12.17	-9.62	3,533.12	2,908.66	3,005.28
Total Tangible Assets(Previous Year)	5,637.86	456.31	128.65	85.72	6,051.24	2,545.16	557.20	73.41	23.62	-6.61	3,045.96	3,005.28	3,092.70
INTANGIBLE ASSETS													
Technical Knowhow	1.75	0.00	0.00	0.00	1.75	1.75	0.00	0.00	0.00	0.00	1.75	0.00	0.00
Computer Software	100.15	12.88	0.00	-0.28	112.75	59.11	19.92	0.00	0.00	0.00	79.03	33.72	41.04
Total Intangible Assets(Current Year)	101.90	12.88	0.00	-0.28	114.50	60.86	19.92	0.00	0.00	0.00	80.78	33.72	41.05
Total Intangible Assets(Previous Year)	88.80	12.38	0.00	0.73	101.91	43.15	17.71	0.00	0.00	0.00	60.86	41.05	45.65
CAPITAL WORK IN PROGRESS													
Assets Under Construction	31.37	75.00	0.00	0.00	106.37	0.00	0.00	0.00	0.00	0.00	0.00	106.37	31.37
Total Capital Work In Progress(Current Year)	31.37	75.00	0.00	0.00	106.37	0.00	0.00	0.00	0.00	0.00	0.00	106.37	31.37
Total Capital Work In Progress(Previous Year)	38.12	21.86	28.61	0.00	31.37	0.00	0.00	0.00	0.00	0.00	0.00	31.37	38.12
GRAND TOTAL	6,184.53	531.30	17.35	-35.63	6,662.85	3,106.84	544.44	15.59	-12.17	-9.62	3,613.90	3,048.95	3,077.70
PREVIOUS YEAR	5,764.78	490.55	157.26	86.45	6,184.52	2,588.31	574.91	73.41	23.62	-6.61	3,106.82	3,077.70	3,176.47

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017

Note 13

NON-CURRENT INVESTMENTS

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
A Trade Investments (Unquoted)	1,954.64	1,862.28
Investments in Equity Instruments	1,954.64	1,862.28
Less : Adjusted on Consolidation of subsidiaries	1,954.07	1,861.86
Total	0.57	0.42

Details of Trade Investments

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly paid / Fully paid	Extent of Holding (%)		Amount		Whether stated at cost Yes / No
			As at 31-3-2017	As at 31-3-2016			As at 31-3-2017	As at 31-3-2016	As at 31-3-2017	As at 31-3-2016	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Investment in Equity Instruments											
1	Thejo Hatcon Industrial Services Company	Subsidiary	2,040	2,040	Unquoted	Fully Paid	51%	51%	333.72	333.72	Yes
2	Thejo Australia Pty Ltd	Subsidiary	22,20,000	22,20,000	Unquoted	Fully Paid	74%	74%	1,202.45	1,202.45	Yes
3	Thejo Brasil Comercio E Servicos Ltda	Subsidiary	3,76,233	3,12,798	Unquoted	Fully Paid	99.99%	99.99%	76.24	64.17	Yes
4	Thejo Engineering LatinoAmerica SpA	Subsidiary	364	265	Unquoted	Fully Paid	99.73%	99.62%	341.66	261.52	Yes
5	Saks Power P Ltd	Others	5,700	4,200	Unquoted	Fully Paid	5.70%	4.20%	0.57	0.42	Yes
Total									1,954.64	1,862.28	

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
Note 14		
LONG TERM LOANS AND ADVANCES		
a. EMD and Security Deposits		
Unsecured, considered good	177.57	166.19
b. Other Deposits		
Unsecured, considered good		
Rental Deposit	113.30	108.46
Deposit with Government Agencies	14.90	10.26
Others	98.18	119.15
Total	403.95	404.06
Note 15		
OTHER NON-CURRENT ASSETS		
Pre-Operative & Deferred Expenses to the extent not written off	148.41	215.87
Total	148.41	215.87
Note 16		
INVENTORIES		
(As certified by Management)		
a. Raw Materials and components	670.33	613.47
b. Work-in-progress	327.33	389.27
c. Finished goods	1,335.90	1,187.96
d. Stock in Trade	59.38	50.81
e. Stock in Transit	6.60	63.91
Less: Profit element on stock transfer to subsidiary	48.68	54.60
Total	2,350.86	2,250.82
Note 17		
TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for more than six months from the date they are due	912.96	867.66
Others	4,971.14	4,507.02
Total	5,884.10	5,374.68

Notes forming part of the Consolidated Financial Statements as at 31st March, 2017

Particulars	₹ in lakhs	
	As at 31-03-2017	As at 31-03-2016
Note 18		
CASH AND CASH EQUIVALENTS		
a. Balances with banks		
(i) In Current Accounts	537.95	288.84
(ii) In Deposit Accounts (₹ 252.93 lakhs (PY ₹ 217.92 lakhs) held as Margin Money for BG & LC)	363.50	328.07
b. Cheques, drafts on hand	3.00	6.00
c. Cash on hand	34.73	30.69
Total	<u>939.18</u>	<u>653.60</u>
Note 19		
SHORT-TERM LOANS AND ADVANCES		
Others (unsecured, considered good)		
EMD & Security deposits	532.70	517.56
Others	455.23	377.89
Total	<u>987.93</u>	<u>895.45</u>
Note 20		
OTHER CURRENT ASSETS		
Direct Tax payments	1,609.47	1,325.11
Balance with Central Excise Authority	13.95	22.06
Total	<u>1,623.42</u>	<u>1,347.17</u>

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017
₹ in lakhs

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
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Note 21
REVENUE FROM OPERATIONS

Sale of Products	9,672.14	7,092.29
Sale of Services & Works Contract	10,105.15	10,837.39
Other Operating Income	62.38	35.97
Less:		
Excise duty	416.57	429.86
Total	<u>19,423.10</u>	<u>17,535.79</u>

Note 22
OTHER INCOME

Interest	28.44	28.28
Miscellaneous Income	3.10	8.54
Profit on sale of assets	2.56	0.00
Total	<u>34.10</u>	<u>36.82</u>

Note 23
COST OF MATERIALS CONSUMED

Opening Stock of Raw Materials	613.47	547.25
Add: Purchases made during the year	3,205.09	2,390.34
	<u>3,818.56</u>	<u>2,937.59</u>
Less: Closing Stock of Raw Materials	670.33	613.47
	<u>3,148.23</u>	<u>2,324.12</u>
Add: Consumables	373.55	314.18
Total	<u>3,521.78</u>	<u>2,638.30</u>
Purchase of Traded Goods	853.07	824.35

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017

₹ in lakhs

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
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Note 24
**CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS AND STOCK-IN-TRADE**
Opening Stock :

Work-in-Progress	389.27	168.62
Finished Goods	1,187.96	909.39
Stock-in-Trade	50.81	32.22
Scrap Stock from fire accident	0.00	9.49
Stock in Transit	63.91	7.56
Less: Unrealised gain in stock sold from parent to subsidiary	54.60	33.87

Closing Stock :

Work-in-Progress	327.33	389.27
Finished Goods	1,335.90	1,187.96
Stock-in-Trade	59.38	50.81
Stock in Transit	6.60	63.91
Less: Unrealised gain in stock sold by parent to subsidiary	48.68	54.60
Total	<u>(43.18)</u>	<u>(543.96)</u>

Note 25
EMPLOYEE BENEFITS EXPENSE

(a) Salaries and incentives	5,553.42	5,768.94
(b) Contributions to PF, Superannuation, Gratuity & ESI	547.87	586.84
(c) Staff welfare expenses	643.53	677.89
(d) LTA, Ex-gratia, & Leave Encashment	139.18	149.38
(e) Employee Stock Option Expense	30.28	0.00
Total	<u>6,914.28</u>	<u>7,183.05</u>

Note 26
FINANCE COSTS

Interest	457.61	461.88
Other finance costs	116.95	141.48
Total	<u>574.56</u>	<u>603.36</u>

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017

₹ in lakhs

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
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Note 27
OTHER EXPENSES
A. Manufacturing & Other Direct Expenses

Power and fuel	226.67	245.65
Machinery Maintenance	194.79	324.25
Factory Maintenance	21.69	20.13
Electrical maintenance	7.90	10.52
Testing charges	2.38	2.90
Dyes & Moulding charges	24.44	29.06
Cartage, Coolie & Freight charges	347.05	347.80
Packing materials & charges	199.42	133.02
Service & Labour charges	1,626.57	1,476.86
Total Manufacturing & Other Direct Expenses	2,650.91	2,590.19

B. Administrative & Selling Expenses

Professional Service Charges	145.05	215.97
Rent	389.53	359.67
Repairs & Maintenance	60.24	59.75
Travelling, Conveyance & Vehicle hire charges	457.68	480.00
Foreign Travel expenses	69.69	21.45
Vehicle Maintenance	170.17	160.39
Difference in foreign exchange (Loss)	23.69	3.40
Telephone, Telex & Postage	91.10	84.71
Printing & Stationery	37.97	37.56
Office Maintenance	52.31	56.68
Books & Periodicals	2.71	3.61
Computer Maintenance	19.26	23.86
Seminar & Conference	15.89	5.31
Electricity	32.19	33.79
Legal Fee & Charges	4.65	19.36
Donation	9.04	9.94
Recruitment, Training & Development	27.34	45.93
ECGC Premium	1.72	1.03

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017

₹ in lakhs

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
OTHER EXPENSES (Contd.)		
ISO Certification Charges	0.58	0.57
CSR Expenses	20.00	24.18
Insurance	45.78	82.08
Rates and taxes	39.45	33.48
Directors Sitting Fees	10.40	11.40
Commission	13.76	51.58
Advertisement	5.12	3.19
Sales Promotion Expenses	12.06	19.58
Freight on Exports	51.15	19.23
Loading & Unloading charges	20.89	13.57
Late Delivery Charges	17.15	34.40
Bad Debts	0.90	73.26
Loss on Sale of Assets	0.00	8.69
Payments to the Auditors		
a. Statutory Audit	6.00	5.00
b. Tax Audit	1.00	1.00
c. For certification & other services	8.05	6.97
Miscellaneous expenses	4.84	5.77
Total Administration & Selling Expenses	1,867.36	2,016.36
Sales Tax, Service Tax, & Other Indirect Tax Expenses	1,591.89	1,513.18
Preliminary Expenses Amortized/Written off	63.36	30.71
Total	6,173.52	6,150.44

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017
Note 28 ADDITIONAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS

Note 28.1 Contingent Liabilities (to the extent not provided for)

₹ in lakhs		
Particulars	2016-17	2015-16
28.1.1 Claims against the company not acknowledged as debts	-	-
28.1.2 Guarantees issued by the Banks	1,233.12	1,049.25
	<u>1,233.12</u>	<u>1,049.25</u>

28.1.3 Others ₹ in lakhs

Name of statute	Amount of Dispute (31/3/17)	Amount of Dispute (31/3/16)	Amount Deposited (31/3/17)	Period to which it relates	Forum where dispute is pending
APGST	8.40	8.40	1.00	2002-03	Commercial Tax Officer, Naidupet
APGST	9.92	9.92		2003-04	Commercial Tax Officer, Naidupet
Central Excise	0.00	29.69		1996-2000	
Central Excise	18.25	18.25		July 2000 - June 2004	CESTAT, Bangalore
Central Excise	3.49	3.49		July 2004 - Jan 2005	CESTAT, Bangalore
Central Excise	1.23	1.23		Feb 2005 - Aug 2005	CESTAT, Bangalore
Central Excise	0.66	0.66		Jan 2007 - April 2007	CESTAT, Bangalore
CST	2.36	2.36	1.00	2002 – 03	Commercial Tax Officer, Naidupet
CST	16.18	16.18		2000 -01	High Court of Judicature at Andhra Pradesh
Customs	12.50	12.50		Oct – 01	Commissioner of Customs
Income Tax	5.43	5.43		AY 2003-04 to AY 2008-09	Income Tax Department
Service Tax	5.33	5.33		2011-12	Service Tax Department
Central Excise	0.45	0.45	0.22	Sep 2005 - March 2006	CESTAT, Bangalore
CST	0.42	0.42		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Central Excise	1.36	1.36	0.68	April - Dec. 2006	CESTAT, Bangalore
Jharkhand Sales Tax	5.31	5.31		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Income Tax	58.47	58.47	30.00	A.Y 2001-02	CIT(A)
MP Sales Tax	1.04	1.04		2013-14	Commissioner of Commercial Taxes
IT – TDS –Salary	0.58	0.58		AY 2008-09, 2010-11 & 2014-15	TDS – AO

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017

₹ in lakhs

Name of statute	Amount of Dispute (31/3/17)	Amount of Dispute (31/3/16)	Amount Deposited (31/3/17)	Period to which it relates	Forum where dispute is pending
IT – TDS –Non-Salary	1.31	1.31		AY 2008-09 to 2014-15	TDS – AO
Service Tax	5.62	5.62		Apr-Sep 2014	Assistant Commissioner – Service Tax
West Bengal VAT	2.95	2.95	2.95	2015-16	VAT Tribunal
Uttar Pradesh VAT	3.91	3.91		2011-12	Assistant Commissioner - Appeals
Jharkhand VAT	13.57	0.00	1.36	2010-11	Deputy Commissioner - Appeals
Jharkhand VAT	24.48	0.00	2.45	2011-12	Deputy Commissioner - Appeals
Income Tax	28.91	0.00		AY 2014-15	CIT (Appeals)
Total	232.13	194.86	39.66		

28.1.4 Commitments

Estimated amount of contracts remaining to be executed on capital account: ₹ 106.37 lakhs (Previous Year - ₹ 31.37 lakhs)

Note 28.2 Employee Benefits

The Company has accounted for the Long term defined benefits and contribution schemes as under:

28.2.1 Defined Contribution Schemes

Contribution to Provident Fund is made monthly to the Provident Fund Authorities. Contribution to Superannuation fund for eligible employees is made by way of premium to Life Insurance Corporation of India through the Trust and charged to the Consolidated Statement of Profit and Loss for the year.

28.2.2 Defined Benefit Scheme

The Parent Company has defined benefit scheme in the form of gratuity to employees.

Contribution to gratuity is made to Life Insurance Corporation of India through the Gratuity Fund as per the scheme framed by the Corporation. The disclosure under AS -15(Revised) in this regard is given hereunder:

Assumptions	2016-17	2015-16
Discount Rate	8.00%	8.00%
Salary Escalation	5.00%	5.00%

₹ in lakhs

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
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Table Showing Changes in Present Value of Obligations

Present value of obligations at the beginning of the year	257.17	198.04
Interest Cost	20.57	15.84
Current Service Cost	26.21	24.29
Benefits Paid	(18.52)	(6.53)
Actuarial (Gain) / Loss on obligations	25.82	25.53
Present value of obligations as at end of the year	<u>311.25</u>	<u>257.17</u>

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017

₹ in lakhs

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
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Table Showing Changes in Fair Value of Plan Assets

Fair value of plan assets at the beginning of the year	233.35	174.83
Expected return on plan assets	22.71	18.85
Contributions	52.85	46.20
Benefits Paid	(18.52)	(6.53)
Actuarial Gain / (Loss) on plan assets	0.00	0.00
Fair value of plan assets at the end of the year	<u>290.39</u>	<u>233.35</u>

Table Showing Fair Value of Plan Assets

Fair value of plan assets at the beginning of the year	233.35	174.83
Actual return on plan assets	22.71	18.85
Contributions	52.85	46.20
Benefits Paid	(18.52)	(6.53)
Fair value of plan assets at the end of the year	<u>290.39</u>	<u>233.35</u>
Funded Status	<u>(20.86)</u>	<u>(23.82)</u>
Excess of Actual over Estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 st March, 2017)	0.00	0.00

	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Actuarial Gain / Loss Recognized		
Actuarial (gain) / loss on obligations	(25.82)	(25.53)
Actuarial (gain) / loss for the year - plan assets	0.00	0.00
Total (gain) / loss for the year	<u>25.82</u>	<u>25.53</u>
Actuarial (gain) / loss recognized in the year	<u>25.82</u>	<u>25.53</u>

	As at 31 st March, 2017	As at 31 st March, 2016
Amounts to be Recognized in Consolidated Balance Sheet & Statement of Profit & Loss		
Present value of obligations as at the end of the year	311.25	257.17
Fair value of plan assets as at the end of the year	290.39	233.35
Funded Status	<u>(20.86)</u>	<u>(23.82)</u>
Net asset / (liability) recognized in balance sheet	<u>(20.86)</u>	<u>(23.82)</u>

	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Expenses Recognized In Consolidated Statement of Profit & Loss		
Current Service Cost	26.21	24.29
Interest Cost	20.57	15.84
Expected return on plan assets	(22.71)	(18.85)
Net Actuarial (gain) / loss recognized in the year	<u>25.82</u>	<u>25.53</u>
Expenses recognized in profit and loss statement	<u>49.89</u>	<u>46.81</u>

Note: Entire plan assets are lying in the Gratuity Fund administered through Life Insurance Corporation of India (P & GS Department).

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017
Note 28.3 Segment Reporting
Primary Segment Information (Business Segment)
₹ in lakhs

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others		2016-17	2015-16
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16		
Segment Revenue	7,570.18	6,628.23	12,636.83	11,605.75	2,127.94	1,648.55	22,334.95	19,882.53
Less: Inter segment Revenue	2,774.50	2,060.03	26.76	31.48	110.59	255.22	2,911.85	2,346.73
Total Revenue	4,795.68	4,568.20	12,610.07	11,574.27	2,017.35	1,393.33	19,423.10	17,535.80
Segment Results	1,376.69	1,375.66	1,388.16	612.12	(13.81)	(138.30)	2,751.04	1,849.48
Less : Finance Cost							574.56	603.36
Un allocable Expenses (net of income)							1,248.13	1,097.35
Total Profit Before Tax							928.35	148.77
Tax Expenses							310.69	222.15
Profit after Tax							617.66	(73.38)
Segment Assets	5,209.79	4,742.62	6,516.71	5,937.33	383.86	566.10	12,110.36	11,246.05
Segment Liabilities	789.89	779.43	2,738.27	2,336.15	298.53	391.17	3,826.69	3,506.75
Capital Employed	4,419.90	3,963.19	3,778.44	3,601.18	85.33	174.93	8,283.67	7,739.30
Less: Un allocated Capital Employed							(2,690.43)	(2,765.83)
Total Capital Employed							5,593.24	4,973.47

There is no reportable secondary segment, i.e., geographic segment.

Note 28.4 Related Party Disclosures
List of Related Parties

Name of the Party	Relationship
Mr. K.J. Joseph	Key Management Personnel
Mr. Thomas John	Key Management Personnel
Mr. V.A.George	Key Management Personnel
Mr. Manoj Joseph	Key Management Personnel
Mr. Rajesh John	Key Management Personnel
Mr. M.D. Ravikanth	Key Management Personnel
Mr. Manesh Joseph	Relative of Key Management Personnel
Mrs. Rosamma Joseph	Relative of Key Management Personnel
Mrs. Celinamma John	Relative of Key Management Personnel

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017
Related Party Transaction Details:

₹ in lakhs

Related Party	Nature of Payment	Current Year Transaction	Outstanding as on 31 st March, 2017
Mr. K.J. Joseph	Sitting Fee	1.00	0.00
Mr. Thomas John	Sitting Fee	1.30	0.00
Mr. V.A. George	Remuneration	41.00	0.00
Mr. Manoj Joseph	Remuneration	36.79	(1.39)
Mr. Rajesh John	Remuneration	23.40	(1.15)
Mr. M.D. Ravikanth	Remuneration	22.09	(0.89)
Mr. Manesh Joseph	Remuneration	23.73	(0.92)
Mrs. Rosamma Joseph	Remuneration	12.09	(0.78)
Mrs. Celinamma John	Remuneration	11.95	(0.88)

Note 28.5 Details of Subsidiaries

Name	Ownership by the Parent Company	Minority Interest	Relationship	Reporting Date	Different Accounting policies applied	Reason for not consolidating the accounts of the subsidiary if any
Thejo Hatcon Industrial Services Company	51% (51%)	49% (49%)	Direct Control	31 st March, 2017	Depreciation on Fixed Assets – Computed on SLM over the estimated useful life of the asset	Not Applicable
Thejo Australia Pty Ltd	74% (74%)	26% (26%)	Direct Control	31 st March, 2017	Depreciation on Fixed Assets – Computed on SLM or Diminishing value basis over the estimated useful life of the asset	Not Applicable
Thejo Brasil Comercio E Servicos Ltda	99.99% (99.99%)	0.01% (0.01%)	Direct Control	31 st March, 2017	Depreciation on Fixed Assets – Computed on SLM or Diminishing value basis over the estimated useful life of the asset	Not Applicable
Thejo Engineering LatinoAmerica SpA	99.73% (99.62%)	0.27% (0.38%)	Direct Control	31 st March, 2017	Depreciation on Fixed Assets – Computed on SLM or Diminishing value basis over the estimated useful life of the asset	Not Applicable

Note 28.6 Calculation of Deferred Tax

₹ in lakhs

Particulars	DTA	DTL	DTA	DTL
	31 st March, 2017		31 st March, 2016	
Opening Balance	46.45	0.00	0.00	9.56
Timing Difference in Depreciation	22.50	0.00	26.99	0.00
Profit on sale of asset	0.00	0.84	0.00	1.81
On account of carry forward of subsidiary losses including depreciation	0.00	0.00	30.83	0.00
On account of reversal of DTA of subsidiaries	(48.84)	0.00	0.00	0.00
Total	20.11	0.84	57.82	11.37
Net Deferred Tax Liability/Asset	19.27	0.00	46.45	0.00

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017

Particulars	2016-17	2015-16
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Note 28.7 Earnings Per Share

Basic & Diluted:

Net Profit after Tax (₹ in Lakhs)	575.86	21.14
Weighted Average Number of Equity Shares during the year (Nos.)	3433552	3433552
Earnings per Share (FV of ₹ 10/- each fully paid up) (₹)	16.77	0.62

The Parent Company has granted Stock Option Plan during the year. The Employee stock options are anti-dilutive for the year. Hence, Diluted Earnings Per Share is same as Basic Earnings Per Share.

Note 28.8 Thejo Employee Stock Option Plan 2015

Information in respect of Options granted under Thejo Employee Stock Option Plan 2015

Name of the Plan	Thejo Employee Stock Option Plan 2015 ("ESOP 2015")
Date of Shareholders' Approval	August 26, 2015
Number of options approved under the Scheme	3,00,000 options equivalent to 3,00,000 Equity shares of ₹ 10/- each.
Vesting Schedule	1/6 th of Options granted on completion of one year of grant; balance in 6 equal instalments on completion of 18, 24, 30, 36, 42 and 48 months of grant.
Pricing Formula	The Members have approved the Board to decide the Pricing in line with SEBI guidelines. The Board has decided that the pricing will be not less than 75% of the prevailing market value of the Shares on the date of grant of Options as fixed by Compensation Committee based on the closing market price one day prior to date of grant.
Maximum Term of Options granted	60 Months from the date of granting of the Options.
Source of Shares	Primary
Method of Settlement	Equity Shares
Variation in terms of Options	None
Method used for accounting	Intrinsic Value Method
Impact of Fair Value Method	Had the Company used Fair Value Method (under Black Scholes Method) to expense the employee compensation cost, the Employee Stock Option Expense would have been ₹ 51.44 lakhs, which is ₹ 21.16 lakhs higher than the expense under Intrinsic Value Method of ₹ 30.28 lakhs. Had fair value been considered for expensing ESOP cost, the profit for the year and EPS (Basic and Diluted FV of ₹ 10/- each fully paid) would have been ₹ 554.70 lakhs and ₹ 16.16/- respectively (as against ₹ 575.86 lakhs and ₹ 16.77/- under intrinsic value method).
Option Movement during the year	Number of Options at the beginning of the period – Nil Number of Options Granted during the year – 1,50,007 Number of Options forfeited/lapsed during the year – 10,451 Number of Options vested during the year – Nil Number of Options exercised during the year – Nil Number of Shares arising as a result of exercise of options – Nil Money Realized by exercise of Option – Nil Loan Repaid by the Trust from exercise price received – NA Number of Options outstanding at the end of the year – 1,39,556 Number of Options exercisable at the end of the year – Nil
Weighted Average Exercise Price	₹ 153.75/- per share

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017

Weighted Average Fair Value/Option	₹ 88.87/-				
Details of Options Granted to specified employees	<p>(A) Senior Managerial Personnel: Employee-Designation-Options granted-Exercise Price Mr. M.D. Ravikanth – CFO & Secretary – 12,295 – ₹ 153.75/- Mr. S. Premjit – VP (Services) – 7,377 – ₹ 153.75/- Mr. Thomas K Abraham – VP (HR & Admin) – 8,607 – ₹ 153.75/- Mr. S. Satish – VP (Commercials) – 7,377 – ₹ 153.75/- Mr. Dinesh Bennet Fernandez (AVP – Materials) – 6,148 – ₹ 153.75/- Mr. S. Suryanarayanan – Sr. Manager (Accounts) – 3,689 – ₹ 153.75/-</p> <p>(B) Any other employee granted options amounting to 5% or more of option granted during the year Employee-Designation-Options granted-Exercise Price Mr. Shine James – MD, TAPL – 9,221 – ₹ 153.75/-</p> <p>(C) There is no identified employee who was granted option during the year equal to or exceeding 1% of issued capital.</p>				
Method and Significant Assumptions to estimate fair value	Method Used: Black Scholes Method Significant Assumptions Used: Weighted Average Value of Share Price: ₹ 205/- Weighted Average Price of Exercise Price: ₹ 153.75/- Expected Volatility: 35.40%-38.50% Expected Option Life: 3-4.5 years Expected Dividends: 1.81% Risk-free interest rate: 6.93%-7.07% Method to determine Expected Volatility: Standard deviation of the continuously compounded rate of return of the stock during the expected option life based on historic value.				
Status of Options					
Particulars	As at 31/3/17		As at 31/3/16		
	No of Options	WAEP (₹)	No of Options	WAEP (₹)	
Outstanding at the beginning of the year	0	0	0	0	
Add: Granted during the year	1,50,007	153.75	0	0	
Less: Forfeited/Lapsed during the year	10,451	153.75	0	0	
Less: Exercised during the year	0	NA	0	0	
Outstanding at the end of the year	1,39,556	153.75	0	0	
Exercisable at the end of the year	0	NA	0	0	
WAEP – Weighted Average Exercise Price/Option NA – Not Applicable					
Summary of Options Outstanding:					
Thejo ESOP 2015					
As at 31/3/2017			As at 31/3/2016		
No of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life	No of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life
1,39,556	153.75	50 Months	0	NA	NA
NA – Not Applicable					
Diluted EPS as per AS 20	Diluted EPS (Per Equity Share of face value of ₹ 10/- each fully paid) – ₹ 16.77/-				
Price of underlying shares in Market at the time of grant of option	₹ 205/- per Equity Share				

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2017

₹ in lakhs

Particulars	2016-17	2015-16
Note 28.9 Payment to Auditors		
For Audit	6.00	5.00
For Tax Audit	1.00	1.00
For Other Services	8.05	6.97
Total	15.05	12.97

Note 28.10 Other Disclosures

28.10.1 As the estimated recoverable amounts of the assets/cash generating units of the Company and its subsidiaries are higher than their carrying amount, no impairment of assets has been recognized in the consolidated accounts of the Company in line with AS - 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India.

28.10.2 Additional Information, as required under Schedule III to the Companies Act, 2013 in respect of subsidiaries whose accounts are consolidated.

Amount ₹ in lakhs

Name of the Enterprise	Net Assets i.e. Total assets minus Total liabilities		Share in profit or (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Thejo Engineering Limited	126.83%	7408.66	90.82%	560.89
Subsidiaries				
Foreign				
1. Thejo Hatcon Industrial Services Company	-1.72%	-100.49	0.20%	1.26
2. Thejo Australia Pty Ltd	-20.73%	-1211.01	27.44%	169.48
3. Thejo Brasil Comercio E Servicos Ltda	-1.53%	-89.27	-1.35%	-8.33
4. Thejo Engineering LatinoAmerica SpA	-7.10%	-414.65	-23.88%	-147.44
Minority Interest	4.25%	248.35	6.77%	41.80
Total	100.00%	5841.59	100.00%	617.66

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

28.10.3 In respect of taxes on income, Deferred Tax Asset has not been considered in respect of the Subsidiaries.

28.10.4 Dividend and Dividend Distribution Tax will be treated as an appropriation from Reserves & Surplus during the period in which it is approved by the Members. No provision is being made in the accounts for the current financial year in respect of dividend recommended by the Board after the balance sheet date. For the previous year, provision was made in the accounts for the dividend recommended by the Board of Directors, pending approval of the Members at the Annual General Meeting. Provision for Dividend Distribution Tax was made at appropriate rate on the amount of provision made for dividend.

Note 29 Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

LAKSHMINARAYANAN R
Partner
Membership No. 16246

Place : Chennai
Date : 27th May, 2017

For & on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410

M.D. RAVIKANTH
Chief Financial Officer &
Secretary

THOMAS JOHN
Vice Chairman
DIN 00435035

V.A. GEORGE
Managing Director
DIN 01493737

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT , 2013														
[Pursuant to Section 129(3) of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014 -AOC 1]														
₹ in lakhs														
Sr. No.	Name of Subsidiary Company	Reporting Period	Reporting Currency and Exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Proposed Dividend	% of Shareholding
1	Thejo Hatcon Industrial Services Company	01 st April, 2016 to 31 st March, 2017	1 SAR = ₹ 17.2780	654.35	(179.37)	1,511.15	1,511.15	-	972.41	82.03	-	82.03	-	51.00
2	Thejo Australia Pty Ltd	01 st April, 2016 to 31 st March, 2017	1 AUD = ₹ 49.5524	1,624.94	(1,560.26)	1,434.94	1,434.94	-	2,506.18	165.00	-	165.00	-	74.00
3	Thejo Brasil Comercio E Servicos Ltda	01 st April, 2016 to 31 st March, 2017	1 BRL = ₹ 20.7151	76.24	(84.74)	47.13	47.13	-	62.92	(4.83)	-	(4.83)	-	99.99
4	Thejo Engineering LatinoAmerica SpA	01 st April, 2016 to 31 st March, 2017	1 USD = ₹ 64.7957	342.69	(398.30)	103.14	103.14	-	227.41	(152.20)	-	(152.20)	-	99.73

For JOSEPH & RAJARAM,
Chartered Accountants,
(ICAI Regn No. 001375S)

LAKSHMINARAYANAN R
Partner
M. No. 16246

Place : Chennai
Date : 27th May, 2017

For and on behalf of the Board of Directors

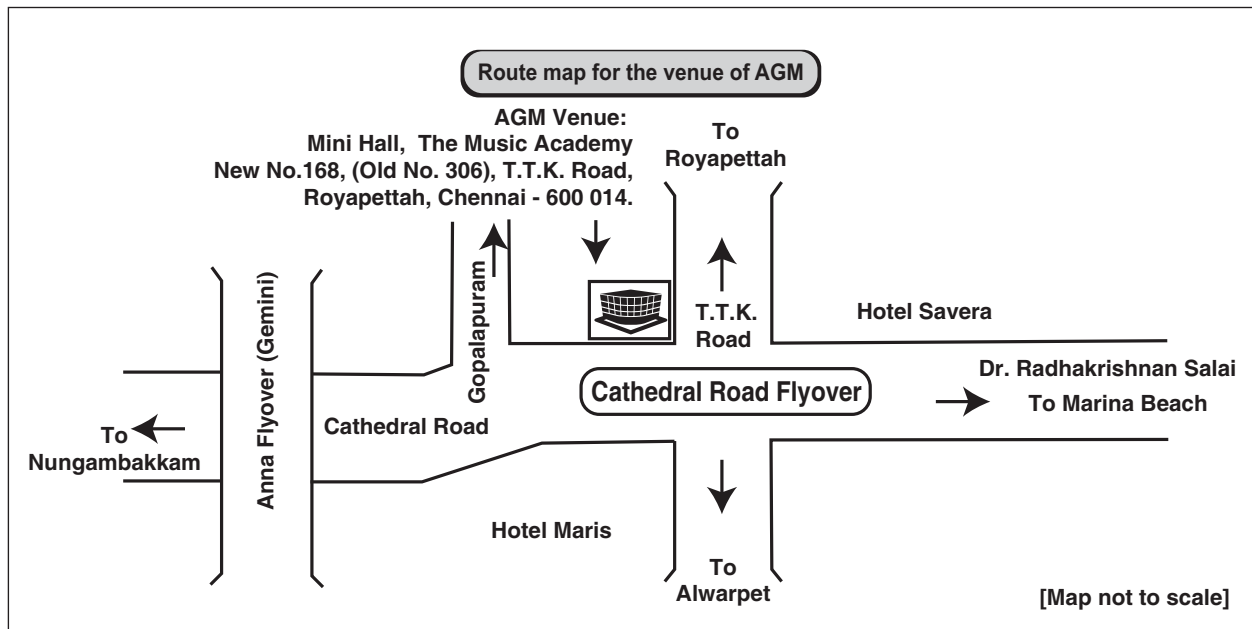
K.J. JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

V.A. GEORGE
Managing Director
DIN 01493737

M.D. RAVIKANTH
CFO & Secretary

Resolutions	For	Against
1. Consider and adopt: a) Audited Financial Statements, the reports of the Board of Directors and Auditors b) Audited Consolidated Financial Statements with the report of the Auditors		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of Mr. Manoj Joseph (DIN 00434579) as a Director		
4. Re-appointment of Mr. K.J. Joseph (DIN 00434410) as a Director		
5. Appointment of Auditors and fixing their remuneration		





Thejo Engineering Limited

CIN : L27209TN1986PLC012833

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Email: investor@thejo-engg.com

Website: www.thejo-engg.com