



Annual Report
2019-20



The logo consists of two components viz., Symbol and Logotype. The symbol is an asymmetrical composition comprising of three diagonal linear lines symbolising Dynamism, Futurism and Professionalism, encased in Marigold Orange parallelogram exhibiting Energy and Enthusiasm. This arrangement is supported by Steel Grey casing indicating the Strength, Will and Determination of the organisation. The logotype 'Thejo' appearing as Platinum Grey emphasizing the company's Stability and Solidity.

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. BRAHMAYYA & CO. 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 Limited, Chennai The South Indian Bank Limited, Chennai

REGISTERED OFFICE

3rd Floor, VDS House,
No. 41, Cathedral Road,
Chennai - 600 086.
CIN: L27209TN1986PLC012833
Phone : 044 - 42221900 Fax : 044 - 42221910
E-mail : investor@thejo-engg.com
Website: www.thejo-engg.com

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	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Sales ¹	20047.06	18925.39	17404.09	14927.65	14449.23	15603.02	13868.65	12440.65	10899.42	9012.59
Other Income	215.24	235.75	160.82	173.88	123.44	112.31	144.68	211.58	249.63	98.61
Total Income ¹	20262.30	19161.14	17564.91	15101.53	14572.67	15715.33	14013.33	12652.23	11149.05	9111.20
Profit before interest, depreciation, amortisation and tax ²	2671.43	2756.56	2176.62	1777.04	1807.91	1774.59	2067.52	2020.66	1529.81	1003.28
Profit before interest & tax ²	2214.95	2312.44	1801.33	1385.05	1389.77	1322.00	1792.58	1817.79	1368.33	855.06
Profit before tax ²	1875.82	1915.64	1263.30	822.75	812.01	805.32	1342.36	1437.63	1001.26	577.74
Profit after tax ²	1374.29	1357.14	870.76	560.89	559.03	546.67	895.79	974.78	671.83	382.96
Net fixed assets	2333.95	2400.18	2425.42	2068.21	2144.80	2239.75	2338.04	1504.89	1132.10	905.54
Share Capital	346.04	343.70	343.36	343.36	343.36	343.36	343.36	171.68	118.47	118.47
Reserves and Surplus	10275.29	9022.09	7813.88	7065.30	6474.13	6059.73	5718.23	5159.45	2456.33	1610.80
Networth	10621.33	9365.79	8157.24	7408.66	6817.49	6403.09	6061.59	5331.13	2574.80	1729.27
Total borrowings	1512.21	2167.07	2185.97	3707.87	3694.18	3515.91	3092.85	2582.83	2134.70	1961.45
Basic Earnings per share ^{3&4} (in ₹)	39.86	39.51	25.36	16.34	16.28	15.92	25.37	32.93	28.35	16.16
Diluted Earnings per share ^{3&4} (in ₹)	39.48	39.51	25.36	16.34	16.28	15.92	25.37	32.93	28.35	16.16
Dividend per share ³ (in ₹)	5.00	5.00	4.00	3.50	3.50	3.50	3.50	5.00	4.00	3.50
Book value per share ^{3&4} (in ₹)	306.94	272.50	237.57	215.77	198.55	186.48	176.54	155.27	108.67	72.98
EBITDA / Total Income (%)	13.18	14.39	12.39	11.77	12.41	11.29	14.75	15.97	13.72	11.01
Profit before tax / Total Income (%)	9.26	10.00	7.19	5.45	5.57	5.12	9.58	11.36	8.98	6.34
Return on capital employed (%)	18.25	20.05	17.42	12.46	13.22	13.33	19.58	22.97	29.05	23.17
Return on closing net worth (%)	12.94	14.49	10.67	7.57	8.20	8.54	14.78	18.28	26.09	22.15

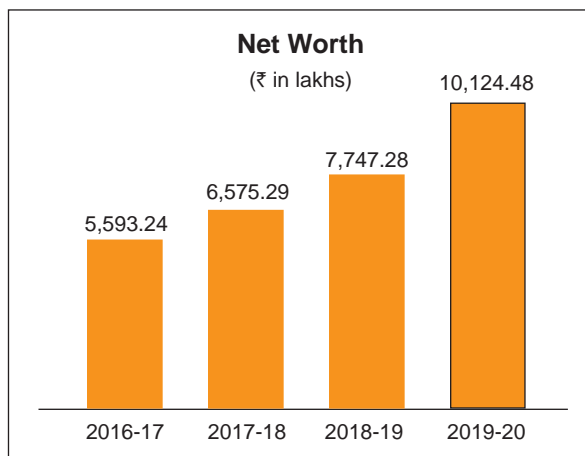
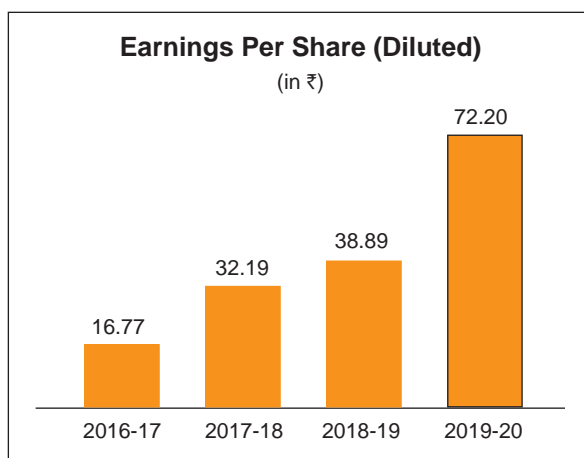
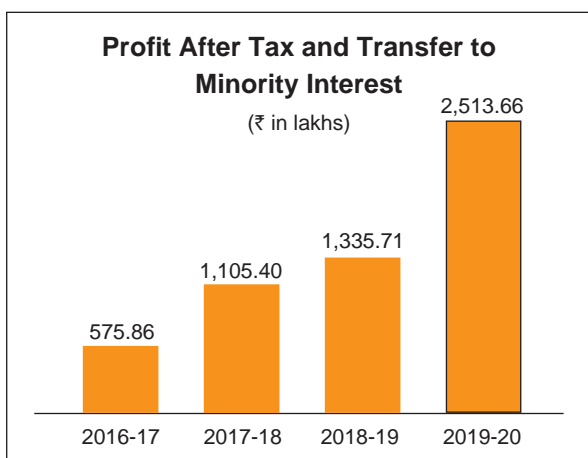
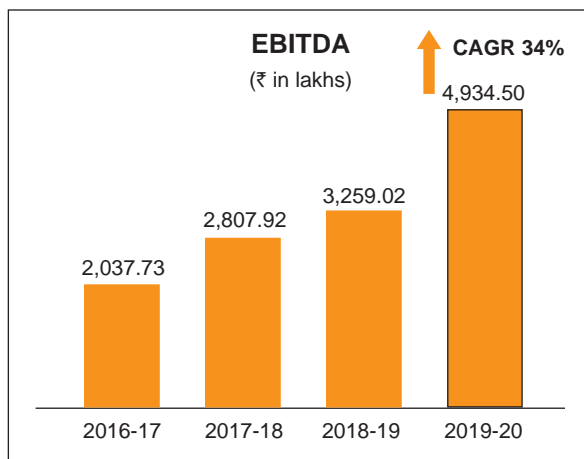
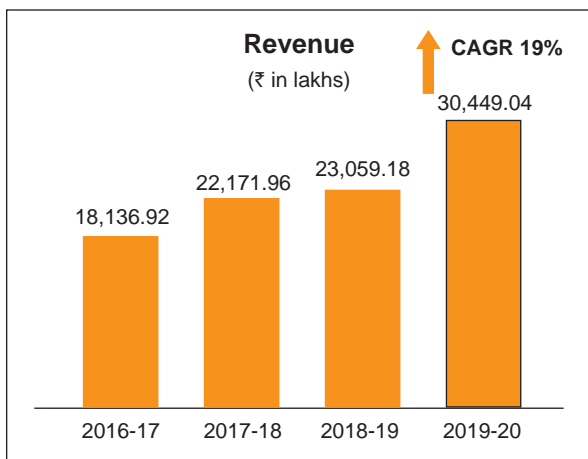
Notes: ¹ Net of excise duty and all other duties and taxes.

² Excluding exceptional items.

³ 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.

⁴ 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 periods prior to FY 2013-14 are adjusted for the bonus issue.

KEY PERFORMANCE INDICATORS
(Consolidated)



THEJO ENGINEERING LIMITED

Regd. Office : 3rd Floor, VDS House, 41, Cathedral Road, Chennai - 600 086.

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 34th Annual General Meeting of the Members of Thejo Engineering Limited will be held on Saturday, 29th August, 2020 at 11 a.m. Indian Standard Time (IST), through Video Conferencing/ Other Audio Visual Means (VC/OAVM) Facility to transact following business:

ORDINARY BUSINESS:

1. To consider and adopt (a) the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 together with the Reports of the Board of Directors and the Auditors thereon and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020 together with the Report of the Auditors thereon and, in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2020, together with the Reports of the Board of Directors and the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.

“**RESOLVED FURTHER THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020, together with the Report of the Auditors thereon as circulated to the Members, be and are hereby considered and adopted.”

2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2020 and, in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT**, pursuant to the recommendation of the Board of Directors, dividend at the rate of ₹ 5/- (Rupees Five Only) per Equity Share of the Company of the face value of ₹ 10/- (Rupees Ten Only) each fully paid-up be and is hereby declared for the Financial Year ended 31st March, 2020 and be paid out of the profits of the Company for the year 2019-20 to the Members whose names appear in the Register of Members of the Company or as beneficial owner in the records of the Depositories as on 22nd August, 2020.”

3. To appoint a Director in place of Mr. K.J. Joseph (DIN 00434410), who retires by rotation and, being eligible, seeks re-appointment as a Director and in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. K.J. Joseph (DIN 00434410), who retires by rotation at this Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

4. To appoint a Director in place of Mr. Rajesh John (DIN 05161087), who retires by rotation and, being eligible, seeks re-appointment as a Director and in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajesh John (DIN 05161087), who retires by rotation at this Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

NOTICE TO MEMBERS**SPECIAL BUSINESS:****5. Adoption of new set of Articles of Association pursuant to the Companies Act, 2013**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Articles of Association of the Company be and is hereby altered by replacing it *in toto* with a new set of Articles of Association as contained in Annexure 1 to this Notice.

"RESOLVED FURTHER THAT the Board of Directors of the Company (which shall include any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient, in the best interest of the Company for giving effect to the aforesaid Resolution."

6. Increase in Authorised Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, and subject to such other approvals, consents, sanctions as may be required, approval of the Members be and is hereby accorded for increase in the Authorised Share Capital of the Company from ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 15,00,00,000 /- (Rupees Fifteen Crores Only) divided into 1,50,00,000 Equity Shares of ₹ 10/- (Rupees Ten) each and consequently, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following:

"V. The Authorised Share Capital of the Company is ₹ 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 Equity Shares of ₹ 10/- (Rupees Ten) each with concomitant power to increase, reduce, sub-divide, vary, modify or abrogate any rights, privileges and conditions attaching thereto, subject to and in accordance with the provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force)."

"RESOLVED FURTHER THAT the Board of Directors of the Company (which shall include any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient, in the best interest of the Company for giving effect to the aforesaid Resolution and is hereby further authorised to delegate all or any of the powers for implementing the aforesaid Resolution to on any Director(s), Company Secretary or any other Officer of the Company."

7. Re-appointment of Mr. Manoj Joseph as Whole-time Director

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification or re-enactment thereof, or any other law for the time being in force and subject to such other consent(s), approval(s) and permission(s) as may be required in this regard, the re-appointment of Mr. Manoj Joseph (DIN 00434579) as Whole-time Director of the Company, designated as Deputy Managing Director and

NOTICE TO MEMBERS

Chief Operating Officer, for a period of 3 years with effect from 20th June, 2020 up to 19th June, 2023 be and is hereby approved on the following terms and conditions:

Remuneration:

- a) **Basic Salary:** ₹ 2,10,000/- (Rupees Two Lakhs Ten Thousand Only) per month in the scale of ₹ 2,10,000 - ₹ 10,000³ - ₹ 2,40,000 with annual increment to take effect from 1st April of the succeeding year, subject to the limits prescribed under Section 197 of the Companies Act, 2013.
- b) **Allowances:**
 - i. Dearness Allowance: 30% of the basic salary per month
 - ii. House Rent Allowance: 50% of the basic salary plus DA per month
- c) **Commission:** As may be determined by the Board of Directors based on the recommendation of the Compensation/Nomination and Remuneration Committee, subject to a ceiling of 2% of the annual profits of the Company, payable every year after the finalisation of the Annual Accounts of the Company.
- d) **Perquisites:**

In addition to the salary, the following perquisites shall be paid to Mr. Manoj Joseph, the value of perquisites to be evaluated as per the Income Tax Rules, 1962:

- i. **Medical Expenses & Insurance:** Reimbursement of medical expenses including hospitalization and surgical charges of self and family, or direct payment by the Company against actual medical bills, receipts and/or cash memos, up to a limit of 8.33% of basic annual salary and DA. Medical Insurance to self and spouse as per the Policy of the Company.
 - ii. **Leave Travel Assistance:** Entitlement for Leave Travel Assistance for self and family, once in two years, equivalent to two months' salary and DA. Family means wife and dependent children and parents. Such entitlement may be accumulated as per the Policy of the Company.
 - iii. **Club Fees:** Entitlement for reimbursement of fees and expenses for membership of one club other than life membership fees.
 - iv. Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund as per the Schemes of the Company.
 - v. **Gratuity:** Entitlement to gratuity equivalent to half month's salary for each completed year of service as per the Gratuity Scheme in operation for the Management Group Personnel.
 - vi. Mr. Manoj Joseph shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in the ordinary course of business of the Company and travelling, hotel and other expenses incurred by him in India and abroad, exclusively for the business of the Company, as per the rules and regulations of the Company or as approved by the Board of Directors.
- e) **Amenities:**
- i. Provision of Car: The Company shall provide car with chauffeur for official use.
 - ii. Communication Facilities: Cell Phone, Laptop and Internet, with expenses to be borne by the Company.

NOTICE TO MEMBERS

- f) **Minimum Remuneration:** If in any Financial Year during the tenure of appointment, the Company has no profits or its profits are inadequate, salary and perquisites and other allowances stated herein shall be paid to Mr. Manoj Joseph as minimum remuneration for that Year, subject, however to the extent allowed under the relevant provisions of the Companies Act, 2013.
- g) **Other Terms and Conditions:** As long as Mr. Manoj Joseph functions as Whole-time Director of the Company, no sitting fees shall be paid to him for attending Meetings of the Board of Directors and/or any Committee thereof.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, alter and modify the terms and conditions of appointment including as to designation and remuneration / remuneration structure of Mr. Manoj Joseph within the limits prescribed under the provisions of the Companies Act, 2013 and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above Resolution.

“RESOLVED FURTHER THAT the Directors and / or the Secretary of the Company be and are hereby severally authorised to file the necessary forms / returns with the Registrar of Companies, and to do all such acts, deeds and things as may be necessary in connection with the above.”

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 18th June, 2020

M.D. RAVIKANTH
CFO & Secretary

NOTES:

1. A Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 is annexed and it forms part of this Notice.
2. In view of the massive outbreak of COVID-19 pandemic, social distancing norms to be followed and pursuant to General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs (“the MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), physical attendance of the Members to the AGM venue is not required and the 34th Annual General Meeting (AGM) will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the 34th AGM shall be the Registered Office of the Company.
3. Pursuant to the MCA Circulars, as the AGM is being conducted through VC/OAVM, the facility to appoint proxy to attend and cast vote for the Members is not available for this General Meeting. However, the Body Corporates are entitled to appoint authorised representatives to attend the 34th AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the 34th AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee,

NOTICE TO MEMBERS

Nomination and Remuneration Committee and Shareholders and Investor Grievance Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. Central Depository Services (India) Limited ("CDSL") will be providing the facility for voting through remote e-voting, participating in the 34th AGM through VC/OAVM and e-voting during the AGM.
6. The attendance of the Members at the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL"). Please refer to SI No.23 for instruction on remote e-voting facility.
8. In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.thejo-engg.com. The AGM Notice can also be accessed from the websites of the National Stock Exchange of India Limited at www.nseindia.com and the Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting facility during the AGM) i.e. www.evotingindia.com
9. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with the MCA Circulars.
10. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
11. The Register of Members and Share Transfer Books will remain closed from 23rd August, 2020 to 29th August, 2020 (both days inclusive).
12. 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 re-appointment at the AGM is annexed to this Notice.
13. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution, authorising their representatives to attend and vote on their behalf at the Meeting and/or at any adjournment thereof.
14. Members holding shares in electronic form are requested to intimate immediately any change in their e-mail ID / address / bank mandates to the Depository Participants with whom they are maintaining their demat accounts.
15. Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report for the Financial Year 2019-20 are available on the Company's website www.thejo-engg.com.
16. Any person, who acquires the shares of the Company and becomes a Member after the Company emails the Notice of the 34th AGM and holds the shares as on the cut-off date of 22nd August, 2020 may obtain the user id and password by sending an email request to investor@thejo-engg.com . However, if the said Member is already registered for remote e-voting with CDSL, he can use his existing credentials.
17. A person, whose name is recorded in the Register of Members or whose name appears as the beneficial owner in the records of the depositories as on the cut-off date alone can avail the facility of remote e-voting or cast vote through e-voting during the AGM.

NOTICE TO MEMBERS

18. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to investor@thejo-engg.com.
 19. Members having any query or desiring any information pertaining to Annual Accounts are requested to write to the Company at investor@thejo-engg.com, at an early date to enable the Company to answer Members' queries at the Meeting.
 20. The final dividend for the Financial Year ended 31st March, 2020, as declared at the AGM, will be paid within 30 days of declaration, to Members whose name appears in the Register of Members of the Company as on the record date, i.e. 22nd August, 2020. The Members holding shares in demat form are requested to update the Electronic Bank Mandate through their Depository Participants. In case shares are held in physical form, the Members are requested to send the Bank mandate to the Company at investor@thejo-engg.com.
 21. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means due to invalid / non-availability of bank mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member.
 22. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at rates prescribed under the Income-tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, and Category as per the Income-tax Act, 1961 with their Depository.
 23. Instruction for Remote E-Voting Facility:
 - a) The remote e-voting period commences on Wednesday, 26th August, 2020 (9 a.m.) and ends on Friday, 28th August, 2020 (5 p.m.). The cut-off date for determining the eligibility of Members for the remote e-voting and poll is Saturday, 22nd August, 2020
 - b) The remote e-voting module shall be disabled for voting after the end of the remote e-voting period.
 - c) During the remote e-voting period, the Members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date of 22nd August, 2020, 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.
 - d) The Company has engaged CDSL to offer remote e-voting facility to all the Members to enable them to cast their vote electronically.
 - e) 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 dematerialised form) as on the cut-off date i.e., 22nd August, 2020. 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 shall only be entitled to avail the facility of remote e-voting.
 - f) Remote 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.
 - g) Members desiring to exercise their vote by using remote e-voting facility should follow carefully the instructions given below:
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NOTICE TO MEMBERS

- (i) The voting period begins on Wednesday, 26th August, 2020 (9 a.m.) and ends on Friday, 28th August, 2020 (5 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, 22nd August, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders 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) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (xi) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 on which they are eligible to vote, provided

NOTICE TO MEMBERS

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.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xii) Click on the EVSN of Thejo Engineering Limited on which you choose to vote.
 - (xiii) 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.
 - (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xv) 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.
 - (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
 - (xx) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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 of the 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@thejo-engg.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
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NOTICE TO MEMBERS**24. Instruction for those Members whose email ids are not registered for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice**

- a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@thejo-engg.com.
- b) For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@thejo-engg.com

25. Instructions for Members for participating in the 34th AGM through VC/OAVM are as under:

- a) Shareholder will be provided with a facility to attend the 34th AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- c) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 4 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@thejo-engg.com. The shareholders who do not wish to speak during the 34th AGM but have queries may send their queries in advance at least 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@thejo-engg.com. These queries will be replied to by the company suitably at the AGM/by email.
- f) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

26. Instruction for Members for e-voting during the 34th AGM are as under:

- a) The procedure for e-Voting on the day of the 34th AGM is same as the instructions mentioned above for Remote e-voting.
- b) Only those shareholders, who are present in the 34th AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the 34th AGM.
- c) If any Votes are cast by the shareholders through the e-Voting available during the 34th AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the Meeting.
- d) Shareholders who have voted through Remote e-Voting will be eligible to attend the 34th AGM. However, they will not be eligible to vote at the 34th AGM.

NOTICE TO MEMBERS

27. If you have any queries or issues regarding attending 34th AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542) or Mr. M.D. Ravikanth (044-42221900).
28. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
29. 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 any voting by show of hands on any of the Agenda items at the Meeting and the Company will conduct polling at the Meeting.
30. The Board of Directors have appointed Mr. G. Porselvam, Practicing Company Secretary (FCS 9322, CP 3187) as Scrutinizer for conducting the remote electronic voting process in a fair and transparent manner.
31. The Scrutinizer shall submit his report to the Chairman of the Company, on the votes cast in favour or against, after scrutiny.
32. 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 Exchange(s).

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 18th June, 2020

M.D. RAVIKANTH
CFO & Secretary

NOTICE TO MEMBERS**EXPLANATORY STATEMENT ANNEXED TO NOTICE [PURSUANT TO PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013]****Item No. 5:**

The existing Articles of Association ("AOA") of the Company was adopted pursuant to the provisions under the Companies Act, 1956. Several regulations of the existing AOA of the Company refer to the provisions in the Companies Act, 1956. Considering that substantive sections of the Companies Act, 2013 dealing with the general working of the companies, stand notified, it is desirable to amend the existing Articles of Association. Given this position, it is considered expedient to replace wholly the existing AOA by a new set of Articles to align it with the provisions of the Companies Act, 2013 including the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The new AOA to be substituted in place of the existing AOA is based on Table 'F' specified in Schedule I of the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company. The Board recommends the Special Resolution set forth in Item No. 5 of the Notice for approval of the Members. The proposed new draft Articles of Association is attached as Annexure 1.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the said Special Resolution, except to the extent of their shareholding interest, if any.

Item No. 6:

The present total Authorised Capital of the Company is ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 Equity Shares of ₹ 10/- (Rupees Ten) each, out of which 34,60,352 Equity Shares of ₹ 10/- each amounting to ₹ 3,46,03,520/- are fully subscribed and paid-up.

As the scope for further issue of Share Capital in terms of the existing Authorised Capital of the Company is limited and with a view to enabling the Company to issue additional Share Capital to meet its requirements in the short term as well in the long term, it is proposed to increase the Authorised Share Capital of the Company from ₹ 10 Crores to ₹ 15 Crores as set out in Resolution No.6. On increase in the Authorised Capital as proposed, the Authorized Capital structure of the Company will be as follows:

₹ 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 Equity Shares of ₹ 10/- (Rupees Ten) each.

A copy of the Memorandum of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at www.thejo-engg.com, until the date of the AGM.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the said Ordinary Resolution, except to the extent of their shareholding interest, if any.

The Board recommends the Ordinary Resolution set out in Item No. 6 of the accompanying Notice for approval by the Members.

Item No. 7:

The Members of the Company at the 29th Annual General Meeting held on 26th August, 2015, approved the appointment of Mr. Manoj Joseph as Whole-time Director of the Company for a period of five years which comes to an end on 19th June, 2020.

NOTICE TO MEMBERS

Accordingly, on the recommendation of Compensation/Nomination and Remuneration Committee, the Board of Directors at their meeting held on 18th June, 2020 re-appointed Mr. Manoj Joseph as Whole-time Director of the Company designated as Deputy Managing Director and Chief Operating Officer for a period of three years with effect from 20th June, 2020 up to 19th June, 2023, subject to the approval of the Members, considering his long experience in the Company.

In the light of the recommendation of the Compensation / Nomination and Remuneration Committee, the Board has also approved the remuneration and other terms and conditions as set out in the Ordinary Resolution under Item No.7, subject to the approval of the Members.

A brief profile along with other details of Mr. Manoj Joseph is as follows:

Name of the Director	Mr. Manoj Joseph
Age	50 years
Director Identification Number	00434579
Date of joining of the Board	04 th October, 2001
Profile of the Director	Mr. Manoj Joseph 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 is currently in-charge of Marketing, Manufacturing and R&D.
Terms and conditions of re-appointment	As per the Resolution passed by the Members at the Annual General Meeting held on 26 th August, 2015, Mr. Manoj Joseph was re-appointed as a Whole-time Director up to 19 th June, 2020 as per the terms and conditions contained therein. He is proposed to be re-appointed as a Whole-time Director of the Company for a period of three years from 20 th June, 2020. The terms and conditions of his re-appointment as per resolution at Item No. 7.
Remuneration last drawn	₹ 43.26 lakhs during the Financial Year 2019-20 (excluding retirement benefits and commission for FY 2018-19 paid in FY 2019-20).
Remuneration proposed to be paid	As per the resolution at Item No.7 of the Notice of AGM read with explanatory statement thereto.
Number of Meetings of the Board attended during the year(FY19-20)	3 (Three)
No. of shares held in the Company	1,65,860 equity shares as on 31 st March, 2020
Directorships of other Boards as on 31 st March, 2020	Nil
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2020	Nil
Relationship with other Directors / Key Managerial Personnel	Son of Mr. K.J. Joseph and not related to any other Director / Key Managerial Personnel.

NOTICE TO 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 on Mr. K.J. Joseph:

Name of the Director	Mr. K.J. Joseph
Age	78 years
Director Identification Number	00434410
Date of joining of the Board	11 th April, 1986
Profile of the Director	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, Baroda in various capacities, apart from serving in the Indian Defense Services. He was earlier the Managing Director of the Company and he became the Chairman in 2001. He has experience of more than three decades in manufacturing / services areas.
Terms and conditions of re-appointment	Pursuant to the Section 152(6) of the Companies Act, 2013, Mr. K.J. Joseph who was appointed as a Non-executive Director at the Annual General Meeting held on 16 th August, 2017, is liable to retire by rotation.
Remuneration last drawn (sitting fees, if any)	₹ 1.75 lakhs as sitting fees during the Financial Year 2019-20.
Remuneration proposed to be paid	As per existing terms and conditions.
Number of Meetings of the Board attended during the year(FY19-20)	2 (Two)
No. of shares held in the Company	2,49,400 Equity Shares as on 31 st March, 2020
Directorships of other Boards as on 31 st March, 2020	Nil
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2020	Nil
Relationship with other Directors / Key Managerial Personnel	Father of Mr. Manoj Joseph and not related to any other Director / Key Managerial Personnel.

NOTICE TO MEMBERS
Information on Mr. Rajesh John:

Name of the Director	Mr. Rajesh John
Age	44 years
Director Identification Number	05161087
Date of joining of the Board	16 th January, 2012
Profile of the Director	Mr. Rajesh John is currently a Whole-time Director of the Company. He is a Mechanical Engineer with a Post Graduate Diploma in Management. He started his career with TAFE Limited and later, worked with GE Capital International Services before joining Thejo Engineering Limited in 2002. He has worked in the Company's various Departments such as Purchase, Finance and Accounts and is, at present, in charge of Sales.
Terms and conditions of re-appointment	Mr. Rajesh John is proposed to be re-appointed as a Director, liable to retire by rotation. As per the resolution passed by the Members at the Annual General Meeting held on 20 th August, 2018, Mr. Rajesh John was re-appointed as a Whole-time Director as per the terms and conditions contained therein.
Remuneration last drawn	₹ 38.59 lakhs during the Financial Year 2019-20 (excluding retirement benefits and commission for FY 2018-19 paid in FY 2019-20)
Remuneration proposed to be paid	As per existing terms and conditions.
Number of Meetings of the Board attended during the year(FY19-20)	4 (Four)
No. of shares held in the Company	2,16,866 Equity Shares as on 31 st March, 2020
Directorships of other Boards as on 31 st March, 2020	Nil
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2020	Nil
Relationship with other Directors / Key Managerial Personnel	Son of Mr. Thomas John and not related to any other Director / Key Managerial Personnel.

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 18th June, 2020

M.D. RAVIKANTH
CFO & Secretary

ANNEXURE 1 TO NOTICE
ARTICLES OF ASSOCIATION
OF
THEJO ENGINEERING LIMITED
INCORPORATED UNDER THE COMPANIES ACT, 1956

PRELIMINARY

1. The regulations contained in Table 'F' in Schedule I to the Companies Act, 2013, as amended from time to time, shall apply to the Company and constitute its regulations as far as they are applicable to public companies except so far as the same are expressly dealt with herein in these Articles.

2. In the construction of these Articles, unless there shall be something in the subject or context inconsistent therewith:

“The Company” means “THEJO ENGINEERING LIMITED”.

“The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.

“The Rules” means the applicable rules for the time being in force as prescribed under the relevant provisions of the Act.

“The Board” or “Board of Directors” means the collective body of the Directors of the Company.

“Seal” means the Common Seal for the time being of the Company.

“Section” or “Sec.” means Section of the Act.

Words importing the singular number also include the plural number, words importing the masculine gender also include the feminine gender and words importing persons includes corporations.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

CAPITAL & SHARES

3. The authorized share capital of the Company is as stated in the Memorandum of Association of the Company. The Company may from time to time by Ordinary Resolution increase its authorized share capital by such sum and to be divided into Shares of such amount as may be specified in the Resolution. The minimum paid-up Capital of the Company shall be as may be prescribed by the Act.
4. Shares shall be under the control of Board of Directors, who may allot or dispose of the same to such persons and for such consideration, including for consideration other than cash, and upon such terms and conditions and either at premium or at par and at such time as they may determine.
5. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
 - a) Equity share capital:
 - (i) with voting rights and / or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

ANNEXURE 1 TO NOTICE

b) Preference share capital.

Subject to the provisions of the Act, a person subscribing to shares offered by the Company shall have the option either to receive physical certificates for such shares or to hold the shares in a dematerialised form with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

6. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
7. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to
 - a) persons who, at the date of offer, are holders of equity shares of the Company, including a right to renounce the shares offered to him or any of them in favour of any other person; or
 - b) employees under any scheme of employees' stock option; or
 - c) any persons, including those referred to in clause (a) and/or clause (b) above.(2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

LIEN

8. The fully paid shares shall be free from all lien and in the case of partly paid shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
9. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
10. No unclaimed or unpaid dividend/interest shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of the Act.
11. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities of the Company.

TRANSFER AND TRANSMISSION OF SHARES

12. The registration of a transfer shall not be refused on the ground of the transfer being alone or jointly with any other persons indebted to the Company on any account, whatsoever.
 13. That any amount paid-up in advance of calls on any share may carry interest but shall not, in respect thereof, confer a right to dividend or to participate in profits.
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ANNEXURE 1 TO NOTICE

14. That option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.
15. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
 - a) to be registered himself as holder of the share; or
 - b) to make such transfer of the share as the deceased or insolvent Member could have made.(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency.
(3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
16. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and the Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine subject to the provisions of the Act.
17. The provisions of these Articles relating to transfer and transmission of shares shall *mutatis mutandis* apply to any other securities of the Company.

CALLS ON SHARES

18. (1) The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium).
(2) Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
(3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as deemed appropriate.
(4) A call may be revoked or postponed at the discretion of the Board.
19. The provisions of these Articles relating to calls on shares shall *mutatis mutandis* apply to any other securities of the Company.

FORFEITURES OF SHARES

20. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
21. Upon any sale after forfeiture or for enforcing a lien, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold; after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be challenged by any person.

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22. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
23. When any share is forfeited, notice of the forfeiture shall be given to the defaulting Member and an entry of the forfeiture with the date thereof shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
24. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering the share on such terms as they think fit.
25. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities of the Company.

CAPITALISATION OF PROFITS AND RESERVES

26. Subject to the relevant provisions of the Act and the Rules made thereunder, the profits and/or reserves of the Company may be capitalised after duly complying with the relevant statutory requirements.

ALTERATION OF CAPITAL

27. Subject to the provisions of the Act, the Company may, by ordinary resolution –
 - a. increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
 - b. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act;
 - c. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - d. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum; and
 - e. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
28. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —
 - a) its share capital; and/or
 - b) any capital redemption reserve account; and/or
 - c) any securities premium account; and/or
 - d) any other reserve in the nature of share capital.

ANNEXURE 1 TO NOTICE

PROCEEDINGS AT GENERAL MEETINGS

29. The quorum for the General Meetings shall be as provided in the Act.
30. The Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the Meeting, or is unwilling to act as Chairperson of the Meeting, the Vice Chairman of the Board, if any, shall preside at such General Meeting and if the Vice Chairman is not present or unwilling to chair the Meeting, then the Directors present shall elect one of their members to be Chairperson of the Meeting. If no Director is willing to chair the Meeting, the Members present shall choose one of them to be the Chairperson of the Meeting.
31. On any business at any General Meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
32. (1) The Company shall cause minutes of the proceedings of every General Meeting of any class of Members or creditors as well as every resolution passed by postal ballot, to be prepared and signed in such manner as may be prescribed by the Rules.
- (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the Meeting, –
- a) is, or could reasonably be regarded, as defamatory of any person; or
 - b) is irrelevant or immaterial to the proceedings; or
 - c) is detrimental to the interests of the Company.
- (3) The Chairperson shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
- (4) The minutes of the Meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

ADJOURNMENT OF MEETING

33. The Chairperson may, *suo motu*, adjourn the meeting from time to time and from place to place.

VOTING RIGHTS

34. The voting rights of the Members shall be in proportion to their share in the paid-up equity Share Capital of the Company.
35. A Member may exercise his vote at a Meeting by electronic means in accordance with the Act and shall vote only once.
36. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any Member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
37. Subject to the provisions of the Act and other provisions of these Articles, any person entitled to any shares by transmission may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the Meeting

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or adjourned Meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such Meeting in respect thereof.

PROXY

38. (1) Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that Meeting.
- (2) The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote, and in default, the instrument of proxy shall not be treated as valid.

BOARD OF DIRECTORS

39. Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).
40. A Director shall not be required to hold qualification shares.
41. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles
42. (1) The Board of Directors may, when any Director (hereinafter referred to as “the Original Director”) is not available in India for more than three months at a time, appoint any person as an Alternate Director. If the Original Director is an Independent Director, the person appointed as Alternate Director for him should be qualified to be appointed as an Independent Director under the Act.
- (2) An Alternate Director shall vacate office if and when the Original Director vacates office as a Director or when the Original Director returns to India.
- (3) If the term of office of the Original Director is determined before he returns to India, the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not the Alternate Director.
43. (1) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a Meeting of the Board.
- (2) The Director so appointed shall hold office only up to the date the Director in whose place he is appointed would have held office if it had not been vacated.
44. (1) The Board of Directors may fix an amount by way of sitting fees and/or incidental expenses payable to any Director, any Committee Member or special invitees for attending the Meeting of the Board of Directors or of the Committees but it shall in no case exceed such sum as may be prescribed under the Act.
- (2) The Board of Directors may, subject to limitations provided by the Act, allow and pay to any Director who is not a resident of the place where the Registered Office of the Company is situated

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or where the Meeting of the Board is held and who shall come to such place for the purpose of attending a Meeting of the Board or a Committee thereof, such sum as the Board may consider fair compensation for travelling, accommodation and other expenses, in addition to his fees for attending such meeting as above specified.

- (3) Subject to the provisions of the Act and these Articles, if any Directors be called upon to perform extra service or special exertions or effort (which expression shall include work done by a Director as a Member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra service or special efforts by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.
- (4) The remuneration payable to any Managing or Whole-time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act.

POWERS OF THE BOARD

- 45. The management of the business of the Company shall be vested in the Board, who may pay all expenses incurred in setting up and registering the Company, and may exercise all such powers, and do all such acts and things the Company is authorized to exercise and do by the Memorandum of Association or in furtherance thereof or otherwise and as are not, by the Act or by these Articles required to be exercised by the Company in General Meeting but subject nevertheless to any regulation of these Articles, to the provisions of the Act, and to such regulations, not being inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- 46. The Board of Directors may, from time to time, delegate such of their powers as may lawfully be delegated to any one or more of their Members including the Managing Director or to the Manager or to any other person they deem fit.

PROCEEDINGS OF THE BOARD

- 47. (1) The Board may elect a Chairperson of its Meetings.
(2) If no such Chairperson is elected, or if at any Meeting, the Chairperson is not present within five minutes after the time appointed for holding the Meeting, the Directors present may choose one of their Members to be Chairperson.
- 48. The Chairperson or any one Director with the previous consent of the Chairperson may, or the Company Secretary on the direction of the Chairperson shall, at any time, summon a Meeting of the Board.
- 49. The quorum for a Board Meeting shall be as provided in the Act.
- 50. The participation of the Directors in the Meetings of the Board or any Committee thereof may be either in person or through video conferencing or other audio visual means, as may be prescribed by the Act or the Rules framed thereunder.
- 51. Every Director present at any Meeting of the Board or of a Committee thereof shall sign his name in a record to be maintained for that purpose.

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52. Subject to the provisions of the Act, a question arising at any Meeting shall be decided by a majority of votes, each Director having one vote. In the event of an equality of votes, the Chairman of the Meeting shall have a second or casting vote.
53. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the Members of the Board or of a Committee thereof, for the time being entitled to receive notice of a Meeting of the Board or Committee, shall be valid and effective as if it had been passed at a Meeting of the Board or Committee, duly convened and held.
54. The Meetings and proceedings of any Committee of the Board if consisting of two or more Members shall be governed by the provisions herein contained for regulating the Meetings and proceedings of the Board so far as the same are applicable thereto.
55. The Board shall cause minutes of all resolutions and proceedings of General Meetings and of the Board and its Committees to be kept in books provided for the purpose and any such minutes, if purporting to be signed by the Chairman of the Meeting to which they relate or by the Chairman of the next succeeding Meeting, shall be evidence of such resolutions and proceedings.

MANAGEMENT

56. Subject to the provisions of the Act:
 - a. A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.
 - b. A Director may be appointed by the Board as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
 57. Subject to the provisions of the Act, the Board may appoint a Manager or one or more of their Members as Managing Director or Managing Directors or Whole-time Director or Whole-time Directors at such remuneration for such period and upon such conditions as they think fit and any such Manager, Managing Director or Whole-time Director so appointed may be removed by the Board.
 58. Subject to the provisions of the Act, the Managing Director shall be entrusted with substantial powers of management of the affairs of the Company and shall have power to do all such acts and things which he considers necessary or desirable in the management of the affairs of the Company. Such powers shall be subject to any restrictions and conditions that the Members and/or the Board may impose generally or in relation to any specific matter, by means of a resolution at their respective Meetings.
 59. Subject to the general control and supervision of the Board, the said Manager or Managing Director or Whole-time Director shall have the conduct and management of the business and affairs of the Company and shall have and exercise all such powers, authorities and discretion as are given to or vested in him by these Articles or the regulations of the Company from time to time or may otherwise from time to time be delegated or entrusted to him by the Board.
 60. The Managing Director or the Manager or the Whole-time Directors may, from time to time, delegate all or any of his powers to such employees, agents or other persons as deemed fit and shall have power to revoke such delegated power as deemed necessary.
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COMMON SEAL

61. The Board shall have power to provide a Common Seal for the Company and from time to time to cancel the same and substitute a new Seal in lieu thereof.
62. The Board shall provide for the safe custody of the Seal.
63. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one Director or the Manager, if any, or of the Company Secretary or such other person as the Board may appoint for the purpose and such Director or Manager or the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

DIVIDENDS

64. (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct.
(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
(3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company shall not be responsible for a payment which is lost or delayed. The Company shall be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
65. The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Member by way of transmission, until such person shall become a Member in respect of such shares.
66. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.
67. The Company may give notice of any dividend that may have been declared to the persons entitled to share therein as per the provisions of the Act.

AUTHENTICATION OF DOCUMENTS

68. Save as otherwise expressly provided in the Act or these Articles, any documents or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director or an authorised officer of the Company and need not be under its Seal.

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INDEMNITY

69. (1) Subject to the provisions of the Act, every Director, Managing Director, Whole-time Director, Manager, Company Secretary and other Officer of the Company shall be indemnified by the Company out of its funds, to pay all costs, losses and expenses (including travelling expense) which such Director, Manager, Company Secretary and Officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, Manager, Company Secretary or Officer or in any way in the discharge of his duties in such capacity including expenses.
- (2) Subject as aforesaid, every Director, Managing Director, Manager, Company Secretary or other Officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
70. No Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the company or for insufficiency or deficiency of any security or investment in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own negligence, dishonesty, delinquency, etc.

SECRECY

71. Save as expressly provided in the Act or under any other law for the time being in force, no Member or any other person shall be entitled to enter into or inspect any premises or property of the Company or require disclosure of any information, which in the opinion of the Board would be inexpedient in the interest of the Company to communicate.

GENERAL POWER

72. Wherever, under the Act or otherwise, the Company shall have any right, privilege or authority or could carry out any transaction only if the Company is so authorized by its Articles, then and in that case, this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as if the same have been specifically provided herein.

BOARD'S REPORT

The Board of Directors are pleased to present the Thirty Fourth Annual Report of the Company and its audited financial statements (standalone and consolidated) for the Financial Year ended 31st March, 2020. The summarised financial results for the year ended 31st March, 2020 are given below:

₹ in lakhs

	Standalone		Consolidated	
	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Profit before Exceptional Items, Interest, Depreciation and Tax	2,671.43	2,756.56	4,934.50	3,259.02
Less: Exceptional Item	-	-	-	-
Profit before Interest, Depreciation and Tax	2,671.43	2,756.56	4,934.50	3,259.02
Less: Interest	339.13	396.80	459.29	452.59
Profit before Depreciation and Tax	2,332.30	2,359.76	4,475.21	2,806.43
Less: Depreciation	456.48	444.12	633.19	646.80
Net Profit before Taxes	1,875.82	1,915.64	3,842.02	2,159.63
Less: Taxation (Including Deferred Tax)	501.53	558.50	805.70	676.90
Net Profit After Tax before Transfer to Minority Interest	1,374.29	1,357.14	3,036.32	1,482.73
Less: Transfer to Minority Interest	-	-	522.66	147.02
Net Profit After Tax and Transfer to Minority Interest	1,374.29	1,357.14	2,513.66	1,335.71
Add: Brought forward from previous year	6,479.68	5,288.11	4,845.23	3,706.27
Balance Available for Appropriations	7,853.97	6,645.25	7,358.89	5,041.98
Appropriations:				
Transfer to General Reserve	-	-	-	-
Dividend	172.24*	137.34	172.24*	137.34
Dividend Distribution Tax	35.40*	28.23	35.40*	28.23
Transfer to Statutory Reserve	-	-	45.48	31.18
Balance Carried over to Balance Sheet	7,646.33	6,479.68	7,105.77	4,845.23

* Dividend and Dividend Distribution tax pertain to the Financial Year 2018-19. No appropriation for dividend has been made in the Accounts for the dividend recommended for the Financial Year 2019-20, pending approval by the Members at the ensuing Annual General Meeting, in line with Accounting Standard (AS) 4.

BOARD'S REPORT**REVIEW OF FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS**

During the year under review, your Company continued to focus on value-added products and services. This has enabled the Company to maintain its profitability. The financial performance of the Company at standalone and consolidated levels are given below.

STANDALONE

Your Company recorded revenue (from operations) of ₹ 20,169.16 lakhs for the year ended 31st March, 2020 as against ₹ 19,032.84 lakhs in the previous year. It achieved an EBITDA of ₹ 2,671.43 lakhs (previous year ₹ 2,756.56 lakhs), resulting in a net profit of ₹ 1,374.29 lakhs as against ₹ 1,357.14 lakhs in 2018-19, registering a marginal dip of 3% in terms of EBITDA and a marginal growth of 1% in terms of net profit.

CONSOLIDATED

The Consolidated Financial Statements of the Company have been prepared as per Accounting Standard 21 of the Institute of Chartered Accountants of India. The Company's consolidated revenue from operations in the year under review aggregated ₹ 30,389.76 lakhs (previous year ₹ 22,946.89 lakhs) on which it made EBITDA of ₹ 4,934.50 lakhs (previous year ₹ 3,259.02 lakhs) and net profit (after transfer to Minority Interest) of ₹ 2,513.66 lakhs as against ₹ 1,335.71 lakhs in 2018-19, registering a growth of 51% and 88% in terms of EBITDA and net profit (after transfer to Minority Interest), respectively on the back of good performance registered by its subsidiaries, Thejo Australia Pty Ltd, Australia and Thejo Hatcon Industrial Services Company, Saudi Arabia.

DIVIDEND

The Board of Directors are pleased to recommend payment of dividend of 50% i.e. ₹ 5/- per equity share of ₹ 10/- each for the Financial Year ended 31st March, 2020 (previous year: 50%). Based on the equity shares outstanding as on 31st March, 2020, the dividend would absorb an amount of ₹ 173.02 lakhs (previous year - ₹ 207.64 lakhs taken together with Dividend Distribution Tax of ₹ 35.40 lakhs). Dividend Distribution Tax has now been abolished. Pursuant to the Finance Act, 2020, the dividend income will be taxable in the hands of the shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source ("TDS") from dividend payable to the Members at the rates prescribed in the Income-tax Act, 1961. The dividend payment is subject to the approval of the Members at the ensuing Annual General Meeting.

EMPLOYEES STOCK OPTION SCHEME

The Members of the Company at their 29th Annual General Meeting held on 26th August, 2015 had approved the Thejo Employee Stock Option Plan 2015 ("ESOP 2015"), with a view to attracting and retaining the best talent and promoting increased participation by the employees in the growth of the Company.

The Compensation / Nomination and Remuneration Committee of the Board *inter alia* administers and monitors the Employees' Stock Option Scheme, 2015 of the Company.

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 the Thejo Employee Stock Option Plan 2015 is given in Note 24.10 forming part of the 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/sites/ESOPs.pdf>

BOARD'S REPORT

During the year under review, 79,848 stock options were granted to eligible employees, pursuant to the aforesaid Scheme. The total shareholding of the Company changed due to the allotments made under ESOP 2015. The details of movement in shareholding are as follows:

Date	Details	No. of equity shares Allotted	No. of equity shares (Cumulative)
1 st April, 2019	Opening Balance		34,36,952
5 th June, 2019	Allotment under ESOP	5,200	34,42,152
22 nd July, 2019	Allotment under ESOP	2,600	34,44,752
14 th November, 2019	Allotment under ESOP	4,600	34,49,352
7 th December, 2019	Allotment under ESOP	4,000	34,53,352
9 th January, 2020	Allotment under ESOP	7,000	34,60,352

CREDIT RATING

During the Financial Year 2019-20, CRISIL has reaffirmed the long-term and short-term credit rating on the bank facilities of the Company and revised the outlook of the long-term rating from CRISIL BBB+/Stable to CRISIL BBB+/Positive and reaffirmed short term-rating as CRISIL A2.

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS**ENVIRONMENT**

During the current Financial Year (FY 2019-20), core sector industries grew by 0.4% against 4.4% in the previous year. The lockdown on account of COVID-19 resulted in a decline of core sector industries by 9% in March 2020, resulting in the growth for the full year dropping to 0.4%. Steel sector, one of the major sectors catered by the Company, registered lower growth of 3.4% during FY20 as against 5.1% in FY19.

Internationally, the mining industry in Western Australia was stable during the FY19-20. This helped our subsidiary in Australia to continue its profitable operations. Aided by the initial supply of products under a major order for maintenance and inspection services for conveyor systems and supply of belt cleaning consumables, Thejo Australia Pty Limited registered sizeable growth in turnover and profits. The economy of Saudi Arabia is estimated to have grown at 0.3% in the year 2019 as against a growth of 2.4% in the year 2018. Consequently, Thejo Hatcon Industrial Services Company registered a marginal growth in terms of turnover and profitability during the year. The Brazilian economy grew by about 1.1% during 2019 as against 1.3% in 2018. The operations of our subsidiary in Brazil remained steady during the year with marginal loss. The growth of the Chile economy is estimated to be 1.1% in 2019 against 3.9% in 2018. Aided by the steady establishment of our products, the operations of our subsidiary in Chile registered good growth and turned profitable during the year. Subject to the economic shock generated by COVID-19, the subsidiaries are expected to grow in the medium term.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The core sector industries to which the Company caters, registered a very marginal growth during the year under review compared to moderate growth in the previous year. During the year, some of the steel sector assets which were referred for resolution under Insolvency and Bankruptcy Code, 2016, were taken over by the successful bidders. This resulted in consolidation of steel sector to some extent.

BOARD'S REPORT

The Company continued to focus on value-added products and on increasing services business. This has resulted in marginal increase in the turnover and maintaining the profitability. The Company continues to develop its overseas markets and focus on exports as the domestic growth is expected to be average with cyclical pressures.

COMPANY PERFORMANCE AND KEY DEVELOPMENTS

As the Members are aware, the Company is engaged in manufacturing rubber and polyurethane-based engineered products, marketing and servicing activities, all under one roof. The services business caters to installation, operation and maintenance of conveyor belts and allied services such as belt splicing, pulley lagging, belt reconditioning and rubber lining. 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.

The outbreak of COVID-19 pandemic has affected the business/economic activities globally. In India, the Central and State Governments imposed lockdown/restrictions from the last week of March 2020 to tackle the pandemic. As a result, the manufacturing activities of the Company were temporarily closed for a short period of time from the last week of March 2020. As many of the customers of the services and operation and maintenance divisions of the Company fell under essential products/services/continuous operation plants, the Company continued to serve them in line with their requirement and operation levels. The restrictions have since been relaxed to various degrees. The Company is currently carrying its operations following all statutory guidelines and complying with necessary safety and sanitary norms. A brief outlook on the expected impact of COVID-19 is given under "Future Outlook" section of this Report. Members may also refer to Note 24.13.7 forming part of the Financial Statements.

As part of the "Atma Nirbhar Bharat" Scheme, the Government has revised the criteria for Micro, Small and Medium Enterprises. In terms of the revised criteria to be implemented from 1st July, 2020, the Company is eligible to be registered as a Medium Enterprise and avail the related benefits.

RESEARCH AND DEVELOPMENT

The R&D Centre is focussing on developing new and innovative products as well as bringing about continuous improvement of existing products so as to meet the needs of the customers and to tap new markets. The sustained efforts of the Research and Development Team have helped the Company to develop diverse product ranges, capable of withstanding some of the hardest working conditions in core sector industries. During the year under review, the registration of the in-house R&D Centre was renewed by the Department of Scientific and Industrial Research. The Company applied for patent in respect of three products/inventions during the FY19-20.

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.

BOARD'S REPORT

With the steel sector consolidating to some extent and the Central Government announcing various policy measures in coal and mining sector, there is a possibility of new business opportunities. Moreover, the Company has a balanced portfolio of products and services, which helps to moderate the impact of cyclicity experienced by its customers.

Operation and Maintenance (O&M) is being viewed as one of the main areas with potential new opportunities in the long run. Currently, there is only a slender line between O&M and manpower supply. O&M is viewed as a commodity with consequent price pressures. There are only a few projects where O&M contracts are being given purely based on performance parameters. The Company consciously stays away from O&M contracts in the nature of manpower supply and chooses only those contracts which will add value to the Company in the long run. We expect good potential in O&M in the long term as the market matures.

The Company has shown reasonable growth in its exports. With the domestic growth expected to be tepid, exports would be an area of opportunity. The Company is taking various measures to establish its products in the overseas markets. The Company believes that there will be good growth and returns from exports in the medium to long term.

THREATS

The economic impact of COVID-19 is a major threat for the medium term. The business environment is expected to evolve over the next few months as result of COVID-19 and its aftermath. The impact on fall in demand, pressure on operations and liquidity, etc. are expected to be felt by businesses in various sectors.

The domestic product business is prone to cyclicity in the economy, especially the core sector. The competition from the unorganized sector is a challenge for the services business of the Company. In Operation & Maintenance, there is intense competition with manpower-based contracts being bagged by competition at lower prices, especially during times of economic 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 volatile. The impact of COVID-19 is expected to play a role in the price of raw materials. The Company is doing its best to address this risk by framing appropriate procurement and pricing policies.

FUTURE OUTLOOK

The business and economic impact of COVID-19 is expected to be felt during FY21 with the possibility of the impact continuing into FY22. The Central Government has announced a slew of policy, liquidity and fiscal measures as part of the "Atma Nirbhar Bharat" Scheme announced by the Hon'ble Prime Minister. Implementation of these policies and schemes will play a crucial role in the economic growth in the medium term. While FY21 is expected to be a year of economic turbulence, the pace and extent of recovery will depend on the implementation of various policy measures. Under these circumstances, the future outlook remains one of guarded optimism.

FINANCIAL PERFORMANCE

The financial performance of the Company in the year under review has shown reasonable growth. The turnover from Manufacturing Division has remained more or less in line with the last year. The Services Division saw a better performance with increase in turnover and profitability. Exports have shown a growth of about 17% compared to the previous year. Your Company is expanding its business in the overseas markets through its subsidiaries and branch, which is expected to improve the export turnover further.

BOARD'S REPORT

The production of moulded and extruded rubber products was 1,029 tonnes during 2019-20, registering a marginal dip of 3% over the previous year (1,057 tonnes). The production of adhesives during the year under review was 338 tonnes, showing a dip of 5% over the previous year (356 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 24.4, forming part of the Financial Statements.

RISKS 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, impact of COVID 19, volatility in commodity prices, fluctuations in forex, 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

The Company continues to look at, identify, create and execute seamlessly, initiatives which enhance productivity and efficiency. 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.

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.

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.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

During the Financial Year 2019-20, the Company registered a profitability of ₹ 1,374.29 lakhs against ₹ 1,357.14 lakhs in the previous year, reflecting the low growth in core sector witnessed during the year and the impact of COVID 19 in the second half of March 2020. As a result, the Return on Net Worth was 13.75% during the year as against 15.49% in the previous year. There were no significant changes in the other key financial ratios.

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

BOARD'S REPORT

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 further in the shares of the Company.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has in place adequate internal financial controls commensurate with its size. During the year, such controls were tested and no reportable material weaknesses were observed.

SUBSIDIARY COMPANIES

As on the 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 99.80% shareholding.

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, 1st April, 2019 to 31st March, 2020, Thejo Hatcon achieved a turnover of SAR 8.20 million (₹ 1,580.14 lakhs) on which it made net profit of SAR 2.36 million (₹ 478.82 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, 1st April, 2019 to 31st March, 2020, Thejo Australia achieved a turnover of AUD 18.87 million (₹ 8,974.02 lakhs) with a profit of AUD 2.41 million (₹ 1,107.84 lakhs).

Thejo Brasil Comercio E Servicos Ltda (Thejo Brasil) is mainly engaged in selling of materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. During the period, 1st April, 2019 to 31st March, 2020, Thejo Brasil achieved a turnover of BRL 0.63 million (₹ 101.97 lakhs) and incurred a loss of BRL 0.12 million (₹ 22.28 lakhs).

Thejo Engineering LatinoAmerica SpA (Thejo Chile) is primarily engaged in selling materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. During the period, 1st April, 2019 to 31st March, 2020, Thejo Chile achieved a turnover of USD 1.24 million (₹ 894.73 lakhs) with a profit of USD 0.02 million (₹ 46.24 lakhs).

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

BOARD'S REPORT**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Your Directors have constituted a Corporate Social Responsibility Committee (CSR Committee), with Mr.V.K.Srivastava as Chairman and Mr. K.J. Joseph, Mr. Thomas John, and Mr. V.A. George 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 2019-20, the Company was required to incur CSR expenditure of ₹ 26.68 lakhs being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company spent ₹ 27 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. Brief particulars of the CSR projects undertaken are given in Annexure 2, forming part of the Board's Report.

EXTRACT OF ANNUAL RETURN

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 and the extract is uploaded on the Company's website http://www.thejo-engg.com/thejo-admin/upload/allstatutory/mgt9_fy1920.pdf

NUMBER OF MEETINGS OF BOARD

Four meetings of the Board of Directors were held during year. Particulars of the meetings held and the Directors present are given in the Corporate Governance Report, which forms 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, 2020, 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, 2020 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.

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.

BOARD'S REPORT
AUDITORS' REPORT

The Auditors' Report for the year ended 31st March, 2020 does not contain any qualification.

AUDITORS

M/s. Brahmayya & Co., Chartered Accountants, were appointed as Auditors at the 31st Annual General Meeting of the Company held on 16th August, 2017 to hold office up to the conclusion of the 36th Annual General Meeting of the Company.

SECRETARIAL AUDIT

The Board appointed Mr. G. Porselvam, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2019-20. 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.

COST RECORDS

The Company is required to maintain cost records as specified by the Central Government under sub-section 1 of Section 148 of the Companies Act, 2013. The Company is accordingly making and maintaining such accounts and records.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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 five Committees of the Board of Directors, namely, the Audit Committee, Compensation/Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Shareholders' and Investors' Grievance Committee and Allotment 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:

Name of the Committee	Composition of the Committee	Status
Audit Committee	Mr. M P Vijay Kumar Mr. N Ganga Ram Mr. A Satyaseelan Mrs. Sujatha Jayarajan	Independent Director, Chairman Independent Director, Member Independent Director, Member Independent Director, Member
Compensation/Nomination and Remuneration Committee	Mr. N Ganga Ram Mr. V K Srivastava Mr. M P Vijay Kumar Mrs. Sujatha Jayarajan	Independent Director, Chairman Independent Director, Member Independent Director, Member Independent Director, Member

BOARD'S REPORT

Name of the Committee	Composition of the Committee	Status
Corporate Social Responsibility Committee	Mr. V K Srivastava Mr. K J Joseph Mr. Thomas John Mr. V A George	Independent Director, Chairman Non-Executive Director, Member Non-Executive Director, Member Managing Director, Member
Shareholders' and Investors' Grievance Committee	Dr. C N Ramchand Mr. V K Srivastava Mr. K J Joseph Mr. Thomas John	Independent Director, Chairman Independent Director, Member Non-Executive Director, Member Non-Executive Director, Member
Allotment Committee	Mr. A. Satyaseelan Mr. K.J. Joseph Mr. Thomas John Mr. V.A. George Mr. Manoj Joseph Mr. Rajesh John	Independent Director, Chairman Non-Executive Director, Member Non-Executive Director, Member Managing Director, Member Whole-time Director, Member Whole-time Director, Member

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 and 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), Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

Mr. Rajesh John (DIN 05161087), Whole-time Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Manoj Joseph (DIN 00434579) was appointed as Whole-time Director up to 19th June, 2020 at the 29th Annual General Meeting held on 26th August, 2015. The Board of Directors on the recommendation of the Compensation / Nomination and Remuneration Committee have re-appointed Mr. Manoj Joseph as Whole-time Director and designated him as Deputy Managing Director and Chief Operating Officer of the Company for a period of 3 (three) years with effect from 20th June, 2020, subject to the approval of the Members.

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.

Mrs. Sujatha Jayarajan was re-appointed as Independent Director of the Company for a period of five years with effect from 1st April, 2020 by the Board of Directors at their Meeting held on 28th May, 2019, based on the recommendation of the Compensation/Nomination and Remuneration Committee. The re-appointment

BOARD'S REPORT

has been approved by the Members at their 33rd AGM held on 19th August, 2019. Mrs. Sujatha Jayarajan meets the criteria of integrity and has requisite expertise, experience and proficiency to be an Independent Director 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 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. Section 178(2) of the Companies Act, 2013 requires the Compensation/Nomination and Remuneration Committee to carry out evaluation of every Director's performance. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent Directors is to be done by the entire Board of Directors, excluding the Director being evaluated.

Accordingly, the Board of Directors carried out annual performance evaluation of the Board, Board Committees, Individual Directors and Chairperson during the year under review. The Compensation/Nomination and Remuneration Committee duly carried out evaluation of every Director's performance. 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.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as Annexure 7a to the Board's Report.

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 top ten employees in terms of remuneration drawn is attached as Annexure 7b to the Board's Report. 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.

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.

BOARD'S REPORT

3. Receipt of remuneration or commission by the Managing Director or the Whole-time Directors of the Company from any of its subsidiaries.
4. 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 the Company has constituted an Internal Complaints Committee and 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

Chennai
18th June, 2020

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.

iii. Capital Investments on energy conservation equipment

During the Financial Year, your Company has not invested in 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	2019-20
Capital	1.31
Revenue (excluding depreciation)	158.29
Total	159.60
Total R&D expenditure as a % of total turnover	0.80%

ANNEXURE TO BOARD'S REPORT

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Payments in foreign currency towards Imports

₹ in lakhs

Imports at CIF Value	2019-20	2018-19
Raw Materials and Traded Goods	747.30	690.02
Capital Goods	16.01	0.14
Total	763.31	690.16

b) Payments in foreign currency towards Expenditure

₹ in lakhs

Expenditure in Foreign currency	2019-20	2018-19
Professional and consultation fees	15.73	9.81
Seminar, Training & Development	34.85	8.63
Foreign Tour	7.82	6.06
Salaries & Incentives of Perth Branch	398.63	335.40
Other Expenditure of Perth Branch	314.49	268.14
Others	17.94	4.95
Total	789.46	632.99

c) Earnings in foreign currency on Accrual basis

₹ in lakhs

Earnings in foreign exchange	2019-20	2018-19
Exports – Products	3,774.04	3,225.54
Exports – Services	0.00	0.33
Total	3,774.04	3,225.87

d) Net Gain or Loss on Foreign Currency Translation

₹ in lakhs

Description	2019-20	2018-19
Profit/(Loss) on Foreign Currency Translation	41.74	65.36

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 programmes 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 a 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/thejo-admin/upload/allstatutory/CSR%20Activities%202019-20.pdf>

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: ₹ 1,333.90 lakhs

Prescribed CSR Expenditure (2% of the above amount): ₹ 26.68 lakhs

Details of CSR spend during the Financial Year

- a) Total amount to be spent for the Financial Year : ₹ 26.68 lakhs
 b) Amount spent : ₹ 27.00 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
The Akshaya Patra Foundation	Malnutrition and hunger eradication	Chennai	7.50	7.50	7.50	Directly
National Relief Fund	Contribution to PM Relief Fund	Delhi	5.50	5.50	5.50	Directly
Madras Egmore Lions Blood Bank and Research Foundation	Preventive Health Care	Chennai	5.00	5.00	5.00	Directly
Rotary Club of Madras Marina	Promoting Education	Chennai	5.00	5.00	5.00	Directly
Mellow Circle Prathyasha Trust	Setting up homes and hostels for women and orphans	Kancheepuram	2.00	2.00	2.00	Directly
Sri Brahmurishi Ashram	Malnutrition and hunger eradication	Chennai	1.00	1.00	1.00	Directly
Dean Foundation	Preventive Health Care	Chennai	1.00	1.00	1.00	Directly
Total			27.00	27.00	27.00	

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 : 18th June, 2020

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 RETURN

as on the Financial Year ended on 31st March, 2020

[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	VDS House, No. 41 Cathedral Road, Chennai – 600 086, 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	35.80%
2	Manpower Supply Services	7830	11.71%
3	Other Rubber Products	2219	10.31%

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 of the Companies Act, 2013
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	99.80	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, 2019)				No. of Shares held at the end of the year (As on 31 st March, 2020)				% change during the year
	Demat	Physical	Total	% of total shares ⁽¹⁾	Demat	Physical	Total	% of total shares ⁽²⁾	
A. Promoters									
(1) Indian									
a) Individual/HUF	19,46,340	-	19,46,340	56.63	19,46,340	-	19,46,340	56.25	(0.38)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	19,46,340	-	19,46,340	56.63	19,46,340	-	19,46,340	56.25	(0.38)
(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)	19,46,340	-	19,46,340	56.63	19,46,340	-	19,46,340	56.25	(0.38)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	3,16,672	-	3,16,672	9.21	2,63,672	-	2,63,672	7.62	(1.59)
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	69,600	-	69,600	2.03	26,000	-	26,000	0.75	(1.28)
Sub-total (B)(1)	3,86,272	-	3,86,272	11.24	2,89,672	-	2,89,672	8.37	(2.87)

ANNEXURE TO BOARD'S REPORT

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

Category of Shareholders		No. of Shares held at the beginning of the year (As on 01 st April, 2019)				No. of Shares held at the end of the year (As on 31 st March, 2020)				% change during the year
		Demat	Physical	Total	% of total shares ⁽¹⁾	Demat	Physical	Total	% of total shares ⁽²⁾	
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	20,800	-	20,800	0.61	42,750	-	42,750	1.24	0.63
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	2,10,200	2,000	2,12,200	6.17	2,66,350	-	2,66,350	7.68	1.51
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5,45,600	43,140	5,88,740	17.13	6,08,940	-	6,08,940	17.60	0.47
c)	Others (specify)									
i)	Clearing Members	800	-	800	0.02	-	-	-	-	(0.02)
ii)	Hindu Undivided Family	2,77,600	-	2,77,600	8.08	3,00,900	-	3,00,900	8.70	0.62
iii)	Non-resident Indians	4,200	-	4,200	0.12	5,400	-	5,400	0.16	0.04
	Sub-total (B)(2)	10,59,200	45,140	11,04,340	32.13	12,24,340	-	12,24,340	35.38	3.25
	Total Public Shareholding (B)=(B)(1)+(B)(2)	14,45,472	45,140	14,90,612	43.37	15,14,012	-	15,14,012	43.75	0.38
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	33,91,812	45,140	34,36,952	100	34,60,352	-	34,60,352	100	-

(1) Percentage calculated on the paid-up share capital (34,36,952) as at the beginning of the year.

(2) Percentage calculated on the paid-up share capital (34,60,352) as at the end of the year.

ANNEXURE TO BOARD'S REPORT

ii. Shareholding of Promoters

Sl. No.	Promoter Shareholder's Name	Shareholding at the beginning of the year (As on 01 st April, 2019)			Shareholding at the end of the year (As on 31 st March, 2020)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company ⁽¹⁾	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company ⁽²⁾	% of Shares pledged / encumbered to total shares	
1	Mr. K. J. Joseph	2,49,400	7.26	-	2,49,400	7.21	-	(0.05)
2	Mr. Thomas John	2,16,868	6.31	-	2,16,868	6.27	-	(0.04)
3	Mr. Manoj Joseph	1,65,860	4.83	-	1,65,860	4.79	-	(0.04)
4	Mr. Rajesh John	2,16,866	6.31	-	2,16,866	6.27	-	(0.04)
5	Mrs. Rosamma Joseph	1,80,320	5.25	-	1,80,320	5.21	-	(0.04)
6	Mrs. Celinamma John	2,16,866	6.31	-	2,16,866	6.27	-	(0.04)
7	Mr. Manesh Joseph	1,65,860	4.83	-	1,65,860	4.79	-	(0.04)
8	Mrs. Meena Kavil	1,42,160	4.14	-	1,42,160	4.11	-	(0.03)
9	Mrs. Maya Philip	1,54,020	4.47	-	1,54,020	4.45	-	(0.02)
10	Mrs. Rithu Johnson	1,47,600	4.28	-	1,47,600	4.27	-	(0.01)
11	Mr. Sebastian Thomas	88,520	2.58	-	88,520	2.55	-	(0.03)
12	Mrs. Rosamma Joseph	2,000	0.06	-	2,000	0.06	-	-

(1) Percentage calculated on the paid-up share capital (34,36,952) as at the beginning of the year.

(2) Percentage calculated on the paid-up share capital (34,60,352) as at the end of the year.

iii. Change in Promoters' Shareholding

Particulars	No. of shares	% of total shares of the Company ^{(1) (2)}	Cumulative Shareholding during the year (01 st April, 2019 to 31 st March, 2020)	
			No. of shares	% of total shares of the Company ^{(1) (2)}
At the beginning of the year	19,46,340	56.63	19,46,340	56.63
Changes in Promoters Shareholding during the year	-	-	19,46,340	56.25
At the end of the year	19,46,340	56.25	19,46,340	56.25

(1) Percentage calculated on the paid-up share capital (34,36,952) as at the beginning of the year.

(2) Percentage calculated on the paid-up share capital (34,60,352) as at the end of the year.

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 (1) (2)	Cumulative Shareholding during the year (01 st April, 2019 to 31 st March, 2020)	
				No. of shares	% of total shares of the Company (1) (2)
1	M/s. GIRISH GULATI HUF				
	At the beginning of the year	2,65,200	7.72	2,65,200	7.72
	Changes in Shareholding during the year - Purchase	8,600	0.19	2,73,800	7.91
	At the end of the year	2,73,800	7.91	2,73,800	7.91
2	M/s. SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND				
	At the beginning of the year	3,16,672	9.21	3,16,672	9.21
	Changes in Shareholding during the year - Sales	(53,000)	(1.59)	2,63,672	7.62
	At the end of the year	2,63,672	7.62	2,63,672	7.62
3	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	3.58
	At the end of the year	1,24,000	3.58	1,24,000	3.58
4	Mr. O. J. LUKOSE				
	At the beginning of the year	63,280	1.84	63,280	1.84
	Changes in Shareholding during the year	-	-	63,280	1.83
	At the end of the year	63,280	1.83	63,280	1.83
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	1.80
	At the end of the year	62,420	1.80	62,420	1.80
6	Mr. PANKAJ PRASOON				
	At the beginning of the year	46,800	1.36	46,800	1.36
	Changes in Shareholding during the year - Purchase	7,200	0.20	54,000	1.56
	At the end of the year	54,000	1.56	54,000	1.56
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	1.25
	At the end of the year	43,140	1.25	43,140	1.25

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 (1) (2)	Cumulative Shareholding during the year (01 st April, 2019 to 31 st March, 2020)	
				No. of shares	% of total shares of the Company (1) (2)
8	Mr. VINOD SETHI				
	At the beginning of the year	20,000	0.58	20,000	0.58
	Changes in Shareholding during the year - Purchase	13,000	0.37	33,000	0.95
	At the end of the year	33,000	0.95	33,000	0.95
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	0.93
	At the end of the year	32,160	0.93	32,160	0.93
10	M/s. IDBI CAPITAL MARKET AND SECURITIES LIMITED				
	At the beginning of the year	70,200	2.04	70,200	2.04
	Changes in Shareholding during the year - Sales	(44,200)	(1.29)	26,000	0.75
	At the end of the year	26,000	0.75	26,000	0.75

(1) Percentage calculated on the paid-up share capital (34,36,952) as at the beginning of the year.

(2) Percentage calculated on the paid-up share capital (34,60,352) as at the end of the year.

v. *Shareholding of Directors and Key Managerial Personnel*

Sl. No.	Name	No. of shares	% of total shares of the Company (1) (2)	Cumulative Shareholding during the year (01 st April, 2019 to 31 st March, 2020)	
				No. of shares	% of total shares of the Company (1) (2)
1	Mr. K.J. JOSEPH CHAIRMAN				
	At the beginning of the year	2,49,400	7.26	2,49,400	7.26
	Changes in Shareholding during the year	-	-	2,49,400	7.21
	At the end of the year	2,49,400	7.21	2,49,400	7.21
2	Mr. THOMAS JOHN VICE CHAIRMAN				
	At the beginning of the year	2,16,868	6.31	2,16,868	6.31
	Changes in Shareholding during the year	-	-	2,16,868	6.27
	At the end of the year	2,16,868	6.27	2,16,868	6.27

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 (1) (2)	Cumulative Shareholding during the year (01 st April, 2019 to 31 st March, 2020)	
				No. of shares	% of total shares of the Company (1) (2)
3	Mr. V.A. GEORGE MANAGING DIRECTOR				
	At the beginning of the year	50,000	1.45	50,000	1.45
	Changes in Shareholding during the year	-	-	50,000	1.44
	At the end of the year	50,000	1.44	50,000	1.44
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	4.79
	At the end of the year	1,65,860	4.79	1,65,860	4.79
5	Mr. RAJESH JOHN EXECUTIVE DIRECTOR				
	At the beginning of the year	2,16,866	6.31	2,16,866	6.31
	Changes in Shareholding during the year	-	-	2,16,866	6.27
	At the end of the year	2,16,866	6.27	2,16,866	6.27

(1) Percentage calculated on the paid-up share capital (34,36,952) as at the beginning of the year.

(2) Percentage calculated on the paid-up share capital (34,60,352) as at the end of the year.

The following directors / key managerial personnel (KMP) did not hold any shares during the Financial Year 2019 -20:

- Mr. N. Ganga Ram - Independent Director
- Mr. V. K. Srivastava - Independent Director
- Mr. A. Satyaseelan - Independent Director
- Mr. M. P. Vijay Kumar - Independent Director
- Dr. C. N. Ramchand - Independent Director
- Mrs. Sujatha Jayarajan - Independent 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, 2019)				
i) Principal Amount	2,320.15	-	-	2,320.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.86	-	-	2.86
Total (i+ii+iii)	2,323.01	-	-	2,323.01
Change in Indebtedness during the Financial Year				
• Addition	9.00	-	-	9.00
• Reduction	(699.19)	-	-	(699.19)
Net Change	(690.19)	-	-	(690.19)
Indebtedness at the end of the Financial Year (31st March, 2020)				
i) Principal Amount	1,631.67	-	-	1,631.67
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.15	-	-	1.15
Total (i+ii+iii)	1,632.82	-	-	1,632.82

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 ⁽¹⁾	84.00	43.26	38.59	165.85
(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 ⁽¹⁾				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, Retirement benefits	-	7.98	6.05	14.03
	Total (A)	84.00	51.24	44.64	179.88
	Remuneration excluding retirement benefits				165.85
	Ceiling as per the Act				187.58

Note: (1) Excluding Commission (relating to FY 2018-19) of ₹ 8 lakhs to Mr. Manoj Joseph and ₹ 6 lakhs to Mr. Rajesh John paid during FY 2019-20

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									
	Fees for attending board / committee meetings	-	-	4.75	4.00	4.50	4.75	3.25	4.75	26.00
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	4.75	4.00	4.50	4.75	3.25	4.75	26.00
2	Other Non-Executive Directors									
	Fees for attending board / committee meetings	1.75	3.50	-	-	-	-	-	-	5.25
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	1.75	3.50	-	-	-	-	-	-	5.25
	Total (B)=(1+2)	1.75	3.50	4.75	4.00	4.50	4.75	3.25	4.75	31.25
	Total Managerial Remuneration¹									165.85
	Overall Ceiling as per the Act									224.58

Note:

- 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	32.83	32.83
(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, Retirement benefits	3.89	3.89
	Total	36.72	36.72

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ended 31st March, 2020.

ANNEXURE TO BOARD'S REPORT

ANNEXURE 4 TO BOARD'S REPORT

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2020

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

To,

The Members,

M/s. 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 31/03/2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31/03/2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
The company has duly complied with the procedure laid under The Companies Act, 2013 and 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 (Share Based Employees Benefits) Regulations, 2014;
 - (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

**As the company is listed under SME Platform, filing of Secretarial Compliance Report under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 does not arise.*

(vi) The Management has identified and confirmed the following Laws as specifically applicable to the Company:

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
17. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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.

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 Woman 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.

G. PORSELVAM
Company Secretary in Practice
C P No. : 3187
UDIN : A009322B000348760

Place : Chennai
Date : 17/06/2020

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, 2020: Nil

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

Name of the Company and Country	During FY 19-20	As at 31st March, 2020
Thejo Hatcon Industrial Services Company, Saudi Arabia	-	333.72
Thejo Australia Pty Ltd, Australia	-	1,202.45
Thejo Brasil Comercio E Servicos Ltda, Brazil	-	98.62
Thejo Engineering LatinoAmerica SpA, Chile	-	491.26

The details of guarantee given as at 31st March, 2020: 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 2019-20, 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 2019-20, 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	Purchases & Sales	195.90
		Repayment of Advances	Advance	(64.95)
		Based on Repayment Schedule	Loan Repayment	(83.52)
		Till repayment of loan	Interest charged	3.27
Thejo Australia Pty Ltd, Australia	Subsidiary	Based on Orders	Purchase & Sales	610.93
		Based on requirement	Expenses Reimbursement	121.47
Thejo Brasil Comercio E Servicos Ltda, Brazil	Subsidiary	Based on Orders	Purchase & Sales	39.64
Thejo Engineering LatinoAmerica SpA, Chile	Subsidiary	Based on Orders	Purchase & Sales	476.38
Mr. V. A. George, Managing Director	Key Managerial Personnel	14 th July, 2021	Remuneration	84.00
Mr. Manoj Joseph	Whole-time Director	19 th June, 2020	Remuneration ⁽¹⁾ & ⁽²⁾	51.26
Mr. Rajesh John	Whole-time Director	15 th January, 2022	Remuneration ⁽¹⁾ & ⁽³⁾	44.59
Mr. M. D. Ravikanth, CFO & Secretary	Key Managerial Personnel	Not Applicable	Remuneration ⁽¹⁾	32.83
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 ⁽¹⁾	31.99

Notes: (1) Excluding retirement benefits

(2) Including commission (for FY18-19) of Rs. 8 lakhs paid during FY19-20

(3) Including commission (for FY18-19) of Rs. 6 lakhs paid during FY19-20

For and on behalf of the Board

Place: Chennai
Date: 18th June, 2020

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 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 2019-20, 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 2019-20 are as follows:

Name of the Director / KMP	Remuneration of Director / KMP for the F.Y 2019-20 (₹ in lakhs)	% increase in Remuneration in the F.Y. 2019-20	Ratio of Remuneration of each director to median remuneration of employees	Remuneration of Director / KMP for the F.Y 2018-19 (₹ in lakhs)
Mr. K. J. Joseph	1.75	(50.00)	0.61	3.50
Mr. Thomas John	3.50	-	1.23	3.50
Mr. V. A. George	84.00	(6.67)	29.47	90.00
Mr. Manoj Joseph	51.24	(2.44)	17.98	52.52
Mr. Rajesh John	44.64	14.96	15.66	38.83
Mr. N. Ganga Ram	4.75	-	1.67	4.75
Mr. V. K. Srivastava	4.00	-	1.40	4.00
Mr. A. Satyaseelan	4.50	-	1.58	4.50
Mr. M. P. Vijay Kumar	4.75	-	1.67	4.75
Dr. C. N. Ramchand	3.25	-	1.14	3.25
Mrs. Sujatha Jayarajan	4.75	-	1.67	4.75
Mr. M. D. Ravikanth	36.72	(3.57)	Not Applicable	38.08

- ii. The median remuneration of employees of the Company for the Financial Year was ₹ 2.85 lakhs.
- iii. There was an increase of 7.51% in the median remuneration of employees in the Financial Year.
- iv. There were 1,351 permanent employees on the rolls of the Company as on 31st March, 2020.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year i.e. 2019-20 was 16.27% whereas the managerial remuneration decreased by 1% (from ₹ 181.35 lakhs in 2018-19 to ₹ 179.88 lakhs in 2019-20) as the Company did not pay any commission to the Whole-time Directors during the year.
- vi. It is hereby affirmed that the remuneration paid is as per the Company's Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE TO BOARD'S REPORT

ANNEXURE 7b TO BOARD'S REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES:

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
Thomas K. Abraham	VP - HR & Admin	35.27	Regular	M.A.(Economics), PGDPMIR	30	01-03-2008	52	India Cements Capital Limited
M.D. Ravikanth	CFO & Secretary	32.83	Regular	CA., ACS	17	03-03-2008	40	India Cements Capital Limited
Manesh Joseph	Senior VP – O&M	31.99	Regular	B.com	23	02-01-2012	46	Own Business
S. Premjith	VP - Services	30.77	Regular	B.Com, PGDPM	20	05-01-2005	47	RKHS, Chennai
D. Ravichandran	VP – CPD	28.71	Regular	DME	36	01-07-1997	54	MIL Industries Limited
G. Radhakrishnan	Head – Commercial & Receivables	25.00	Contractual	M.A., PGDGC	43	11-04-2016	68	India Cements Capital Limited
S. Sathish	VP – Manufacturing	24.96	Regular	B.Com, PG- Management	23	01-11-2011	48	Spectra Management
S. Suryanarayanan	AGM – Accounts	23.27	Regular	CA., ACS	27	18-05-2012	49	India Cements Capital Limited
Dinesh Bennet Fernandez	AVP –Materials	22.55	Regular	DME	32	20-10-2010	50	TVS Srichakra Limited
S. Venkataramanan	DGM- Business Development	20.96	Regular	DEEE	30	09-10-2009	49	Hofincons Infotech & Industrial Services Private Limited

* - Excluding Retirement benefits and including the value of perquisites, if any.

None of the above employees is 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, Whole-time Director, as brother.

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 maximising the Shareholders' value. The Company believes that good corporate governance system enables it to retain the trust of the Members.

The Code 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 Designated Persons, Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information, Policies and Procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak 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, 2020, 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, 2020 were as under –

S.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	2	2	Nil
4	Mr. Manoj Joseph	Nil	Nil	Nil
5	Mr. Rajesh John	Nil	Nil	Nil
6	Mr. N. Ganga Ram	2	2	1
7	Mr. V.K. Srivastava	Nil	Nil	Nil
8	Mr. M.P. Vijay Kumar	2	Nil	Nil
9	Mr. A. Satyaseelan	Nil	Nil	Nil
10	Dr. C.N. Ramchand	3	1	1
11	Mrs. Sujatha Jayarajan	2	1	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 in public limited companies 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 has 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 has any shareholding in our Company as on 31st March, 2020 except as disclosed below:

S.No.	Name of the Director	No. of Shares	% of Equity Share Capital
1	Mr. K.J. Joseph	2,49,400	7.21
2	Mr. Thomas John	2,16,868	6.27
3	Mr. V.A. George	50,000	1.44
4	Mr. Manoj Joseph	1,65,860	4.79
5	Mr. Rajesh John	2,16,866	6.27

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 28th May, 2019, 19th August, 2019, 14th November, 2019 and 28th February, 2020. The attendance of each Director at the Board Meetings and at the last Annual General Meeting was as under:

S.No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Last Annual General Meeting held on 19 th August, 2019
1	Mr. K.J. Joseph	4	2	No
2	Mr. Thomas John	4	4	Yes
3	Mr. V.A. George	4	4	Yes
4	Mr. Manoj Joseph	4	3	Yes
5	Mr. Rajesh John	4	4	Yes
6	Mr. N. Ganga Ram	4	4	No
7	Mr. V.K. Srivastava	4	4	Yes
8	Mr. A. Satyaseelan	4	4	Yes
9	Mr. M.P. Vijay Kumar	4	4	Yes
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. Currently, 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	4
3	Mr. A. Satyaseelan	Independent Director, Member	4	4
4	Mrs. Sujatha Jayarajan	Independent Director, Member	4	4

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Audit Committee of the Board were held on 28th May, 2019, 19th August, 2019, 14th November, 2019 and 28th February, 2020.

ANNEXURE TO BOARD'S REPORT

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.
 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. 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 commencement of audit, 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, if any, 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.
-

ANNEXURE TO BOARD'S REPORT

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
16. To review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. 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 19th August, 2019.

ii) Compensation / Nomination and Remuneration Committee

The Compensation/Nomination and Remuneration Committee of the Board was formed on 16th January, 2012. It was re-designated as Compensation / Nomination and Remuneration Committee with effect from 27th May, 2015. Currently, 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. N. Ganga Ram	Independent Director, Chairman	2	2
2	Mr. V.K. Srivastava	Independent Director, Member	2	2
3	Mr. M.P. Vijay Kumar	Independent Director, Member	2	2
4	Mrs. Sujatha Jayarajan	Independent Director, Member	2	2

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Compensation / Nomination and Remuneration Committee of the Board were held on 28th May, 2019 and 28th February, 2020.

Terms of Reference

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

1. 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;
2. 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 defined criteria for identification, screening, recruiting and recommending candidates for election as 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 their performance.

ANNEXURE TO BOARD'S REPORT

Details of the remuneration paid to the Directors during the Financial Year 2019-20 were as follows:

₹ in Lakhs

Name of Director	Sitting Fee	Salary	Contribution to Statutory & Other Funds	Performance Linked Incentive	Total
Promoters / Non-executive Directors					
Mr. K.J. Joseph	1.75	-	-	-	1.75
Mr. Thomas John	3.50	-	-	-	3.50
Executive Directors					
Mr. V.A. George	-	84.00	-	-	84.00
Mr. Manoj Joseph	-	43.26	7.98	-	51.24
Mr. Rajesh John	-	38.59	6.05	-	44.64
Independent Directors					
Mr. N. Ganga Ram	4.75	-	-	-	4.75
Mr. V.K. Srivastava	4.00	-	-	-	4.00
Mr. A. Satyaseelan	4.50	-	-	-	4.50
Mr. M.P. Vijay Kumar	4.75	-	-	-	4.75
Dr. C.N. Ramchand	3.25	-	-	-	3.25
Mrs. Sujatha Jayarajan	4.75	-	-	-	4.75

Note: Sitting Fees exclude GST 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, 2018 to 14 th July, 2021	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Manoj Joseph ⁽¹⁾	20 th June, 2015 to 19 th June, 2020	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Rajesh John	16 th January, 2017 to 15 th January, 2022	Not Applicable	Commission of up to 2% of annual profit	Nil

Note:

⁽¹⁾ The Board of Directors at their Meeting held on 18th June, 2020, recommended the re-appointment of Mr. Manoj Joseph with effect from 20th June, 2020 for a period of three years, subject to the approval of the Members.

ANNEXURE TO BOARD'S REPORT
iii) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board was formed on 20th May, 2014. Currently, 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	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 was held on 28th May, 2019.

Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee include formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII read with Section 135 (3) (a) of the Act, recommending the amount of expenditure to be incurred on the CSR activities and monitor the Corporate Social Responsibility Policy of the Company from time to time and such other functions as may be specified by the Companies Act, 2013, as amended from time to time.

iv) Shareholders' and Investors' Grievance Committee

The Shareholders' and Investors' Grievance Committee of the Board was formed on 16th January, 2012. Currently, 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	2
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 were held on 28th May, 2019, 19th August, 2019, 14th November, 2019 and 28th February, 2020.

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

ANNEXURE TO BOARD'S REPORT

of the issue of duplicate certificates, 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 the Registrar and Share Transfer Agent, recommend methods to upgrade the standard of services to the investors and monitor implementation of the Code of Conduct to regulate, monitor and report trading by designated persons.

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 2019-20, the Company has not received any complaints from the Members. There were no complaints outstanding as on 31st March, 2020.

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
2018-19	19 th August, 2019	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 600 014.	a) Re-appointment of Mrs. Sujatha Jayarajan as an Independent Director.
2017-18	20 th August, 2018	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 600 014.	a) Re-appointment of Mr. V.A. George as Managing Director for a period of three years. b) Re-appointment of Mr. N. Ganga Ram as an Independent Director c) Re-appointment of Mr. V.K. Srivastava as an Independent Director d) Re-appointment of Mr. A. Satyaseelan as an Independent Director e) Re-appointment of Mr. M.P. Vijay Kumar as an Independent Director f) Re-appointment of Dr. C.N. Ramchand as an Independent Director.
2016-17	16 th August, 2017	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 600 014.	Nil

ANNEXURE TO BOARD'S REPORT**(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 2019 - 20.

(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 24.5 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.

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

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. Accordingly, 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.

Employees may also report to the Chairman of the Audit Committee. It is further affirmed that during the year, 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

In terms of Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee of the Board on 20th May, 2014. The status of the Directors and their attendance at the meetings were as follows:

ANNEXURE TO BOARD'S REPORT

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 28th May, 2019.

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.

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 the attendance of Non-Independent Directors and members of the Management, was held on 28th February, 2020 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 2019-20 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.

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.

ANNEXURE TO BOARD'S REPORT

VII. GENERAL SHAREHOLDER INFORMATION

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

Saturday, 29th August, 2020 at 11.00 AM, through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Financial Year: April to March

Date of Book Closure: Sunday, 23rd August, 2020 to Saturday, 29th August, 2020 (both days inclusive) for payment of dividend and Saturday, 22nd August, 2020 will be the Record Date for the purpose of payment of dividend.

Dividend Payment: Credit / Dispatch of dividend warrants will be completed on or before 18th September, 2020.

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:

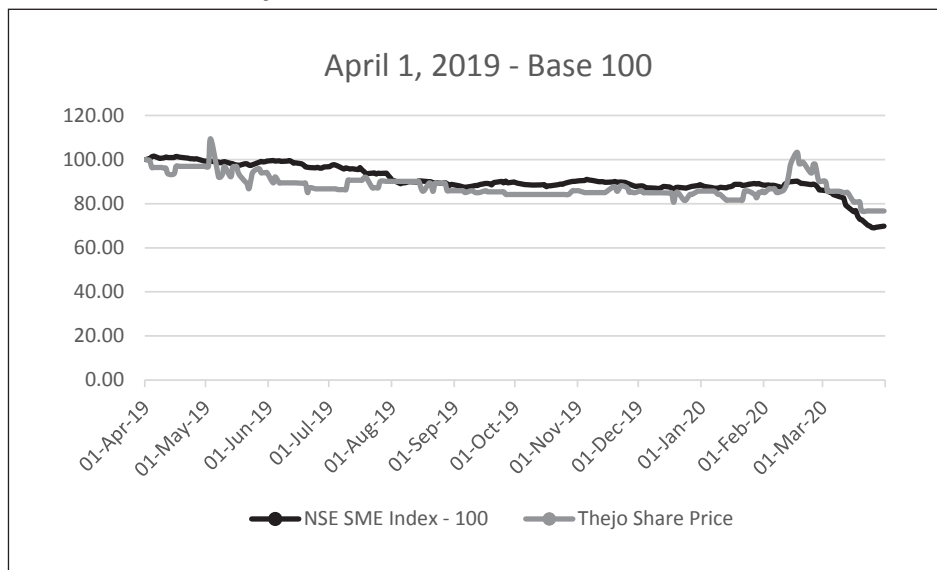
(in ₹ per share)

Month	National Stock Exchange of India Limited - SME Platform (NSE Emerge)	
	Month's High Price*	Month's Low Price*
April 2019	588.00	550.00
May 2019	643.70	510.00
June 2019	542.00	500.00
July 2019	540.00	508.00
August 2019	530.00	503.00
September 2019	505.00	495.00
October 2019	505.00	505.00
November 2019	518.50	500.00
December 2019	504.90	474.05
January 2020	504.00	480.00
February 2020	607.70	500.00
March 2020	503.50	451.00

**Note: Month's High Price / Low Price are arrived based on daily closing rate.*

ANNEXURE TO BOARD'S REPORT

Performance in comparison to the NSE SME index:

**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

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, 2020:

Nominal Value of Shares (in ₹)		Number of Holders	% of Total Holders	Total Face Value (in ₹)	% of Total Face Value
From	To				
10	5,000	116	32.31	2,84,000	0.82
5,001	10,000	145	40.39	9,16,000	2.65
10,001	20,000	31	8.64	4,68,000	1.35
20,001	30,000	15	4.18	3,86,000	1.12
30,001	40,000	6	1.67	2,10,000	0.61
40,001	50,000	1	0.28	42,000	0.12
50,001	1,00,000	12	3.34	8,56,000	2.47
1,00,001	Above	33	9.19	3,14,41,520	90.86
Total		359	100.00	3,46,03,520	100.00

ANNEXURE TO BOARD'S REPORT

Shareholding Pattern as on 31st March, 2020:

Sl. No.	Category	No. of Shares	As a percentage of (A+B)
A	Promoters' & Promoter Group Holding		
	Individuals	19,46,340	56.25
B	Non-Promoters' Holding		
	Venture Capital Funds	2,63,672	7.62
	Bodies Corporate	68,750	1.99
	Individuals	8,75,290	25.28
	Hindu Undivided Family	3,00,900	8.70
	Non-Resident Indians	5,400	0.16
	Total	34,60,352	100.00

Dematerialisation of Shares and Liquidity as on 31st March, 2020:

Sl. No.	Mode of Holding	No. of Shares	% to total equity shares
1	NSDL	21,43,471	61.94
2	CDSL	13,16,881	38.06
3	Physical	-	-
	Total	34,60,352	100.00

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

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 & IV 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 : 18th June, 2020

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, 2020 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 : 18th June, 2020

M.D. RAVIKANTH
CFO & Secretary

V.A. GEORGE
Managing Director
DIN 01493737

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THEJO ENGINEERING LIMITED

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the standalone financial statements of **Thejo Engineering Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2020, and Profit and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

4. Emphasis of matter

We draw attention to Note No.24.13.7 of the Financial Statements, wherein the Company has disclosed its Assessment of the Covid-19 pandemic. As mentioned therein, the assessment of the Management does not indicate any material effect on the carrying value of the assets of the Company on the reporting date or any adverse change in the ability of the Company to continue as a Going Concern. The assessment of the Management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

Our opinion is not modified in respect of this matter

5. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

INDEPENDENT AUDITORS' REPORT

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

7. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- a) Identify and assess the risks of material misstatement of the financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we

INDEPENDENT AUDITORS' REPORT

are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

8. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii) 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.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

INDEPENDENT AUDITORS' REPORT

- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24.1.4 to the 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 which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No. 000511S

P. BABU
Partner
Membership No. 203358
UDIN: 20203358AAAALL6667

Place : Chennai
Date : 18th June, 2020

“ANNEXURE-A” TO THE AUDITORS’ REPORT**Referred to in Paragraph 8 of Our Report of Even Date**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The Title deeds of immovable properties owned by the company are held in the name of the Company.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records which were not material, have been properly dealt with in the books of account.
- (iii) The Company has granted an unsecured advance, to one of its subsidiary company, covered in the Register maintained under section 189 of the Act for which there are no terms of repayment of advance or payment of interest. The Company had also granted unsecured loan to one subsidiary, covered in the Register maintained under section 189 of the Act, which was fully repaid during the year:
 - a) The terms and conditions of the grant of such loans are not prejudicial to the Company’s interest.
 - b) The repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular
 - c) There is no overdue amount in respect of the loans mentioned in para (a) above.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to the parties covered under Section 185 and the Company has not given any loan or made any investment covered under section 186 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iv) of the Order does not arise.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Accordingly, reporting under clause 3 (v) of the Order does not arise
- (vi) The Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act in respect of the products manufactured by the Company and we have broadly reviewed the cost records and are of the opinion that, prima facie, the prescribed cost records have been so made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, goods and services tax ,duty of customs, and other statutory dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, goods and services tax, duty of customs and other, dues outstanding as at 31 March 2020 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 goods and service tax 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	Disputed Amount	Period to which it relates	Forum where dispute is pending
Commercial Taxes	54.90	Various assessment years	Various Forums
Customs Duty	12.50	2001	Commissioner of Customs
Income-taxes	67.88	Various assessment years	Various Forums
Total	135,28		

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a bank/financial institution during the year. The Company has not taken any loans or borrowing from Government or raised any money through placement of debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to information and explanations given to us, money raised through term loans during the year has been utilised for the purpose for which they were raised.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees were noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, managerial remuneration to Directors has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and 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 based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No. 000511S

P. BABU
Partner
Membership No. 203358
UDIN: 20203358AAAALL6667

Place : Chennai
Date : 18th June, 2020

“ANNEXURE-B” TO THE AUDITORS’ REPORT

Referred to in Paragraph 8 of Our Report of Even Date

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 of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to

“ANNEXURE-B” TO THE AUDITORS’ REPORT

permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No. 000511S

P. BABU
Partner
Membership No. 203358
UDIN: 20203358AAAALL6667

Place : Chennai
Date : 18th June, 2020

THEJO ENGINEERING LIMITED
Balance Sheet as at 31st March, 2020

Particulars	Note No.	₹ in lakhs	
		As at 31-03-2020	As at 31-03-2019
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	346.04	343.70
(b) Reserves and surplus	4	10,275.29	9,022.09
2 Share application money pending allotment			
		0.00	0.00
3 Non-current liabilities			
(a) Long-term borrowings	5	53.24	175.42
(b) Deferred tax liabilities (Net)	24.6	0.00	0.00
4 Current liabilities			
(a) Short-term borrowings	6	1,458.97	1,991.65
(b) Trade payables	7		
(i) Total outstanding dues of micro enterprises and small enterprises		0.00	0.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,027.47	1,878.79
(c) Other current liabilities	8	2,599.07	1,936.72
(d) Short-term provisions	9	471.13	450.45
TOTAL		17,231.21	15,798.82
II. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	10		
(i) Tangible assets		2,296.79	2,355.85
(ii) Intangible assets		22.90	21.72
(iii) Capital work-in-progress		14.26	22.61
(b) Non-current investments	11	2,126.05	2,126.05
(c) Deferred Tax Asset	24.6	90.11	52.15
(d) Long-term loans and advances	12	451.78	458.65
2. Current assets			
(a) Inventories	13	2,540.85	2,210.38
(b) Trade receivables	14	7,256.30	6,048.82
(c) Cash and cash equivalents	15	1,274.20	1,125.89
(d) Short-term loans and advances	16	1,157.97	1,376.70
(e) Other current assets		0.00	0.00
TOTAL		17,231.21	15,798.82
Notes including significant accounting policies	1-25		

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

In terms of our report of even date annexed

For BRAHMAYYA & CO.

For and on behalf of the Board of Directors

Chartered Accountants
ICAI Registration No. 000511S

K.J. JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

P. BABU
Partner
Membership No. 203358

M.D. RAVIKANTH
Chief Financial Officer &
Secretary

V.A. GEORGE
Managing Director
DIN 01493737

Place : Chennai
Date : 18th June, 2020

THEJO ENGINEERING LIMITED
Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Note No.	₹ in lakhs	
		Year ended 31-03-2020	Year ended 31-03-2019
I. Revenue from operations	17	20,169.16	19,032.84
II. Other income	18	93.14	128.30
III. Total Revenue (I + II)		<u>20,262.30</u>	<u>19,161.14</u>
IV. Expenses:			
Cost of materials consumed	19	4,197.68	3,958.00
Purchase of Traded Goods	19	93.02	633.84
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	(192.29)	(414.16)
Employee benefits expense	21	7,445.02	6,896.94
Finance costs	22	339.13	396.80
Depreciation and amortization expense	10	456.48	444.12
Other expenses	23	6,047.44	5,329.96
Total expenses		<u>18,386.48</u>	<u>17,245.50</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		1,875.82	1,915.64
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		1,875.82	1,915.64
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		1,875.82	1,915.64
X Tax expense:			
(1) Current tax		539.49	570.90
(2) Deferred tax	24.6	(37.96)	(12.40)
XI Profit (Loss) for the period (IX-X)		<u>1,374.29</u>	<u>1,357.14</u>
XII Earnings per equity share of face value of ₹ 10/- each fully paid up (before & after extraordinary items)			
(1) Basic (in ₹)		39.86	39.51
(2) Diluted (in ₹)		39.48	39.51
Notes Including significant accounting policies	1-25		

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

In terms of our report of even date annexed

For BRAHMAYYA & CO.

For and on behalf of the Board of Directors

Chartered Accountants
ICAI Registration No. 000511S

K.J. JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

P. BABU
Partner
Membership No. 203358

M.D. RAVIKANTH
Chief Financial Officer &
Secretary

V.A. GEORGE
Managing Director
DIN 01493737

Place : Chennai
Date : 18th June, 2020

THEJO ENGINEERING LIMITED
Cash Flow Statement for the year ended 31st March, 2020

Particulars	₹ in lakhs	
	Year Ended 31-03-2020	Year Ended 31-03-2019
Cash flow from Operating Activities		
Profit before tax as per Statement of Profit and Loss	1,875.82	1,915.64
Adjustment for:		
Depreciation	456.48	444.12
Employee Stock Option Expense	52.90	11.75
Loss/(Profit) on sale of asset	(3.16)	(8.65)
Interest Paid	339.13	396.80
Unrealized foreign exchange (gain)/loss (net)	16.84	(8.14)
Interest Received	(47.10)	(52.04)
Operating Profit before working capital changes	2,690.91	2,699.48
Adjustment for:		
Trade and Other Receivables	(1,124.48)	121.35
Inventories	(330.47)	(545.35)
Trade Payables and Other Liabilities	945.26	99.46
Cash Generated from Operations	2,181.22	2,374.94
Direct Taxes Paid	(619.52)	(530.88)
Net Cash from Operating Activities (A)	1,561.70	1,844.06
Cash flow from Investing Activities		
Purchase of Fixed Assets	(391.04)	(431.61)
Sale of assets	3.96	21.36
Investments disposed	-	0.50
Investments made	-	(171.98)
Repayment of loans / advances by subsidiaries	148.47	81.69
Interest Received	49.89	45.16
Net cash used in Investing Activities (B)	(188.72)	(454.88)
Cash Flow from Financing Activities		
Increase in Share Capital/Premium on account of issue of shares	35.98	5.23
Increase/(Decrease) in short-term credit facilities/borrowings	(532.67)	179.50
Term Loan availed	9.00	60.56
Repayments of Term Loan	(162.81)	(560.33)
Interest paid	(340.83)	(401.18)
Dividend (including Dividend Distribution Tax) Paid	(207.64)	(165.57)
Net Cash from/(used in) Financing Activities (C)	(1,198.97)	(881.79)
Exchange Difference on translation of cash and cash equivalents (D)	(25.70)	(11.83)
Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	148.31	495.56
Opening Cash & Cash Equivalents	1,125.89	630.33
Closing Cash & Cash Equivalents	1,274.20	1,125.89

Note: Closing Cash and Cash Equivalents includes ₹ 508.14 lakhs (Previous Year: ₹ 373.63 lakhs) in Fixed Deposits with Banks held as Margin Money for BG & LC/Security

In terms of our report of even date annexed

For BRAHMAYYA & CO.

Chartered Accountants

ICAI Registration No. 000511S

P. BABU

Partner

Membership No. 203358

Place : Chennai

Date : 18th June, 2020

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

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2020

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, 600014. 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 in the ratio of 1:1 and the paid-up capital of the Company further increased to ₹ 343.36 lakhs. The Company shifted its Registered Office to VDS House, 41, Cathedral Road, Chennai 600086 with effect from 28th May, 2018 vide a resolution passed by the Board of Directors at their meeting held on that date.

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 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.

Notes forming part of the Financial Statements for the year ended 31st March, 2020**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, future obligations under employee retirement benefit plans, provisions for doubtful debts, income-tax, post-sales customer support and the useful lives of fixed tangible 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 Fixed AssetsTangible 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 DepreciationTangible 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 to 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/advice. 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.

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2020

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.

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 all other duties and taxes charged.

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 Statement of Profit and Loss, for the year.

Notes forming part of the Financial Statements for the year ended 31st March, 2020

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 obtained from independent actuary.

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 Statement of Profit and Loss. 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. 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.

THEJO ENGINEERING LIMITED

 Notes forming part of the Financial Statements as at 31st March, 2020

Note 3
Share capital

Particulars	As at 31-03-2020		As at 31-03-2019	
	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	34,60,352	346.04	34,36,952	343.70
Subscribed & Paid up				
Equity Shares of ₹ 10/- each	34,60,352	346.04	34,36,952	343.70
(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>34,60,352</u>	<u>346.04</u>	<u>34,36,952</u>	<u>343.70</u>

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

Particulars	As at 31-03-2020		As at 31-03-2019	
	Number	Amount ₹ in Lakhs	Number	Amount ₹ in Lakhs
Shares outstanding at the beginning of the year	34,36,952	343.70	34,33,552	343.36
Shares Issued during the year	23,400	2.34	3,400	0.34
Shares outstanding at the end of the year	<u>34,60,352</u>	<u>346.04</u>	<u>34,36,952</u>	<u>343.70</u>

3.2 Shares in the Company held by each shareholder holding more than 5 percent shares as on 31/3/2020

Name of the Shareholder	As at 31-03-2020		As at 31-03-2019	
	Number	Percentage	Number	Percentage
Girish Gulati HUF	2,73,800	7.91%	2,65,200	7.72%
SIDBI Venture Capital Ltd. A/c India Opportunities Fund	2,63,672	7.62%	3,16,672	9.21%
Mr. K.J. Joseph	2,49,400	7.21%	2,49,400	7.26%
Mr. Thomas John	2,16,868	6.27%	2,16,868	6.31%
Mrs. Celinamma John	2,16,866	6.27%	2,16,866	6.31%
Mr. Rajesh John	2,16,866	6.27%	2,16,866	6.31%
Mrs. Rosamma Joseph	1,80,320	5.21%	1,80,320	5.25%

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Note 4		
Reserves and surplus		
a. Securities Premium Account		
Opening Balance	1,851.95	1,845.32
Add: Share premium of shares issued under ESOP	45.63	6.63
Closing Balance	1,897.58	1,851.95
b. Share Option Outstanding Account		
Opening Balance	62.75	52.74
(+) Employee Compensation Cost for the year	52.90	11.75
(-) Capitalized on Exercise of Options	11.98	1.74
Closing Balance	103.67	62.75
c. Surplus (Balance in Statement of Profit and Loss)		
Opening balance	6479.68	5288.11
(+) Net Profit/(Net Loss) For the current year	1374.29	1357.14
(-) Dividend Distributed	172.24	137.34
(-) Dividend Distribution Tax	35.40	28.23
(-) Transfer to General Reserve	0.00	0.00
Closing Balance	7646.33	6479.68
d. Others		
i) General Reserve		
Opening Balance	627.71	627.71
(+) Transfer from Surplus	0.00	0.00
Closing Balance	627.71	627.71
Total	10,275.29	9,022.09

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Note 5		
Long Term Borrowings		
Secured		
Term loans		
From Banks	118.89	242.31

Limit/Liability, Terms of Repayment & Security
State Bank of India

Date of Sanction: 28.07.2017 Ref No. RM1/62

Sanctioned Limit - ₹ 200 Lakhs

Purpose: Acquisition of Capital Assets

Period of Repayment - 48 months with Principal moratorium of 5 months from date of Sanction

Amount of Instalment: ₹ 4.20 Lakhs + Interest

Security:

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

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

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

Liability (Incl interest not due) - ₹ 22.98 Lakhs (₹ 82.37 Lakhs)

Repayable within one year - ₹ 22.98 Lakhs (₹ 51.33 Lakhs)

Overdues/Defaults - Nil (Nil)

Axis Bank Limited

Date of Sanction: 16.03.2016 Ref No. AXISB/SME/S/MEG/CHN/15-16/65

Sanctioned Limit: ₹ 300 Lakhs

Purpose: Acquisition of Capital Assets

Period of Repayment : 60 monthly instalments of ₹ 5.00 lakh commencing from 6 months of first drawdown. Interest to be paid as and when debited.

Amount of Instalment - ₹ 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 & SIB over immovable properties under Equitable Mortgage.

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

Liability (Incl interest not due) - ₹ 95.91 Lakhs (₹ 159.94 Lakhs)

Repayable within one year - ₹ 61.05 Lakhs (₹ 65.09 Lakhs)

Overdues/Defaults - Nil (Nil)

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
From Others		
Financial Institutions	54.96	89.06
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 - ₹ 2.42 Lakhs per month for loan outstanding		
Security:		
Hypothecation of Vehicle purchased under the loan		
Personal guarantee of Mr. Thomas John		
Liability (Incl interest not due) - ₹ 28.54 Lakhs (₹ 48.46 Lakhs)		
Repayable within one year - ₹ 24.40 Lakhs (₹ 27.15 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Toyota Finance Australia Ltd		
Date of Sanction: November 2016 & October 2017		
Sanctioned Limit: AUD 127176 (Equi ₹ 64.26 Lakhs)		
Purpose: Acquisition of Vehicles		
Period of Repayment : 60 Equated Monthly Instalments (including interest) from date of the loan		
Amount of Instalment - AUD 2393 (₹ 1.21 Lakhs per month)		
Security:		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 26.42 Lakhs (₹ 40.60 Lakhs)		
Repayable within one year - ₹ 12.18 Lakhs (₹ 12.38 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Less: Current Maturities (incl interest accrued but not due)		
Banks	(84.03)	(116.42)
Financial Institutions	(36.58)	(39.53)
Total	<u>53.24</u>	<u>175.42</u>
Note 6		
Short Term Borrowings		
Secured		
Loans repayable on demand		
From Banks	1,458.97	1,991.65
The Company was sanctioned Working capital facilities by consortium of bankers namely, State Bank of India, Axis Bank Limited and The South Indian Bank Limited.		
Limit/Liability, Terms of Repayment & Security		
State Bank of India		
Date of Sanction: 31.12.2019 Ref No. RM II/2019-20/410		
Limit: Cash Credit of ₹ 1,675 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:		

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
First Charge on all the current assets on pari-passu basis with Axis Bank Limited and The South Indian Bank Limited		
EM of immovable properties belonging to the Company. (First charge on pari passu basis with Axis Bank Limited and The South Indian Bank Limited).		
Extension of Second Hypothecation Charge on pari passu basis over fixed assets purchased out of term loan from Axis Bank Limited.		
Extension of First Hypothecation Charge on pari passu basis over Company's fixed assets (other than those on exclusive charge for the Term Loans).		
Lien over fixed deposit of ₹ 1.72 crore on pari-passu basis with Axis Bank Limited and The South Indian Bank Limited		
Personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		
Rate of Interest - 2.00% above One Year MCLR		
Margin - Cash credit - 25-35%		
LC and BG - 15%		
Liability - ₹ 436.83 Lakhs (₹ 501.37 Lakhs)		
Overdues/Defaults: Nil (Nil)		
Axis Bank Limited		
Date of Sanction: 26.03.2020 Ref No. AXISB/CBG/ANNASALAI/MEG/2019-20/33		
Limit: Cash Credit of ₹ 1,262.50 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 and Mr. Rajesh John		
Rate of Interest - 1.90% above 3 Month MCLR		
Margin - Cash credit - 25%		
LC and BG - 15%		
Liability - ₹ 532.69 Lakhs (₹ 652.89 Lakhs)		
Overdues/Defaults: Nil (Nil)		
The South Indian Bank Limited		
Date of Sanction: 04.04.2019 Ref No. /2019-20		
Limit: Cash Credit of ₹ 1,320.00 Lakhs +Stand by CC ₹ 112.00 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 and Mr. Rajesh John		
Rate of Interest - 1.10% above One Year MCLR		
Margin - Cash credit - 25-35%		
LC and BG - 15%		
Liability - ₹ 489.45 Lakhs (₹ 837.39 Lakhs)		
Overdues/Defaults: Nil (Nil)		
Total	<u>1,458.97</u>	<u>1,991.65</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Note 7		
Trade payables		
Trade payables:		
Acceptances	319.10	350.33
Other than Acceptances	1,708.37	1,528.46
(Payables to micro and small enterprises - Nil (PY: Nil))		
Total	<u><u>2,027.47</u></u>	<u><u>1,878.79</u></u>
Note 8		
Other Current Liabilities		
Current Maturities on Long Term Debt (Refer Note 5 for details of security extended)	119.45	153.09
Interest accrued but not due on Term Loan	1.15	2.86
Other payables		
Salary and Other Employee Benefits	984.10	845.84
Statutory Dues	579.78	556.81
Others	167.16	20.82
Outstanding Liabilities	747.43	357.30
Total	<u><u>2,599.07</u></u>	<u><u>1,936.72</u></u>
Note 9		
Short Term Provisions		
(a) Provision for employee benefits		
Provision for Leave Encashment	199.09	149.73
Gratuity Liability (Net)	138.66	87.30
(b) Others		
Direct Taxes (Net)	133.38	213.42
Total	<u><u>471.13</u></u>	<u><u>450.45</u></u>



THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements as at 31st March, 2020

Note 10 PROPERTY, PLANT AND EQUIPMENT

NATURE OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2019 ₹ in Lakhs	Addition for the year ₹ in Lakhs	Deduction ₹ in Lakhs	As at 31.03.2020 ₹ in Lakhs	Useful Life in years	Upto 31.03.2019 ₹ in Lakhs	Addition ₹ in Lakhs	Deduction ₹ in Lakhs	Upto 31.03.2020 ₹ in Lakhs	As at 31.03.2020 ₹ in Lakhs	As at 31.03.2019 ₹ in Lakhs
TANGIBLE ASSETS											
Land	65.72	0.00	0.00	65.72	NA	0.00	0.00	0.00	0.00	65.72	65.72
Factory Building	1,457.17	0.00	0.00	1,457.17	30	543.49	86.87	0.00	630.36	826.81	913.68
Office Building	39.72	0.00	0.00	39.72	30	27.60	1.83	0.00	29.43	10.29	12.12
Plant & Machinery	2,578.14	201.89	0.00	2,780.03	1-15	1,830.68	175.89	0.00	2,006.57	773.46	747.46
Boiler	71.13	5.49	0.00	76.62	15	56.41	2.97	0.00	59.38	17.24	14.72
Dyes & Moulds	392.46	87.48	0.00	479.94	15	176.88	44.35	0.00	221.23	258.71	215.58
Vehicle Four Wheelers	522.20	56.24	13.74	564.70	8	356.66	56.85	13.13	400.38	164.32	165.54
Vehicle Two Wheelers	41.47	3.35	0.00	44.82	10	30.75	2.86	0.00	33.61	11.21	10.72
Office Equipments	66.89	7.40	0.00	74.29	2-5	51.20	7.71	0.00	58.91	15.38	15.69
Electrical Fittings	219.08	3.14	3.34	218.88	10	175.15	10.52	3.16	182.51	36.37	43.93
Furniture & Fittings	320.30	1.68	0.00	321.98	10	206.75	28.94	0.00	235.69	86.29	113.55
Computer	204.07	14.50	0.00	218.57	3	172.13	19.53	0.00	191.66	26.91	31.94
Computer Server	7.97	0.00	0.00	7.97	6	7.43	0.14	0.00	7.57	0.40	0.54
Generator	43.18	0.00	0.00	43.18	10	38.52	0.98	0.00	39.50	3.68	4.66
Total Tangible Assets (Current Year)	6,029.50	381.17	17.08	6,393.59		3,673.65	439.44	16.29	4,096.80	2,296.79	2,355.85
Total Tangible Assets (Previous Year)	5,556.76	516.78	44.04	6,029.50		3,272.73	432.25	31.33	3,673.65	2,355.85	2,284.05
INTANGIBLE ASSETS											
Technical Knowhow	1.75	0.00	0.00	1.75		1.75	0.00	0.00	1.75	0.00	0.00
Computer Software	123.53	18.22	0.00	141.75		101.81	17.04	0.00	118.85	22.90	21.72
Total Intangible Assets (Current Year)	125.28	18.22	0.00	143.50		103.56	17.04	0.00	120.60	22.90	21.72
Total Intangible Assets (Previous Year)	106.44	18.84	0.00	125.28		91.69	11.87	0.00	103.56	21.72	14.75
CAPITAL WORK IN PROGRESS											
Assets Under Construction	22.61	13.86	22.21	14.26	NA	0.00	0.00	0.00	0.00	14.26	22.61
Total Capital Work In Progress (Current Year)	22.61	13.86	22.21	14.26		0.00	0.00	0.00	0.00	14.26	22.61
Total Capital Work In Progress (Previous Year)	126.62	4.16	108.17	22.61		0.00	0.00	0.00	0.00	22.61	126.62
GRAND TOTAL	6,177.39	413.25	39.29	6,551.35		3,777.21	456.48	16.29	4,217.40	2,333.95	2,400.18
PREVIOUS YEAR	5,789.82	539.78	152.21	6,177.39		3,364.42	444.12	31.33	3,777.21	2,400.18	2,425.43

Notes forming part of the Financial Statements as at 31st March, 2020

Note 11

NON-CURRENT INVESTMENTS

Particulars	As at	As at
	31-03-20	31-03-19
A Trade Investments (Unquoted)		
Investments in Equity Instruments	2,126.05	2,126.05
Total	2,126.05	2,126.05

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 31/03/20	As at 31/03/19			As at 31/03/20	As at 31/03/19	As at 31/03/20	As at 31/03/19	
(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	5,01,406	5,01,406	Unquoted	Fully Paid	99.99%	99.99%	98.62	98.62	Yes
4	Thejo Engineering LatinoAmerica SpA	Subsidiary	509	509	Unquoted	Fully Paid	99.80%	99.80%	491.26	491.26	Yes
	Total								2,126.05	2,126.05	

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Note 12		
Long Term Loans and Advances		
a. EMD and Security Deposits		
Unsecured, considered good	196.09	237.66
b. Other Deposits		
Unsecured, considered good		
Rental Deposit	156.37	130.98
Deposit with Government Agencies	6.75	6.00
Others	92.57	64.62
c. Long Term Loans & Advances to related parties		
Unsecured, considered good		
Thejo Hatcon Industrial Services Company	0.00	19.39
Total	451.78	458.65
Note 13		
Inventories (As certified by Management)		
a. Raw Materials and components	1,129.37	991.19
b. Work-in-progress	371.05	308.01
c. Finished goods	918.39	774.02
d. Stock-in-Trade	78.46	111.84
e. Stock in Transit	43.58	25.32
Total	2,540.85	2,210.38
Note 14		
Trade Receivables		
Unsecured, considered good		
Outstanding for more than six months from the date they are due	937.93	1076.33
Others	6,381.87	4,972.49
Less: Provision for Doubtful Debts	63.50	0.00
Total	7,256.30	6,048.82

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Note 15		
Cash and Cash Equivalents		
a. Balances with banks		
(i) In Current Accounts	625.58	484.41
(ii) In Deposit Accounts (₹ 508.14 lakhs (PY ₹ 373.63 lakhs) Held as Margin Money for BG & LC/security. Deposits maturing after 12 months - ₹ 25.25 lakhs (PY ₹ 49.98 lakhs))	626.85	616.64
b. Cheques, drafts on hand	0.00	8.29
c. Cash on hand	21.77	16.55
Total	<u>1,274.20</u>	<u>1,125.89</u>
Note 16		
Short-term loans and advances		
Others (unsecured, considered good)		
EMD & Security deposits	375.97	442.01
Advance to Suppliers	220.08	205.98
Advance and Current Maturities on Loan to Related Party (Thejo Hatcon Industrial Services Company)	76.38	235.15
Indirect taxes Asset (input tax credit, TDS, etc)	315.00	341.90
Prepaid expenses	104.68	95.61
Staff advance	40.75	28.08
Others	25.11	27.97
Total	<u>1,157.97</u>	<u>1,376.70</u>

THEJO ENGINEERING LIMITED

 Notes forming part of the Financial Statements for the year ended 31st March, 2020

Particulars	₹ in Lakhs	
	Year ended 31-03-2020	Year ended 31-03-2019
Note 17		
Revenue from operations		
Sale of Products	10,170.51	9,808.82
Sale of Services & Works Contract	9,876.55	9,116.57
Other Operating Income	122.10	107.45
Total	<u>20,169.16</u>	<u>19,032.84</u>
Note 18		
Other income		
Interest	47.10	52.04
Difference in foreign exchange (gain)	41.74	65.36
Miscellaneous Income	1.14	2.25
Profit on sale of assets	3.16	8.65
Total	<u>93.14</u>	<u>128.30</u>
Note 19		
Cost of materials consumed		
Opening Stock of Raw Materials	991.19	860.00
Add: Purchases made during the year	3,936.33	3,700.98
	<u>4,927.52</u>	<u>4,560.98</u>
Less: Closing Stock of Raw Materials	1,129.37	991.19
	<u>3,798.15</u>	<u>3,569.79</u>
Add: Consumables	399.53	388.21
Total	<u>4,197.68</u>	<u>3,958.00</u>
Purchase of Traded Goods	93.02	633.84

THEJO ENGINEERING LIMITED

 Notes forming part of the Financial Statements for the year ended 31st March, 2020

Particulars	₹ in Lakhs	
	Year ended 31-03-2020	Year ended 31-03-2019
Note 20		
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock :		
Work-in-Progress	308.01	207.57
Finished Goods	774.02	493.40
Stock-in-Trade	111.84	49.73
Stock in Transit	25.32	54.33
	<u>1,219.19</u>	<u>805.03</u>
Closing Stock :		
Work-in-Progress	371.05	308.01
Finished Goods	918.39	774.02
Stock-in-Trade	78.46	111.84
Stock in Transit	43.58	25.32
	<u>1,411.48</u>	<u>1,219.19</u>
Total	<u>(192.29)</u>	<u>(414.16)</u>
Note 21		
Employee Benefits Expense		
(a) Salaries and incentives	5,620.90	5,279.54
(b) Contributions to PF, Superannuation, Gratuity & ESI	732.96	655.51
(c) Staff welfare expenses	808.89	771.71
(d) LTA, Ex-gratia, & Leave Encashment	229.37	178.43
(e) Employee Stock Option Expense	52.90	11.75
Total	<u>7,445.02</u>	<u>6,896.94</u>
Note 22		
Finance costs		
Interest	243.14	315.27
Other finance costs	95.99	81.53
Total	<u>339.13</u>	<u>396.80</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2020

Particulars	₹ in Lakhs	
	Year ended 31-03-2020	Year ended 31-03-2019
Note 23		
Other expenses		
A. Manufacturing & Other Direct Expenses		
Power and fuel	326.16	308.38
Machinery Maintenance & Leasing	150.36	129.87
Factory Maintenance	41.04	31.11
Electrical maintenance	8.47	12.88
Testing charges	5.50	3.32
Dyes & Moulding charges	85.89	52.29
Cartage, Coolie & Freight charges	397.77	384.55
Packing materials & charges	214.50	220.73
Service & Labour charges	2,733.73	2,129.88
Total Manufacturing & Other Direct Expenses	<u>3,963.42</u>	<u>3,273.01</u>
B. Administrative & Selling Expenses		
Professional Service Charges	245.43	166.95
Rent	244.50	244.78
Repairs & Maintenance	78.84	88.02
Travelling, Conveyance & Vehicle hire charges	525.16	451.27
Foreign Travel expenses	76.83	46.60
Vehicle Maintenance	153.57	182.28
Telephone, Telex & Postage	53.82	52.99
Printing & Stationery	32.81	34.04
Office Maintenance	51.14	61.15
Books & Periodicals	3.65	3.85
Computer Maintenance	34.35	16.42
Seminar & Conference	24.22	16.58
Electricity	22.26	21.37
Legal Fee & Charges	4.51	6.44
Donation	8.84	10.53
Recruitment, Training & Development	25.73	2.08

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2020

Particulars	₹ in Lakhs	
	Year ended 31-03-2020	Year ended 31-03-2019
ECGC Premium	2.55	3.23
CSR Expenses	27.00	19.50
Insurance	38.03	33.34
Rates and taxes	33.88	31.07
Directors Sitting Fees	31.25	33.00
Commission	23.12	17.71
Advertisement	4.76	3.90
Sales Promotion Expenses	11.05	19.04
Freight on Exports	117.66	70.63
Loading & Unloading charges	19.70	15.52
Late Delivery Charges	31.89	17.96
Bad Debts	90.23	292.17
Payments to the Auditors		
a. Statutory Audit	12.50	8.50
b. Tax Audit	2.00	1.50
c. For certification & other services	8.95	6.00
Miscellaneous expenses	0.10	2.15
Total Administration & Selling Expenses	2,040.33	1,980.57
Sales Tax, Service Tax, & Other Indirect Tax Expenses	43.69	76.38
Total	<u>6,047.44</u>	<u>5,329.96</u>

THEJO ENGINEERING LIMITED

 Notes forming part of the Financial Statements for the year ended 31st March, 2020

Note 24 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS
Note 24.1 Contingent Liabilities (to the extent not provided for)

Particulars	₹ in lakhs	
	2019-20	2018-19
24.1.1 Claims against the Company not acknowledged as debts	0.00	0.00
24.1.2 Guarantees issued by the Banks	1,586.00	911.16
24.1.3 Stand-by Letter of Credit issued by bank (for loan availed by Thejo Australia Pty Ltd)	1,526.53	1,091.00
	<u>3,112.53</u>	<u>2,002.16</u>

24.1.4 Others

₹ in lakhs

Name of Statute	Amount of Dispute (31/3/20)	Amount of Dispute (31/3/19)	Amount Deposited (31/3/20)	Period to which it relates	Forum where dispute is pending
Commercial Taxes	59.85	97.89	4.95	Various	Various
Customs	12.50	12.50	0.00	2001	Commissioner of Customs
Service Tax	0.00	11.15	0.00	2012-15	Commissioner of Service tax
Income-tax	104.91	69.31	37.03	Various	Various
Total	177.26	190.85	41.98		

24.1.5 Commitments

Estimated amount of contracts remaining to be executed on capital account: ₹ 23.00 lakhs (Previous Year - ₹ 25.65 lakhs)

Particulars	₹ in lakhs	
	2019-20	2018-19

Note. 24.2 Foreign currency transactions
24.2.1 Payments in foreign currency towards Imports
Imports at CIF Value

Raw Materials and Traded goods	747.30	690.02
Capital goods	16.01	0.14
Total	<u>763.31</u>	<u>690.16</u>

24.2.2 Payments in foreign currency towards Expenditure
Expenditure in Foreign currency

Professional and consultation fees	15.73	9.81
Seminar, Training & Development	34.85	8.63
Foreign Tour	7.82	6.06
Salaries & Incentives of Perth Branch	398.63	335.40
Other Expenditure of Perth Branch	314.49	268.14
Others	17.94	4.95
Total	<u>789.46</u>	<u>632.99</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2020

Particulars	₹ in lakhs	
	2019-20	2018-19
24.2.3 Earnings in foreign currency on Accrual basis		
Earnings in foreign exchange		
Exports – Products	3,774.04	3,225.54
Exports – Services	0.00	0.33
Total	<u>3,774.04</u>	<u>3,225.87</u>
24.2.4 Net Gain or Loss on Foreign Currency Translation		
Profit/(Loss) on Foreign Currency Translation	41.74	65.36

Note. 24.3 Employee Benefits

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

24.3.1 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 Statement of Profit and Loss for the year.

24.3.2 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	2019-20	2018-19
Discount Rate	6.61%	7.55%
Salary Escalation	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Expected return on plan assets	8.00%	8.00%

Particulars	₹ in Lakhs	
	As at 31 st March 2020	As at 31 st March 2019
Table Showing Changes In Present Value Of Obligations		
Present value of obligations at the beginning of the year	588.90	435.29
Interest Cost	43.43	32.73
Current Service Cost/Past Service Cost(Vested)	57.57	44.89
Benefits Paid	(27.29)	(19.30)
Actuarial (Gain) / Loss on obligations	134.32	95.29
Present value of obligations as at end of the year	<u>796.93</u>	<u>588.90</u>
Table Showing Changes In Fair Value Of Plan Assets		
Fair value of plan assets at the beginning of the year	501.59	382.03
Expected return on plan assets	44.75	33.99
Contributions	142.72	105.06
Benefits Paid	(27.29)	(19.30)
Actuarial Gain / (Loss) on plan assets	(3.50)	(0.19)
Fair value of plan assets at the end of the year	<u>658.27</u>	<u>501.59</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
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Table Showing Fair Value Of Plan Assets

Fair value of plan assets at the beginning of the year	501.59	382.03
Actual return on plan assets	41.25	33.80
Contributions	142.72	105.06
Benefits Paid	(27.29)	(19.30)
Fair value of plan assets at the end of the year	658.27	501.59
Funded Status	(138.66)	(87.31)
Excess of Actual over Estimated return on plan assets	(3.50)	(0.19)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
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Actuarial Gain / Loss Recognized

Actuarial gain / (loss) on obligations	(134.32)	(95.29)
Actuarial gain / (loss) for the year – plan assets	(3.50)	(0.19)
Total gain / (loss) for the year	(137.82)	(95.48)
Actuarial gain / (loss) recognized in the year	(137.82)	(95.48)

Particulars	As at 31 st March 2020	As at 31 st March 2019
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Amounts To Be Recognized In Balance Sheet & Statement of Profit and Loss

Present value of obligations as at the end of the year	796.93	588.90
Fair value of plan assets as at the end of the year	658.27	501.59
Funded Status	(138.66)	(87.31)
Net asset / (liability) recognized in balance sheet	(138.66)	(87.31)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
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Expenses Recognized In Statement of Profit and Loss

Current Service Cost/Past Service Cost(Vested)	57.57	44.89
Interest Cost	43.43	32.73
Expected return on plan assets	(44.75)	(33.99)
Net Actuarial (gain) / loss recognized in the year	137.82	95.48
Expenses recognized in profit and loss statement	194.07	139.11

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

THEJO ENGINEERING LIMITED

 Notes forming part of the Financial Statements for the year ended 31st March, 2020

Note 24.4 Segment Reporting
24.4.1 Primary Segment Information (Business Segment)

₹ in Lakhs

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others			
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Segment Revenue	10,304.14	10,924.07	11,402.63	10,253.57	1,528.77	1,632.47	23,235.54	22,810.11
Less: Inter segment Revenue	3,033.20	3,741.83	33.18	35.44	0.00	0.00	3,066.38	3,777.27
Total Revenue	7,270.94	7,182.24	11,369.45	10,218.13	1,528.77	1,632.47	20,169.16	19,032.84
Segment Results	1,957.97	2,660.79	1,759.64	1,205.66	145.11	(88.81)	3,862.72	3,777.64
Less : Finance Cost							339.13	396.80
Un allocable Expenses (net of income)							1,647.77	1,465.20
Total Profit Before Tax							1,875.82	1,915.64
Tax Expenses							501.53	558.50
Profit after Tax							1,374.29	1,357.14
Segment Assets	6,983.12	6,446.69	6,399.37	5,374.84	844.91	443.55	14,227.40	12,265.08
Segment Liabilities	1,809.37	1,623.37	1,699.20	1,316.81	217.85	61.54	3,726.42	3,001.72
Capital Employed	5,173.75	4,823.32	4,700.17	4,058.03	627.06	382.01	10,500.98	9,263.36
Un allocated Capital Employed							120.35	102.43
Total Capital Employed							10,621.33	9,365.79

24.4.2 Secondary Segment (Geographic Segment):

₹ in Lakhs

Particulars	India		Outside India		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue from external customers	16,395.12	15,806.96	3,774.04	3,225.88	20,169.16	19,032.84
Carrying amount of Segment Assets	12,026.64	10,332.19	2,200.76	1,932.89	14,227.40	12,265.08
Cost incurred to acquire tangible and intangible fixed assets	381.65	265.17	0.68	4.40	382.33	269.57

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2020
Note 24.5 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	Promoter/Key Management Personnel
Mr. Thomas John	Promoter/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

Related Party Transaction Details:
₹ in Lakhs

Related Party	Nature of Payment	Current Year Transaction	Outstanding as on 31st March, 2020
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	0.00	98.62
Thejo Engineering LatinoAmerica SpA	Share Capital	0.00	491.26
Thejo Hatcon Industrial Services Company	Loan	(83.52)	0.00
Thejo Hatcon Industrial Services Company	Interest on Loan	3.27	0.00
Thejo Hatcon Industrial Services Company	Advance	(64.95)	49.20
Thejo Hatcon Industrial Services Company	Purchase & Sales	195.90	74.90
Thejo Australia Pty Ltd	Purchase & Sales	610.93	107.55
Thejo Brasil Comercio E Servicos Ltda	Purchase & Sales	39.64	83.80
Thejo Engineering LatinoAmerica SpA	Purchase & Sales	476.38	773.01
Thejo Australia Pty Ltd	Expense Reimbursement	121.47	(6.78)
Mr. K.J. Joseph	Sitting Fee	1.75	0.00
Mr. Thomas John	Sitting Fee	3.50	0.00
Mr. V.A. George	Remuneration	84.00	(2.76)
Mr. Manoj Joseph	Remuneration	51.26	(1.88)
Mr. Rajesh John	Remuneration	44.59	(1.30)
Mr. M.D. Ravikanth	Remuneration	32.83	(0.79)
Mr. Manesh Joseph	Remuneration	31.99	(0.86)
Mrs. Rosamma Joseph	Remuneration	12.09	(0.86)
Mrs. Celinamma John	Remuneration	11.95	(0.98)

Note: Remuneration excludes retirement benefits

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

Related Party	Nature of Payment	Previous Year Transaction	Outstanding as on 31 st March, 2019
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	22.37	98.62
Thejo Engineering LatinoAmerica SpA	Share Capital	149.60	491.26
Thejo Hatcon Industrial Services Company	Loan	(73.42)	83.52
Thejo Hatcon Industrial Services Company	Interest on Loan	13.98	2.60
Thejo Hatcon Industrial Services Company	Advance	0.00	114.15
Thejo Hatcon Industrial Services Company	Purchase & Sales	228.21	71.43
Thejo Australia Pty Ltd	Purchase & Sales	507.89	381.03
Thejo Brasil Comercio E Servicos Ltda	Purchase & Sales	42.30	73.48
Thejo Engineering LatinoAmerica SpA	Purchase & Sales	331.63	587.07
Thejo Australia Pty Ltd	Expense Reimbursement	53.93	5.25
Mr. K.J. Joseph	Sitting Fee	3.50	0.00
Mr. Thomas John	Sitting Fee	3.50	0.00
Mr. V.A. George	Remuneration	90.00	(5.21)
Mr. Manoj Joseph	Remuneration	37.02	(2.06)
Mr. Rajesh John	Remuneration	27.27	(1.70)
Mr. M.D. Ravikanth	Remuneration	34.44	(0.20)
Mr. Manesh Joseph	Remuneration	29.66	(0.13)
Mrs. Rosamma Joseph	Remuneration	12.09	(0.87)
Mrs. Celinamma John	Remuneration	11.95	(0.99)

Note: Remuneration excludes retirement benefits

Note 24.6 Calculation of Deferred Tax

₹ in Lakhs

Particulars	DTA	DTL	DTA	DTL
	31 st March, 2020		31 st March, 2019	
Opening Balance	52.15	0.00	39.75	0.00
Timing Difference in Depreciation	17.44	0.00	7.06	0.00
Profit on sale of asset	0.00	0.80	0.00	2.52
Timing Difference on provision for leave encashment	12.42	0.00	2.30	0.00
Timing Difference on provision for doubtful debts	15.98	0.00	0.00	0.00
Previous deferred tax reversed on account of tax rate changes / others	(7.08)	0.00	5.56	0.00
Total	90.91	0.80	54.67	2.52
Net Deferred Tax Liability / (Asset)	90.11	0.00	52.15	0.00

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2020

Note 24.7 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.

Note 24.8 Particulars of Stock
₹ in Lakhs

Items	2019-20	2018-19
Purchase of Goods (including Trading)		
Rubber Items	1,374.82	2,162.77
Others	3,054.06	2,560.26
Total	4,428.88	4,723.03

Raw Materials Consumed (including Trading)

Rubber Items	1,410.31	2,089.28
Others	2,913.77	2,440.45
Total	4,324.08	4,529.73

Stock Particulars Raw Materials, WIP & Finished Goods (including Trading)
Opening Stock

Rubber Items	1,333.37	860.81
Others	851.69	749.89
Total	2,185.06	1,610.70

Closing Stock

Rubber Items	1,462.44	1,333.37
Others	1,034.83	851.69
Total	2,497.27	2,185.06

Value of Raw Materials, Spare Parts and Components consumed
Value – ₹ in Lakhs

Items	2019-20		2018-19	
	% of Consumption	Value	% of Consumption	Value
Imported	15.88%	686.88	13.55%	613.41
Indigenous	84.12%	3,637.20	86.45%	3,916.32
Total		4,324.08		4,529.73

₹ in Lakhs

Items	2019-20	2018-19
Income from services		
Maintenance & Repair Services	7,175.87	7,359.22
Manpower Supply Services	2,347.92	1,676.78
Others	352.76	80.57
Total	9,876.55	9,116.57

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2020

	₹ in Lakhs	
Items	2019-20	2018-19
Stock Particulars Work In Progress		
Opening Stock		
Rubber Items	228.13	185.40
Others	79.88	22.17
Total	308.01	207.57
Closing Stock		
Rubber Items	303.55	228.13
Others	67.50	79.88
Total	371.05	308.01

Note 24.9 Earnings Per Share

Particulars	2019-20	2018-19
Basic:		
Net Profit after Tax (₹ in Lakhs)	1,374.29	1,357.14
Weighted Average Number of Equity Shares during the year (Nos.)	34,47,635	34,34,627
Earnings per Share (FV of ₹ 10/- each fully paid up) (₹)	39.86	39.51
Diluted:		
Net Profit after Tax (₹ in Lakhs)	1,374.29	1,357.14
Weighted Average Number of Equity Shares during the year (Nos.)	34,81,418	34,34,627
Earnings per Share (FV of ₹ 10/- each fully paid up) (₹)	39.48	39.51

Note 24.10 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 authorised 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 / Nomination and Remuneration 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

Notes forming part of the Financial Statements for the year ended 31st March, 2020

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 ₹ 100.93 lakhs, which is ₹ 48.03 lakhs higher than the expense under Intrinsic Value Method of ₹ 52.90 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 ₹ 1,326.26 lakhs, ₹ 38.47/- and ₹ 38.21/- respectively (as against ₹ 1,374.29 lakhs, ₹ 39.86/- and ₹ 39.48/- under intrinsic value method).
Option Movement during the year	<p>Number of Options at the beginning of the period – 1,32,467</p> <p>Number of Options Granted during the year – 79,848</p> <p>Number of Options forfeited/lapsed during the year – Nil</p> <p>Number of Options vested during the year – 37,742</p> <p>Number of Options exercised during the year – 23,400</p> <p>Number of Shares arising as a result of exercise of options – 23,400</p> <p>Money Realized by exercise of Option – ₹ 35.98 lakhs</p> <p>Loan Repaid by the Trust from exercise price received – NA</p> <p>Number of Options outstanding at the end of the year – 1,88,915</p> <p>Number of Options exercisable at the end of the year – 90,201</p>
Weighted Average Exercise Price	₹ 267.55/- per share
Weighted Average Fair Value / Option	₹ 164.85/-
Details of Options Granted to specified employees during the year	<p>(A) Senior Managerial Personnel:</p> <p>Employee – Designation – Options Granted – Exercise Price</p> <p>Mr. M.D. Ravikanth – CFO & Secretary – 4,392 – ₹ 423/-</p> <p>Mr. S. Premjit – VP (Services) – 3,600 – ₹ 423/-</p> <p>Mr. Thomas K Abraham – VP (HR & Admin) – 3,600 – ₹ 423/-</p> <p>Mr. S. Satish – VP (Manufacturing) – 3,384 – ₹ 423/-</p> <p>Mr. Dinesh Bennet Fernandez - AVP (Materials) – 2,988 – ₹ 423/-</p> <p>Mr. S. Suryanarayanan – AGM (Accounts) – 2,592 – ₹ 423/-</p> <p>Mr. M.J. Shaji – VP (Commercial) – 2,988 – ₹ 423/-</p> <p>(B) Any other employee granted options amounting to 5% or more of option granted during the year:</p> <p>Employee – Designation – Options Granted – Exercise Price</p> <p>Mr. Shine James – MD, TAPL – 3,996 – ₹ 423/-</p> <p>(C) Identified employee who was granted option during the year equal to or exceeding 1% of issued capital: Nil</p>
Method and Significant Assumptions to estimate fair value	<p>Method Used: Black Scholes Method</p> <p>Significant Assumptions Used:</p> <p>Lot 1: Options granted in FY 15-16</p> <p>Weighted Average Value of Share Price: ₹ 205/-</p> <p>Weighted Average Price of Exercise Price: ₹ 153.75/-</p> <p>Expected Volatility: 35.40% - 38.50%</p> <p>Expected Option Life: 3 - 4.5 years</p> <p>Expected Dividends: 1.81%</p> <p>Risk-free interest rate: 6.93% - 7.07%</p>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2020

Method and Significant Assumptions to estimate fair value (<i>Contd.</i>)	Lot2: Options granted in FY 19-20 Weighted Average Value of Share Price: ₹ 564/- Weighted Average Price of Exercise Price: ₹ 423/- Expected Volatility: 41.70% - 44.60% Expected Option Life: 3 - 4.5 years Expected Dividends: 1.18% Risk-free interest rate: 6.65% - 6.85% 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 31/3/2020		As at 31/3/2019		
	No. of Options	WAEP (₹)	No. of Options	WAEP(₹)	
Outstanding at the beginning of the year	75,859	153.75	1,35,867	153.75	
Add: Granted during the year	79,848	423.00	0.00	NA	
Less: Forfeited/Lapsed during the year	0.00	NA	0.00	NA	
Less: Exercised during the year	23,400	153.75	3,400	153.75	
Outstanding at the end of the year	1,88,915	267.55	1,32,467	153.75	
Exercisable at the end of the year	90,201	153.75	75,859	153.75	
WAEP – Weighted Average Exercise Price / Option NA – Not Applicable					
Summary of Options Outstanding: Thejo ESOP 2015					
As at 31/3/2020			As at 31/3/2019		
No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life	No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life
1,09,067	153.75	14 Months	1,32,467	153.75	26 Months
79,848	423.00	50 Months			
NA – Not Applicable					
Diluted EPS as per AS 20	Diluted EPS (Per Equity Share of face value of ₹ 10/- each fully paid) – ₹ 39.48/-				
Price of underlying shares in Market at the time of grant of option	Lot 1 (Granted in FY 15-16): ₹ 205/- per Equity Share Lot 2 (Granted in FY 19-20): ₹ 564/- per Equity Share				

Note 24.11 Payment to Auditors
₹ in Lakhs

Description	2019-20	2018-19
For Audit	12.50	8.50
For Taxation Matters	2.00	1.50
For Company Law Matters	0.00	0.00
For Management Services	0.00	0.00
For Other Services	8.95	6.00
For Reimbursement of Expenses	0.00	0.00
Total	23.45	16.00

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2020

Note 24.12 Corporate Social Responsibility

The Company has spent ₹ 27 lakhs for various CSR activities.

Note 24.13 Other Disclosures

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

24.13.2 The estimated useful life of the following assets has been arrived at on the basis of technical evaluation / advice 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	5 years	15 years
Chain Pulley Blocks	4 years	15 years
Wire Ropes and similar assets	3 years	15 years
Pulling lifting machine, Hook chook, drilling, buffing, grinding & sander machines, Hot air gun and similar assets	1 year	15 years
Air / Water Cooler and similar assets	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.

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

24.13.4 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.

24.13.5 During the FY 2019-20, the Company has incurred a revenue expenditure (excluding depreciation) of ₹ 158.29 lakhs and capital expenditure of ₹ 1.31 lakhs in relation to Research & Development. (FY 2018-19: ₹ 95.13 lakhs and ₹ 0.27 lakh, respectively).

24.13.6 The Company intends to opt for payment of income-tax under Section 115BAA of the Income-tax Act, 1961, which provides for taxation at lower rates upon foregoing certain deductions. The tax for the current year has been calculated accordingly.

24.13.7 Consequent to the lockdown/restrictions imposed by the Central and State Governments to tackle COVID-19 pandemic, the manufacturing operations were temporarily closed in the last week of March, 2020. The services and O&M divisions of the Company continued to serve its customers falling under essential services and continuous process plants, based on their requirements and operation levels. The lockdown/restriction have since been relaxed to various degrees. As on date, the Company is carrying its operations in line with the statutory guidelines, following all required safety and sanitary norms.

The Company considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Trade Receivables and other Current Assets. Based on the current estimates, taking into account external and internal information that are available up to the date of the approval of the financial statements, the Company expects the carrying amount of these assets to be recovered and believes that there is no impact on its ability to continue as a going concern. The Company would continue to closely monitor any material changes to future economic/business conditions.

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2020

24.13.8 The Board has recommended a dividend of ₹ 5/- per equity share of face value of ₹ 10/- each (fully paid) for the FY 2019-20. Dividend 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.

Note 25 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 BRAHMAYYA & CO.

Chartered Accountants
(ICAI Registration No. 000511S)

P. BABU
Partner
Membership No. 203358

Place : Chennai
Date : 18th June, 2020

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
Financial Statements
2019-20**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THEJO ENGINEERING LIMITED

Report on the Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying Consolidated financial statements of **Thejo Engineering Limited** ("the Holding Company") and its subsidiaries (together referred as "Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, of consolidated profit and its consolidated cash flows for the year then ended.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

4. Emphasis of matter

We draw attention to Note No.26.10.4 of the Consolidated Financial Statements, wherein the Company has disclosed its Assessment of the Covid-19 pandemic. As mentioned therein, the assessment of the Management does not indicate any material effect on the carrying value of the assets of the Company/ Group on the reporting date or any adverse change in the ability of the Company to continue as a Going Concern. The assessment of the Management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

Our opinion is not modified in respect of this matter.

5. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

INDEPENDENT AUDITORS' REPORT

Our opinion on the consolidated financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 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. 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; 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 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- a) Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

8. Other Matters

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 7,856.72 lakhs as at 31st March, 2020, total revenues of ₹ 11,622.95 lakhs and net cash outflow amounting to ₹ 1,169 lakhs for the year ended on that date, as considered in the consolidated

INDEPENDENT AUDITORS' REPORT

financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

9. Report on Other Legal and Regulatory Requirements

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 and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 26.1.4 to the consolidated financial statements.
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No. 000511S

P. BABU
Partner
Membership No. 203358
UDIN: 20203358AAAALM5479

Place : Chennai
Date : 18th June, 2020

“ANNEXURE-A” TO THE AUDITORS’ REPORT

Referred to in Paragraph 9 of Our Report of Even Date

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **Thejo Engineering Limited** (“hereinafter referred to as “the Holding Company”).

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or

“ANNEXURE-A” TO THE AUDITORS’ REPORT

timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, in all material respects has, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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.

Other Matters

The reporting under Section 143(3)(i) of the Act is not applicable to all four subsidiary companies incorporated outside India.

Place : Chennai
Date : 18th June, 2020

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No. 000511S

P. BABU
Partner
Membership No. 203358
UDIN: 20203358AAAALM5479

Consolidated Balance Sheet as at 31st March, 2020

Particulars	Note No.	₹ in lakhs	
		As at 31-03-2020	As at 31-03-2019
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	346.04	343.70
(b) Reserves and surplus	4	9,778.44	7,403.59
2 Share application money pending allotment		0.00	0.00
3 Minority Interest	5	1,180.42	621.04
4 Non-current liabilities			
(a) Long-term borrowings	6	1,147.86	756.04
(b) Deferred tax liabilities (Net)	26.6	0.00	0.00
(c) Other non-current liabilities	7	78.27	49.82
5 Current liabilities			
(a) Short-term borrowings	8	1,803.82	2,070.58
(b) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	9	0.00	0.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9	2,770.46	2,517.65
(c) Other current liabilities	10	3,511.40	2,419.99
(d) Short-term provisions	11	857.25	497.59
TOTAL		<u>21,473.96</u>	<u>16,680.00</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		3,154.40	3,328.86
(ii) Intangible assets		22.92	32.18
(iii) Capital work-in-progress		14.26	22.61
(b) Non-current investments	13	0.00	0.00
(c) Deferred Tax Asset (Net)	26.6	90.11	52.15
(d) Long-term loans and advances	14	491.72	480.41
(e) Other non-current assets		0.00	0.00
2 Current assets			
(a) Inventories	15	3,394.64	3,624.43
(b) Trade receivables	16	10,117.59	6,389.92
(c) Cash and cash equivalents	17	2,823.16	1,506.28
(d) Short-term loans and advances	18	1,365.16	1,243.16
(e) Other current assets		0.00	0.00
TOTAL		<u>21,473.96</u>	<u>16,680.00</u>
Notes including significant accounting policies	1-27		

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

In terms of our report of even date annexed

For BRAHMAYYA & CO.

Chartered Accountants

ICAI Registration No. 000511S

P. BABU

Partner

Membership No. 203358

Place : Chennai

Date : 18th June, 2020

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, 2020

		₹ in lakhs	
Particulars	Note No.	For the year ended 31-03-2020	For the year ended 31-03-2019
I. Revenue from operations	19	30,389.76	22,946.89
II. Other income	20	59.28	112.30
III. Total Revenue (I + II)		<u>30,449.04</u>	<u>23,059.19</u>
IV. Expenses:			
Cost of materials consumed	21	5,982.10	5,293.13
Purchase of Traded Goods	21	93.02	633.84
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	367.97	(1,091.07)
Employee benefits expense	23	10,491.35	8,521.20
Finance costs	24	459.29	452.59
Depreciation and amortization expense	12	633.19	646.80
Other expenses	25	8,580.10	6,443.07
Total expenses		<u>26,607.02</u>	<u>20,899.56</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		3,842.02	2,159.63
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		3,842.02	2,159.63
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		3,842.02	2,159.63
X Tax expense:			
(1) Current tax		843.66	689.30
(2) Deferred tax	26.6	(37.96)	(12.40)
XI Profit (Loss) for the period (IX-X)		<u>3,036.32</u>	<u>1,482.73</u>
XII Transfer to Minority Interest		522.66	147.02
XIII Profit (Loss) for the period after tax and transfer to Minority Interest (XI - XII)		2,513.66	1,335.71
XIV Earnings per equity share of face value of ₹ 10/- each fully paid up (before & after extraordinary items)			
(1) Basic (in ₹)		72.91	38.89
(2) Diluted (in ₹)		72.20	38.89
Notes Including significant accounting policies	1-27		

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

In terms of our report of even date annexed

For BRAHMAYYA & CO.

Chartered Accountants
ICAI Registration No. 000511S

P. BABU
Partner
Membership No. 203358

Place : Chennai
Date : 18th June, 2020

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 Cash Flow Statement for the year ended 31st March, 2020

Particulars	₹ in lakhs	
	Year Ended 31-03-2020	Year Ended 31-03-2019
Cash flow from Operating Activities		
Profit before tax as per Consolidated Statement of Profit and Loss	3,842.02	2,159.63
Adjustment for:		
Depreciation	633.19	646.80
Pre-operative Expenses written off	0.00	100.31
Employee Stock Option Expense	52.90	11.75
Loss/(Profit) on sale of asset	50.30	(8.65)
Interest Paid	459.29	452.59
Unrealized foreign exchange (gain)/loss (net)	34.48	17.14
Interest Received	(43.83)	(38.08)
Operating Profit before working capital changes	5,028.35	3,341.49
Adjustment for:		
Trade and Other Receivables	(3,861.03)	19.24
Inventories	229.78	(1,068.78)
Trade Payables and Other Liabilities	1,167.75	347.98
Cash Generated from Operations	2,564.85	2,639.93
Direct Taxes Paid	(622.02)	(644.96)
Net Cash from Operating Activities (A)	1,942.83	1,994.97
Cash flow from Investing Activities		
Purchase of Fixed Assets	(485.25)	(677.28)
Sale of assets	3.96	21.36
Investments disposed	0.00	0.50
Interest Received	44.02	25.16
Net cash used in Investing Activities (B)	(437.27)	(630.26)
Cash Flow from Financing Activities		
Increase in Share Capital/Premium on account of issue of shares	35.98	5.23
Increase/(Decrease) in short-term credit facilities/borrowings	(266.76)	258.43
Term Loan availed	1,270.93	181.18
Repayments of Term Loan	(534.50)	(682.78)
Interest paid	(460.99)	(456.97)
Dividend (including Dividend Distribution Tax) Paid	(207.64)	(165.57)
Net Cash from/(used in) Financing Activities (C)	(162.98)	(860.48)
Exchange Difference on translation of cash and cash equivalents (D)	(25.70)	(11.83)
Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	1,316.88	492.40
Opening Cash & Cash Equivalents	1,506.28	1,013.88
Closing Cash & Cash Equivalents	2,823.16	1,506.28
Note: Closing Cash and Cash Equivalents includes ₹ 508.14 lakhs (Previous Year: ₹ 373.63 lakhs) in Fixed Deposits with Banks held as Margin Money for BG & LC/Security		

In terms of our report of even date annexed

For BRAHMAYYA & CO.

Chartered Accountants

ICAI Registration No. 000511S

P. BABU

Partner

Membership No. 203358

Place : Chennai

Date : 18th June, 2020

For and on behalf of the Board of Directors

K.J. JOSEPH

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Chief Financial Officer &

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THOMAS JOHN

Vice Chairman

DIN 00435035

V.A. GEORGE

Managing Director

DIN 01493737

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

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 Aysa Building, No. 41, Whites Road, Royapettah, Chennai, 600014. 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 in the ratio of 1:1 and the paid-up capital of the Company further increased to ₹ 343.36 lakhs. The Company shifted its Registered Office to VDS House, 41, Cathedral Road, Chennai 600086 with effect from 28th May, 2018 vide a resolution passed by the Board of Directors at their meeting held on that date.

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 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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

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 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/expenses. 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, future obligations under employee retirement benefit plans, provisions for doubtful debts, income-tax, post-sales customer support and the useful lives of fixed tangible 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.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020**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 AssetsTangible 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.

2.7 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/advice. 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.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

- 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 all other duties and taxes charged.

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

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 obtained from independent actuary.

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.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

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. 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, 2020

Note 3

Share capital

Particulars	As at 31-03-2020		As at 31-03-2019	
	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	34,60,352	346.04	34,36,952	343.70
Subscribed & Paid up				
Equity Shares of ₹ 10/- each	34,60,352	346.04	34,36,952	343.70
(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>34,60,352</u>	<u>346.04</u>	<u>34,36,952</u>	<u>343.70</u>

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

Particulars	As at 31-03-2020		As at 31-03-2019	
	Number	Amount ₹ in Lakhs	Number	Amount ₹ in Lakhs
Shares outstanding at the beginning of the year	34,36,952	343.70	34,33,552	343.36
Shares Issued during the year	23,400	2.34	3,400	0.34
Shares outstanding at the end of the year	<u>34,60,352</u>	<u>346.04</u>	<u>34,36,952</u>	<u>343.70</u>

3.2 Shares in the Company held by each shareholder holding more than 5 percent shares as on 31/3/2020

Name of the Shareholder	As at 31-03-2020		As at 31-03-2019	
	Number	Percentage	Number	Percentage
Girish Gulati HUF	2,73,800	7.91%	2,65,200	7.72%
SIDBI Venture Capital Ltd. A/c India Opportunities Fund	2,63,672	7.62%	3,16,672	9.21%
Mr. K.J. Joseph	2,49,400	7.21%	2,49,400	7.26%
Mr. Thomas John	2,16,868	6.27%	2,16,868	6.31%
Mrs. Celinamma John	2,16,866	6.27%	2,16,866	6.31%
Mr. Rajesh John	2,16,866	6.27%	2,16,866	6.31%
Mrs. Rosamma Joseph	1,80,320	5.21%	1,80,320	5.25%

Notes forming part of the Consolidated Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Note 4		
Reserves and surplus		
a. Securities Premium Account		
Opening Balance	1,851.94	1,845.31
Add: Share premium of shares issued under ESOP	45.63	6.63
Closing Balance	1,897.57	1,851.94
b. Share Option Outstanding Account		
Opening Balance	62.74	52.73
(+) Employee Compensation Cost for the year	52.90	11.75
(-) Capitalized on Exercise of Options	11.99	1.74
Closing Balance	103.65	62.74
c. Surplus (Balance in Statement of Profit and Loss)		
Opening balance	4,845.23	3,706.27
(+) Net Profit/(Net Loss) For the current year	2,513.66	1,335.71
(-) Dividend Distributed	172.24	137.34
(-) Dividend Distribution Tax	35.40	28.23
(-) Transfer to Statutory Reserve	45.48	31.18
Closing Balance	7,105.77	4,845.23
d. Others		
i) General Reserve		
Opening Balance	627.71	627.71
(+) Transfer from Surplus	0.00	0.00
Closing Balance	627.71	627.71
ii) Statutory Reserve		
Opening Balance	52.39	21.21
(+) Transfers from Surplus	45.48	31.18
Closing Balance	97.87	52.39
iii) Foreign Currency Translation Reserve		
Opening Balance	(36.42)	(21.29)
Add: Foreign Currency Translation Reserve during the year	(17.71)	(15.13)
Closing Balance	(54.13)	(36.42)
Total	9,778.44	7,403.59

Notes forming part of the Consolidated Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Note 5		
Minority Interest		
Opening Balance	621.04	453.50
Additions during the year		
a. Share of (Loss) / profit of the year	522.66	147.02
b. Foreign currency translation adjustment for the year	36.72	20.52
Closing balance	<u>1,180.42</u>	<u>621.04</u>

Note 6**Long Term Borrowings****Secured****Term loans**

From Banks	1,690.76	906.74
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Limit/Liability, Terms of Repayment & Security**State Bank of India**

Date of Sanction: 28.07.2017 Ref No. RM1/62

Sanctioned Limit - ₹ 200 Lakhs

Purpose: Acquisition of Capital Assets

Period of Repayment - 48 months with Principal moratorium of 5 months from date of Sanction

Amount of Instalment: ₹ 4.20 Lakhs + Interest

Security:

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

First charge on pari-passu basis with Axis & SIB over immovable properties under Equitable Mortgage.

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

Liability (Incl interest not due) - ₹ 22.98 Lakhs (₹ 82.37 Lakhs)

Repayable within one year - ₹ 22.98 Lakhs (₹ 51.33 Lakhs)

Overdues/Defaults - Nil (Nil)

Axis Bank Limited

Date of Sanction: 16.03.2016 Ref No. AXISB/SME/S/MEG/CHN/15-16/65

Sanctioned Limit: ₹ 300 Lakhs

Purpose: Acquisition of Capital Assets

Period of Repayment : 60 monthly instalments of ₹ 5.00 Lakh commencing from 6 months of first drawdown. Interest to be paid as and when debited.

Amount of Instalment - ₹ 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 & SIB over immovable properties under Equitable Mortgage.

Notes forming part of the Consolidated Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Personal guarantee of Mr. K.J.Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr.Rajesh John		
Liability (Incl interest not due) - ₹ 95.91 Lakhs (₹ 159.94 Lakhs)		
Repayable within one year - ₹ 61.05 Lakhs (₹ 65.09 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Westpac Banking Corporation Term Loan (Thejo Australia Pty Ltd)		
Date of Sanction: March 2018		
Sanctioned Limit: AUD 13,00,000		
Purpose: Term Loan for repayment of Long-term loan from Parent Company		
Period of Repayment : 36 monthly instalments of AUD 15000 per month with balloon payment at the end		
Amount of Instalment - AUD 15000 per month		
Security:		
Stand-by Letter of credit from bankers of Parent Company (State Bank of India). General Security agreement over the entire assets of Thejo Australia Pty Ltd.		
Liability (Incl interest not due) - ₹ 432.21 Lakhs (₹ 550.01 Lakhs)		
Repayable within one year - ₹ 82.76 Lakhs (₹ 88.40 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Westpac Banking Corporation Equipment Finance (Thejo Australia Pty Ltd)		
Date of Sanction: 1) March 2018 2) October 2019 & 3) November 2019		
Sanctioned Limit: 1) AUD 7,50,000 2) AUD 1,87,440 & 3) AUD 24,66,792		
Purpose: Acquisition of equipment		
Period of Repayment : 36-60 monthly instalments from date of loan		
Amount of Instalment - 1) AUD 4,712 per month 2) AUD 4,906 per month & 3) AUD 73,344 per month		
Security:		
Equipments purchased under the loan		
Liability (Incl interest not due) - ₹ 1139.66 Lakhs (₹ 114.42 Lakhs)		
Repayable within one year - ₹ 406.40 Lakhs (₹ 21.22 Lakhs)		
Overdues/Defaults - Nil (Nil)		

Notes forming part of the Consolidated Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
From Others		
Financial Institutions	79.13	130.42
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 - ₹ 2.42 Lakhs per month for loan outstanding		
Security:		
Hypothecation of Vehicle purchased under the loan		
Personal guarantee of Mr.Thomas John		
Liability (Incl interest not due) - ₹ 28.54 Lakhs (₹ 48.46 Lakhs)		
Repayable within one year - ₹ 24.40 Lakhs (₹ 27.15 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Toyota Finance Australia Ltd		
Date of Sanction: November 2016 & October 2017		
Sanctioned Limit: AUD 1,27,176		
Purpose: Acquisition of Vehicles		
Period of Repayment : 60 Equated Monthly Instalments (including interest) from date of the loan		
Amount of Instalment - AUD 2,393 per month		
Security:		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 26.42 Lakhs (₹ 40.60 Lakhs)		
Repayable within one year - ₹ 12.18 Lakhs (₹12.38 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Toyota Finance Australia Ltd (Thejo Australia Pty Ltd)		
Date of Sanction: March 2017		
Sanctioned Limit: AUD 1,79,184		
Purpose: Acquisition of Vehicles		
Period of Repayment : 28 to 60 Equated Monthly Instalments (including interest) from date of each loan		
Amount of Instalment - AUD 2,223 per month		
Security:		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 24.17 Lakhs (₹ 41.36 Lakhs)		
Repayable within one year - ₹ 12.26 Lakhs (₹ 15.55 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Less: Current Maturities (incl interest accrued but not due)		
Banks	(573.19)	(226.04)
Financial Institutions	(48.84)	(55.08)
Total	1,147.86	756.04

Notes forming part of the Consolidated Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Note 7		
Other Non-Current Liabilities		
Terminal Provision	78.27	49.82
Total	<u>78.27</u>	<u>49.82</u>

Note 8**Short Term Borrowings****Secured****Loans repayable on demand**

From Banks	1,803.82	2,070.58
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The Company was sanctioned Working capital facilities by consortium of bankers namely, State Bank of India, Axis Bank Limited and The South Indian Bank Limited.

Limit/Liability, Terms of Repayment & Security**State Bank of India**

Date of Sanction: 31.12.2019 Ref No. RM II/2019-20/410

Limit: Cash Credit of ₹ 1,675 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 The South Indian Bank Limited

EM of immovable properties belonging to the Company. (First charge on pari-passu basis with Axis Bank Ltd, and The South Indian Bank Limited).

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).

Lien over fixed deposit of ₹ 1.72 crore on pari-passu basis with Axis Bank Limited and The South Indian Bank Limited.

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

Rate of Interest - 2.00% above One Year MCLR

Margin - Cash credit - 25-35%

LC and BG - 15%

Liability - ₹ 436.83 Lakhs (₹ 501.37 Lakhs)

Overdues/Defaults: Nil (Nil)

Notes forming part of the Consolidated Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Axis Bank Limited		
Date of Sanction: 26.03.2020 Ref No. AXISB/CBG/ANNASALAI/MEG/2019-20/33		
Limit: Cash Credit of ₹1262.50 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 and Mr. Rajesh John		
Rate of Interest - 1.90% above 3 Months MCLR		
Margin - Cash credit - 25%		
LC and BG - 15%		
Liability - ₹ 532.69 Lakhs (₹ 652.89 Lakhs)		
Overdues/Defaults: Nil (Nil)		
The South Indian Bank Limited		
Date of Sanction: 04.04.2019 Ref No. /2019-20		
Limit: Cash Credit of ₹ 1,320.00 Lakhs + Stand by CC ₹ 112.00 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 and Mr. Rajesh John		
Rate of Interest - 1.10% above One Year MCLR		
Margin - Cash credit - 25-35%		
LC and BG - 15%		
Liability - ₹ 489.45 Lakhs (₹ 837.39 Lakhs)		
Overdues/Defaults: Nil (Nil)		
Westpac Banking Corporation (Thejo Australia Pty Ltd)		
Date of Sanction: March 2018		
Sanctioned Limit: AUD 3,00,000		
Period of Repayment : On Demand		
Security:		
Stand-by Letter of credit from bankers of Parent Company (State Bank of India).		
General Security agreement over the entire assets of Thejo Australia Pty Ltd.		
Rate of Interest - 7.25%		
Liability - ₹ Nil (₹ 78.93 Lakhs)		
Overdues/Defaults - Nil (Nil)		

Notes forming part of the Consolidated Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Citibank (Thejo Australia Pty Ltd)		
Date of Sanction: August 2019		
Sanctioned Limit: AUD 14,75,000		
Period of Repayment : On Demand		
Security:		
Stand-by Letter of credit from Citibank India		
Rate of Interest - 2.00% above BBSY Rate		
Liability - ₹ 344.85 Lakhs (Nil)		
Overdues/Defaults - Nil (Nil)		
Total	<u>1,803.82</u>	<u>2,070.58</u>
Note 9		
Trade payables		
Acceptances	319.10	350.33
Other than Acceptances	2,451.36	2,167.32
(Payables to micro and small enterprises - Nil (PY: Nil))		
Total	<u>2,770.46</u>	<u>2,517.65</u>
Note 10		
Other Current Liabilities		
Current Maturities on Long Term Debt (Refer Note 6 for details of security extended)	620.87	278.26
Interest accrued but not due on Term Loan	1.15	2.86
Other payables		
Salary and Other Employee Benefits	1,048.41	855.78
Statutory Dues	686.26	621.14
Others	167.16	20.82
Outstanding Liabilities	987.55	641.13
Total	<u>3,511.40</u>	<u>2,419.99</u>
Note 11		
Short Term Provisions		
(a) Provision for employee benefits		
Provision for Leave Encashment	283.57	196.91
Gratuity Liability (Net)	138.66	87.30
(b) Others		
Direct Taxes (Net)	435.02	213.38
Total	<u>857.25</u>	<u>497.59</u>

Notes forming part of the Consolidated Financial Statements as at 31st March, 2020

Note 12 FIXED ASSETS

NATURE OF ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As at 01.04.2019	Addition for the year	Deduction	Diff in forex rate conversion	As at 31.03.2020	Upto 31.03.2019	Addition	Deduction	Diff in forex rate conversion	Unrealized profit	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
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	1,533.90	3.93	0.00	(5.02)	1,532.81	552.52	89.05	0.00	(0.65)	0.00	640.92	891.89	981.38
Office Building	641.68	0.00	0.00	53.94	695.62	350.49	49.76	0.00	30.99	0.00	431.24	264.38	291.19
Plant & Machinery													
Plant & Machinery	3,444.08	263.19	129.20	(14.47)	3,563.60	2,241.94	256.92	93.02	(6.66)	(6.91)	2,392.27	1,171.33	1,202.14
Boiler	71.13	5.49	0.00	0.00	76.62	56.41	2.97	0.00	0.00	0.00	59.38	17.24	14.72
Dyes & Moulds	392.46	87.48	0.00	0.00	479.94	176.88	44.35	0.00	0.00	0.00	221.23	258.71	215.58
Vehicle Four Wheelers	775.37	67.64	47.04	6.31	802.28	522.82	87.81	46.12	5.97	0.00	570.48	231.80	252.55
Vehicle Two Wheelers	41.46	3.35	0.00	0.00	44.81	30.75	2.86	0.00	0.00	0.00	33.61	11.20	10.71
Office Equipments	67.78	7.40	0.00	(0.16)	75.02	51.41	7.83	0.00	(0.05)	0.00	59.19	15.83	16.37
Electrical Fittings	219.08	3.14	3.34	0.00	218.88	175.15	10.52	3.16	0.00	0.00	182.51	36.37	43.93
Furniture & Fittings	452.85	6.32	7.62	3.37	454.92	269.35	40.87	2.23	3.07	0.00	311.06	143.86	183.50
Computer	242.32	27.38	8.42	(2.33)	259.95	196.43	28.90	6.86	(1.53)	0.00	216.94	42.01	45.89
Computer Server	7.97	0.00	0.00	0.00	7.97	7.43	0.14	0.00	0.00	0.00	7.57	0.40	0.54
Generator	43.18	0.00	0.00	0.00	43.18	38.54	0.98	0.00	0.00	0.00	39.52	3.66	4.64
Total Tangible Assets (Current Year)	7,998.98	475.32	195.62	41.64	8,320.32	4,670.12	622.96	151.39	31.14	(6.91)	5,165.92	3,154.40	3,328.86
Total Tangible Assets (Previous Year)	7,232.77	762.40	44.06	47.87	7,998.98	4,042.12	622.49	31.34	24.67	12.18	4,670.12	3,328.86	3,190.63
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	134.51	18.23	10.02	(0.37)	142.35	102.33	17.14	0.00	(0.04)	0.00	119.43	22.92	32.18
Total Intangible Assets (Current Year)	136.26	18.23	10.02	(0.37)	144.10	104.08	17.14	0.00	(0.04)	0.00	121.18	22.92	32.18
Total Intangible Assets (Previous Year)	117.62	18.85	0.00	(0.21)	136.26	91.96	12.13	0.00	(0.01)	0.00	104.08	32.18	25.67
CAPITAL WORK IN PROGRESS													
Assets Under Construction	22.61	13.86	22.21	0.00	14.26	0.00	0.00	0.00	0.00	0.00	0.00	14.26	22.61
Total Capital Work In Progress (Current Year)	22.61	13.86	22.21	0.00	14.26	0.00	0.00	0.00	0.00	0.00	0.00	14.26	22.61
Total Capital Work In Progress (Previous Year)	126.62	4.16	108.17	0.00	22.61	0.00	0.00	0.00	0.00	0.00	0.00	22.61	126.62
GRAND TOTAL	8,157.85	507.41	227.85	41.27	8,478.68	4,774.20	640.10	151.39	31.10	(6.91)	5,287.10	3,191.58	3,383.65
PREVIOUS YEAR	7,477.02	785.41	152.23	47.66	8,157.85	4,134.08	634.62	31.34	24.66	12.18	4,774.20	3,383.65	3,342.92

Notes forming part of the Consolidated Financial Statements as at 31st March, 2020

Note 13

NON-CURRENT INVESTMENTS

Particulars	As at		As at	
	31-03-20		31-03-19	
A Trade Investments (Unquoted)				
Investments in Equity Instruments		2,126.05		2,126.05
Less : Adjusted on Consolidation of subsidiaries		2,126.05		2,126.05
Total		0.00		0.00

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 31/03/20	As at 31/03/19			As at 31/03/20	As at 31/03/19	As at 31/03/20	As at 31/03/19	
(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	5,01,406	5,01,406	Unquoted	Fully Paid	99.99%	99.99%	98.62	98.62	Yes
4	Thejo Engineering LatinoAmerica SpA	Subsidiary	509	509	Unquoted	Fully Paid	99.80%	99.80%	491.26	491.26	Yes
	Total								2,126.05	2,126.05	

Notes forming part of the Consolidated Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Note 14		
Long Term Loans and Advances		
a. EMD and Security Deposits		
Unsecured, considered good	196.09	237.66
b. Other Deposits		
Unsecured, considered good		
Rental Deposit	182.96	171.39
Deposit with Government Agencies	6.75	6.00
Others	105.92	65.36
Total	491.72	480.41
Note 15		
Inventories (As certified by Management)		
a. Raw Materials and components	1,129.37	991.19
b. Work-in-progress	371.05	308.01
c. Finished goods	1,907.12	2,039.29
d. Stock in Trade	78.46	111.84
e. Stock in Transit	75.88	386.01
Less: Profit element on stock transfer to subsidiary	167.24	211.91
Total	3,394.64	3,624.43
Note 16		
Trade Receivables		
Unsecured, considered good		
Outstanding for more than six months from the date they are due	423.34	610.14
Others	9,757.75	5,779.78
Less: Provision for Doubtful Debts	63.50	0.00
Total	10,117.59	6,389.92

Notes forming part of the Consolidated Financial Statements as at 31st March, 2020

Particulars	₹ in Lakhs	
	As at 31-03-2020	As at 31-03-2019
Note 17		
Cash and Cash Equivalents		
a. Balances with banks		
(i) In Current Accounts	2,166.16	854.63
(ii) In Deposit Accounts (₹ 508.14 lakhs (PY ₹ 373.63 lakhs) Held as Margin Money for BG & LC / Security. Deposits maturing after 12 months - ₹ 25.25 lakhs (PY ₹ 49.98 lakhs))	626.85	622.00
b. Cheques, drafts on hand	0.00	8.29
c. Cash on hand	30.15	21.36
Total	2,823.16	1,506.28

Note 18**Short-term loans and advances****Others (unsecured, considered good)**

EMD & Security deposits	375.97	442.01
Advance to Suppliers	404.21	205.98
Indirect taxes Asset (input tax credit, TDS, etc)	328.21	364.10
Prepaid expenses	172.78	133.51
Staff advance	50.72	34.54
Others	33.27	63.02
Total	1,365.16	1,243.16

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Particulars	₹ in Lakhs	
	For the year ended 31-03-2020	For the year ended 31-03-2019
Note 19		
Revenue from operations		
Sale of Products	14,401.99	11,199.82
Sale of Services & Works Contract	15,865.68	11,639.63
Other Operating Income	122.09	107.44
Total	30,389.76	22,946.89
Note 20		
Other income		
Interest	43.83	38.08
Difference in foreign exchange (gain)	7.07	63.71
Miscellaneous Income	8.38	1.86
Profit on sale of assets	0.00	8.65
Total	59.28	112.30
Note 21		
Cost of materials consumed		
Opening Stock of Raw Materials	991.19	860.00
Add: Purchases made during the year	5,364.98	5,028.87
	6,356.17	5,888.87
Less: Closing Stock of Raw Materials	1,129.37	991.19
	5,226.80	4,897.68
Add: Consumables	755.30	395.45
Total	5,982.10	5,293.13
Purchase of Traded Goods	93.02	633.84

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Particulars	₹ in Lakhs	
	For the year ended 31-03-2020	For the year ended 31-03-2019
Note 22		
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock :		
Work-in-Progress	308.01	207.57
Finished Goods	2,039.29	1,334.82
Stock-in-Trade	111.84	49.73
Stock in Transit	386.01	54.33
Less: Unrealised gain in stock sold from parent to subsidiary	211.91	104.28
	<u>2,633.24</u>	<u>1,542.17</u>
Closing Stock :		
Work-in-Progress	371.05	308.01
Finished Goods	1,907.12	2,039.29
Stock-in-Trade	78.46	111.84
Stock in Transit	75.88	386.01
Less: Unrealised gain in stock sold by parent to subsidiary	167.24	211.91
	<u>2,265.27</u>	<u>2,633.24</u>
Total	<u>367.97</u>	<u>(1,091.07)</u>
Note 23		
Employee Benefits Expense		
(a) Salaries and incentives	8,092.62	6,651.50
(b) Contributions to PF, Superannuation, Gratuity & ESI	1,092.73	798.47
(c) Staff welfare expenses	968.33	855.07
(d) LTA, Ex-gratia, & Leave Encashment	284.77	204.41
(e) Employee Stock Option Expense	52.90	11.75
Total	<u>10,491.35</u>	<u>8,521.20</u>
Note 24		
Finance costs		
Interest	309.37	334.04
Other finance costs	149.92	118.55
Total	<u>459.29</u>	<u>452.59</u>

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Particulars	₹ in Lakhs	
	For the year ended 31-03-2020	For the year ended 31-03-2019
Note 25		
Other expenses		
A. Manufacturing & Other Direct Expenses		
Power and fuel	326.16	308.38
Machinery Maintenance and Leasing	489.54	199.35
Factory Maintenance	48.96	33.32
Electrical maintenance	8.47	12.88
Testing charges	5.50	3.32
Dyes & Moulding charges	85.89	52.29
Cartage, Coolie & Freight charges	480.29	474.75
Packing materials & charges	214.50	220.73
Service & Labour charges	4,095.99	2,360.39
Total Manufacturing & Other Direct Expenses	5,755.30	3,665.41
B. Administrative & Selling Expenses		
Professional Service Charges	286.37	205.17
Rent	446.39	440.03
Repairs & Maintenance	104.89	104.11
Travelling, Conveyance & Vehicle hire charges	676.63	544.66
Foreign Travel expenses	76.83	46.60
Vehicle Maintenance	190.75	238.03
Telephone, Telex & Postage	74.96	69.14
Printing & Stationery	39.09	38.45
Office Maintenance	59.22	68.26
Books & Periodicals	6.37	3.85
Computer Maintenance	60.46	33.01
Seminar & Conference	24.22	16.58
Electricity	36.16	35.85
Legal Fee & Charges	8.70	70.56
Donation	9.32	11.03
Recruitment, Training & Development	80.39	22.32
ECGC Premium	2.55	3.23

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Particulars	₹ in Lakhs	
	For the year ended 31-03-2020	For the year ended 31-03-2019
CSR Expenses	27.00	19.50
Insurance	81.37	63.23
Rates and taxes	48.03	45.66
Directors Sitting Fees	31.25	33.00
Commission	23.12	17.71
Advertisement	20.42	12.33
Sales Promotion Expenses	15.47	21.86
Freight on Exports	117.66	70.63
Loading & Unloading charges	28.09	24.50
Late Delivery Charges	31.89	17.96
Bad Debts	92.28	292.17
Loss on Sale of Assets	50.30	0.00
Payments to the Auditors		
a. Statutory Audit	12.50	8.50
b. Tax Audit	2.00	1.50
c. For certification & other services	16.12	8.60
Miscellaneous expenses	0.31	9.83
Total Administration & Selling Expenses	2,781.11	2,597.86
Sales Tax, Service Tax, & Other Indirect Tax Expenses	43.69	76.38
Preliminary Expenses Amortized/Written off	0.00	103.42
Total	8,580.10	6,443.07

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Note 26 ADDITIONAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS

Note 26.1 Contingent Liabilities (to the extent not provided for)

Particulars	₹ in lakhs	
	2019-20	2018-19
26.1.1 Claims against the Company not acknowledged as debts	0.00	0.00
26.1.2 Guarantees issued by the Banks	1,586.00	911.16
26.1.3 Stand-by Letter of Credit issued by bank (for loan availed by Thejo Australia Pty Ltd)	1,526.53	1,091.00
	<u>3,112.53</u>	<u>2,002.16</u>

26.1.4 Others

All amounts in ₹ in lakhs

Name of Statute	Amount of Dispute (31/3/20)	Amount of Dispute (31/3/19)	Amount Deposited (31/3/20)	Period to which it relates	Forum where dispute is pending
Commercial Taxes	59.85	97.89	4.95	Various	Various
Customs	12.50	12.50	0.00	2001	Commissioner of Customs
Service Tax	0.00	11.15	0.00	2012-15	Commissioner of Service tax
Income-tax	104.91	69.31	37.03	Various	Various
Total	177.26	190.85	41.98		

26.1.5 Commitments

Estimated amount of contracts remaining to be executed on capital account: ₹ 23.00 lakhs (Previous Year - ₹ 25.65 lakhs)

Note 26.2 Employee Benefits

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

Parent Company:

26.2.1 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.

26.2.2 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	2019-20	2018-19
Discount Rate	6.61%	7.55%
Salary Escalation	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Expected return on plan assets	8.00%	8.00%

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

Particulars	As at 31 st March 2020	As at 31 st March 2019
Table Showing Changes In Present Value Of Obligations		
Present value of obligations at the beginning of the year	588.90	435.29
Interest Cost	43.43	32.73
Current Service Cost	57.57	44.89
Benefits Paid	(27.29)	(19.30)
Actuarial (Gain) / Loss on obligations	134.32	95.29
Present value of obligations as at end of the year	796.93	588.90

Table Showing Changes In Fair Value Of Plan Assets

Fair value of plan assets at the beginning of the year	501.59	382.03
Expected return on plan assets	44.75	33.99
Contributions	142.72	105.06
Benefits Paid	(27.29)	(19.30)
Actuarial Gain / (Loss) on plan assets	(3.50)	(0.19)
Fair value of plan assets at the end of the year	658.27	501.59

Table Showing Fair Value Of Plan Assets

Fair value of plan assets at the beginning of the year	501.59	382.03
Actual return on plan assets	41.25	33.80
Contributions	142.72	105.06
Benefits Paid	(27.29)	(19.30)
Fair value of plan assets at the end of the year	658.27	501.59
Funded Status	(138.66)	(87.31)
Excess of Actual over Estimated return on plan assets	(3.50)	(0.19)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Actuarial Gain / Loss Recognized		
Actuarial gain / (loss) on obligations	(134.32)	(95.29)
Actuarial gain / (loss) for the year – plan assets	(3.50)	(0.19)
Total gain / (loss) for the year	(137.82)	(95.48)
Actuarial gain / (loss) recognized in the year	(137.82)	(95.48)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Amounts To Be Recognized In Consolidated Balance Sheet & Statement of Profit and Loss		
Present value of obligations as at the end of the year	796.93	588.90
Fair value of plan assets as at the end of the year	658.27	501.59
Funded Status	(138.66)	(87.31)
Net asset / (liability) recognized in balance sheet	(138.66)	(87.31)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Particulars	₹ in Lakhs	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Expenses Recognized In Consolidated Statement of Profit and Loss		
Current Service Cost/Past Service Cost(Vested)	57.57	44.89
Interest Cost	43.43	32.73
Expected return on plan assets	(44.75)	(33.99)
Net Actuarial (gain) / loss recognized in the year	137.82	95.48
Expenses recognized in statement of profit and loss	194.07	139.11

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

Subsidiaries

Contribution towards superannuation/other statutory contributions have been deposited/dealt with in accordance with statutory requirements of respective countries.

Note 26.3 Segment Reporting

Primary Segment Information (Business Segment) ₹ in Lakhs

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others		2019-20	2018-19
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19		
Segment Revenue	10,304.14	10,924.07	21,956.80	14,692.17	2,525.47	2,217.96	34,786.41	27,834.20
Less: Inter segment Revenue	4,342.93	4,794.11	40.60	40.30	13.12	52.90	4,396.65	4,887.31
Total Revenue	5,961.21	6,129.96	21,916.20	14,651.87	2,512.35	2,165.06	30,389.76	22,946.89
Segment Results	1,957.97	2,660.79	3,832.90	1,641.80	161.66	(211.23)	5,952.53	4,091.36
Less : Finance Cost							459.29	452.59
Un allocable Expenses (net of income)							1,651.22	1,479.14
Total Profit Before Tax							3,842.02	2,159.63
Tax Expenses							805.70	676.90
Profit after Tax							3,036.32	1,482.73
Segment Assets	6,983.12	6,446.69	13,112.94	9,221.66	1,636.70	1,032.08	21,732.76	16,700.43
Segment Liabilities	1,809.37	1,623.37	5,467.35	3,778.75	1,230.71	838.10	8,507.43	6,240.22
Capital Employed	5,173.75	4,823.32	7,645.59	5,442.91	405.99	193.98	13,225.33	10,460.21
Un allocated Capital Employed							(3,100.85)	(2,712.92)
Total Capital Employed							10,124.48	7,747.29

Secondary Segment (Geographic Segment):
₹ in Lakhs

Particulars	India		Outside India		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue from external customers	16,395.11	15,806.96	13,994.65	7,139.93	30,389.76	22,946.89
Carrying amount of Segment Assets	12,026.64	10,332.19	9,706.12	6,368.24	21,732.76	16,700.43
Cost incurred to acquire tangible and intangible fixed assets	381.65	265.17	94.84	248.85	476.49	514.02

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Note 26.4 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

Related Party Transaction Details:

₹ in Lakhs

Related Party	Nature of Payment	Current Year Transaction	Outstanding as on 31 st March, 2020
Mr. K.J. Joseph	Sitting Fee	1.75	0.00
Mr. Thomas John	Sitting Fee	3.50	0.00
Mr. V.A. George	Remuneration	84.00	(2.76)
Mr. Manoj Joseph	Remuneration	51.26	(1.88)
Mr. Rajesh John	Remuneration	44.59	(1.30)
Mr. M.D. Ravikanth	Remuneration	32.83	(0.79)
Mr. Manesh Joseph	Remuneration	31.99	(0.86)
Mrs. Rosamma Joseph	Remuneration	12.09	(0.86)
Mrs. Celinamma John	Remuneration	11.95	(0.98)

Note: Remuneration excludes retirement benefits

Related Party	Nature of Payment	Previous Year Transaction	Outstanding as on 31 st March, 2019
Mr. K.J. Joseph	Sitting Fee	3.50	0.00
Mr. Thomas John	Sitting Fee	3.50	0.00
Mr. V.A. George	Remuneration	90.00	(5.21)
Mr. Manoj Joseph	Remuneration	37.02	(2.06)
Mr. Rajesh John	Remuneration	27.27	(1.70)
Mr. M.D. Ravikanth	Remuneration	34.44	(0.20)
Mr. Manesh Joseph	Remuneration	29.66	(0.13)
Mrs. Rosamma Joseph	Remuneration	12.09	(0.87)
Mrs. Celinamma John	Remuneration	11.95	(0.99)

Note: Remuneration excludes retirement benefits

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Note 26.5 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, 2020	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, 2020	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, 2020	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	99.80% (99.80%)	0.20% (0.20%)	Direct Control	31 st March, 2020	Depreciation on Fixed Assets – Computed on SLM or Diminishing value basis over the estimated useful life of the asset	Not Applicable

Note 26.6 Calculation of Deferred Tax

₹ in Lakhs

Particulars	DTA	DTL	DTA	DTL
	31 st March, 2020		31 st March, 2019	
Opening Balance	52.15	0.00	39.75	0.00
Timing Difference in Depreciation	17.44	0.00	7.06	0.00
Profit on sale of asset	0.00	0.80	0.00	2.52
Timing Difference on provision for leave encashment	12.42	0.00	2.30	0.00
Timing Difference on provision for doubtful debts	15.98	0.00	0.00	0.00
Previous deferred tax reversed on account of tax rate changes/others	(7.08)	0.00	5.56	0.00
Total	90.91	0.80	54.67	2.52
Net Deferred Tax Liability/Asset	90.11	0.00	52.15	0.00

Note 26.7 Earnings Per Share

Particulars	2019-20	2018-19
Basic:		
Net Profit after Tax (₹ in Lakhs)	2,513.66	1,335.71
Weighted Average Number of Equity Shares during the year (Nos.)	34,47,635	34,34,627
Earnings per Share (FV of ₹ 10/- each fully paid up) (₹)	72.91	38.89
Diluted:		
Net Profit after Tax (₹ in Lakhs)	2,513.66	1,335.71
Weighted Average Number of Equity Shares during the year (Nos.)	34,81,418	34,34,627
Earnings per Share (FV of ₹ 10/- each fully paid up) (₹)	72.20	38.89

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Note 26.8 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 authorised 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/Nomination and Remuneration 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 ₹ 100.93 lakhs, which is ₹ 48.03 lakhs higher than the expense under Intrinsic Value Method of ₹ 52.90 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 ₹ 2,465.63 lakhs, ₹ 71.52/- and ₹ 71.04/- respectively (as against ₹ 2,513.66 lakhs, ₹ 72.91/- and ₹ 72.20/- under intrinsic value method).
Option Movement during the year	Number of Options at the beginning of the period – 1,32,467 Number of Options Granted during the year – 79,848 Number of Options forfeited/lapsed during the year – Nil Number of Options vested during the year – 37,742 Number of Options exercised during the year – 23,400 Number of Shares arising as a result of exercise of options – 23,400 Money Realized by exercise of Option – ₹ 35.98 lakhs Loan Repaid by the Trust from exercise price received – NA Number of Options outstanding at the end of the year – 1,88,915 Number of Options exercisable at the end of the year – 90,201
Weighted Average Exercise Price	₹ 267.55/- per share
Weighted Average Fair Value/Option	₹ 164.85/-
Details of Options Granted to specified employees during the year	(A) Senior Managerial Personnel: Employee – Designation – Options Granted – Exercise Price Mr. M.D. Ravikanth – CFO & Secretary – 4,392 – ₹ 423/- Mr. S. Premjit – VP (Services) – 3,600 – ₹ 423/- Mr. Thomas K Abraham – VP (HR & Admin) – 3,600 – ₹ 423/- Mr. S. Satish – VP (Manufacturing) – 3,384 – ₹ 423/- Mr. Dinesh Bennet Fernandez - AVP (Materials) – 2,988 – ₹ 423/- Mr. S. Suryanarayanan – AGM (Accounts) – 2,592 – ₹ 423/- Mr. M.J. Shaji – VP (Commercial) – 2,988 – ₹ 423/-

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Details of Options Granted to specified employees during the year	(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 – 3,996 – ₹ 423/- (C) Identified employee who was granted option during the year equal to or exceeding 1% of issued capital: Nil
Method and Significant Assumptions to estimate fair value	Method Used: Black Scholes Method Significant Assumptions Used: Lot 1: Options granted in FY 15-16 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% Lot2: Options granted in FY 19-20 Weighted Average Value of Share Price: ₹ 564/- Weighted Average Price of Exercise Price: ₹ 423/- Expected Volatility: 41.70% - 44.60% Expected Option Life: 3 - 4.5 years Expected Dividends: 1.18% Risk-free interest rate: 6.65% - 6.85% 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 31/3/2020		As at 31/3/2019	
	No. of Options	WAEP (₹)	No. of Options	WAEP(₹)
Outstanding at the beginning of the year	75,859	153.75	1,35,867	153.75
Add: Granted during the year	79,848	423.00	0	NA
Less: Forfeited/Lapsed during the year	0	NA	0	NA
Less: Exercised during the year	23,400	153.75	3,400	153.75
Outstanding at the end of the year	1,88,915	267.55	1,32,467	153.75
Exercisable at the end of the year	90,201	153.75	75,859	153.75

WAEP – Weighted Average Exercise Price / Option

NA – Not Applicable

Summary of Options Outstanding:

Thejo ESOP 2015

As at 31/3/2020			As at 31/3/2019		
No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life	No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life
1,09,067	153.75	14 Months	1,32,467	153.75	26 Months
79,848	423.00	50 Months			

NA – Not Applicable

Diluted EPS as per AS 20	Diluted EPS (Per Equity Share of face value of ₹ 10/- each fully paid) – ₹ 72.20/-
Price of underlying shares in Market at the time of grant of option	Lot 1 (Granted in FY 15-16): ₹ 205/- per equity share Lot 2 (Granted in FY 19-20): ₹ 564/- per equity share

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Note 26.9 Payment to Auditors

₹ in Lakhs

Particulars	2019-20	2018-19
For Audit	12.50	8.50
For Tax Audit	2.00	1.50
For Other Services	16.12	8.60
Total	30.62	18.60

Note 26.10 Other Disclosures

26.10.1 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.

26.10.2 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	93.95%	10621.33	45.26%	1374.29
Subsidiaries				
Foreign				
1 Thejo Hatcon Industrial Services Company	7.23%	817.48	8.04%	244.20
2. Thejo Australia Pty Ltd	9.94%	1,124.20	27.00%	819.80
3. Thejo Brasil Comercio E Servicos Ltda	(0.04%)	(4.66)	(0.73%)	(22.28)
4. Thejo Engineering LatinoAmerica SpA	(1.12%)	(126.20)	1.52%	46.24
Minority Interest	10.44%	1,180.42	17.21%	522.66
Inter-company eliminations	(20.41%)	(2,307.68)	1.69%	51.41
Total	100.00%	11,304.90	100.00%	3,036.32

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

26.10.4 The outbreak of COVID-19 and the resultant lockdown/restrictions affected the business/economic activities globally. The Company considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Trade Receivables and other Current Assets of the Group. Based on the current estimates, taking into account external and internal information that are available up to the date of the approval of the financial statements, the Company expects the carrying amount of these assets to be recovered and believes that there is no impact on its ability to continue as a going concern. The Company would continue to closely monitor any material changes to future economic/business conditions.

26.10.5 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.

Note 27 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 BRAHMAYYA & CO.

Chartered Accountants
(ICAI Registration No. 000511S)

P. BABU
Partner
Membership No. 203358

Place : Chennai
Date : 18th June, 2020

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

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 '19 to 31 st March '20	1 SAR = ₹ 20.1075	654.35	809.80	2,185.25	2,185.25	-	1,580.14	594.18	115.36	478.82	-	51.00
2	Thejo Australia Pty Ltd	01 st April '19 to 31 st March '20	1 AUD = ₹ 45.9798	1,624.94	(61.88)	4,789.46	4,789.46	-	8,974.02	1,294.57	186.73	1,107.84	-	74.00
3	Thejo Brasil Comercio E Servicos Ltda	01 st April '19 to 31 st March '20	1 BRL = ₹ 14.5167	98.62	(106.10)	92.08	92.08	-	101.97	(20.90)	1.37	(22.27)	-	99.99
4	Thejo Engineering LatinoAmerica SpA	01 st April '19 to 31 st March '20	1 USD = ₹ 75.4031	492.29	(523.29)	789.93	789.93	-	894.73	46.97	0.73	46.24	-	99.80

For BRAHMAYYA & CO.
Chartered Accountants
ICAI Registration No. 000511S

P. BABU
Partner
Membership No. 203358

Place :Chennai
Date : 18th June, 2020

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



Leadership Team of Thejo at Senior Management Workshop conducted by Ludo Van der Heyden, Chaired Professor in Corporate Governance and Franklin E. Vrede, Professor of Leadership and Executive Coach, INSEAD Business School, Paris.



Thejo Engineering Limited

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