



**Board of Directors and Chairman Emeritus with the inaugural Runner-up Award 2021 for Corporate Governance awarded by the Moneylife Foundation**

**Standing (L-R):** Mr. Manoj Joseph, Mr. Manesh Joseph, Mr. A. Satyaseelan, Mr. M.P. Vijay Kumar, Mr. Sridhar Ganesh and Mr. Rajesh John. **Sitting (L-R):** Dr. C.N. Ramchand, Mrs. Sujatha Jayarajan, Mr. K.J. Joseph, Mr. V.A. George, Mr. Thomas John and Mr. V.K. Srivastava.

**BOARD OF DIRECTORS**

<b>Executive Chairman</b>	V.A. GEORGE
<b>Vice Chairman</b>	THOMAS JOHN
<b>Managing Director</b>	MANOJ JOSEPH
<b>Whole-time Directors</b>	RAJESH JOHN MANESH JOSEPH (w.e.f 23/06/2021)
<b>Directors</b>	V.K. SRIVASTAVA A. SATYASEELAN M.P. VIJAY KUMAR C.N. RAMCHAND SUJATHA JAYARAJAN SRIDHAR GANESH (w.e.f 15/11/2021)
<b>Chairman Emeritus</b>	K.J. JOSEPH
<b>Chief Financial Officer &amp; Secretary</b>	M.D. RAVIKANTH
<b>Audit Committee</b>	M.P. VIJAY KUMAR A. SATYASEELAN SUJATHA JAYARAJAN
<b>Stakeholders' Relationship Committee</b>	C.N. RAMCHAND V.K. SRIVASTAVA THOMAS JOHN SUJATHA JAYARAJAN
<b>Auditors</b>	M/s. BRAHMAYYA & CO. Chartered Accountants, Chennai
<b>Internal Auditors</b>	M/s. S. VISWANATHAN LLP Chartered Accountants, Chennai
<b>Secretarial Auditor</b>	SINDHUJA PORSELVAM Practising Company Secretary, Chennai
<b>Registrar and Share Transfer Agents</b>	M/s. Cameo Corporate Services Limited Subramanian Building, No. 1 Club House Road, Chennai - 600 002.
<b>Main Bankers</b>	HDFC Bank Limited State Bank of India Axis Bank Limited Citi Bank N.A.

**REGISTERED OFFICE**

3<sup>rd</sup> 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 - Polyurethane Division:**

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

**Unit – III:**

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

**Lining Division:**

Survey No. 234/2C, Jagannathapuram-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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<b>CONTENTS</b>	<b>Page No.</b>
Financial Highlights	3
Notice to Members	5
Board's Report	19
Annexure to Board's Report	34
Corporate Governance Report	46
Business Responsibility and Sustainability Report	62
Independent Auditors' Report	88
Balance Sheet	98
Statement of Profit and Loss	99
Statement of Cash Flows	100
Statement of Changes in Equity	102
Notes forming part of the Financial Statements	103
Independent Auditors' Report (Consolidated Financial Statements)	149
Consolidated Financial Statements	156
Salient features of Financial Statements of Subsidiaries / Associates / Joint Ventures	208

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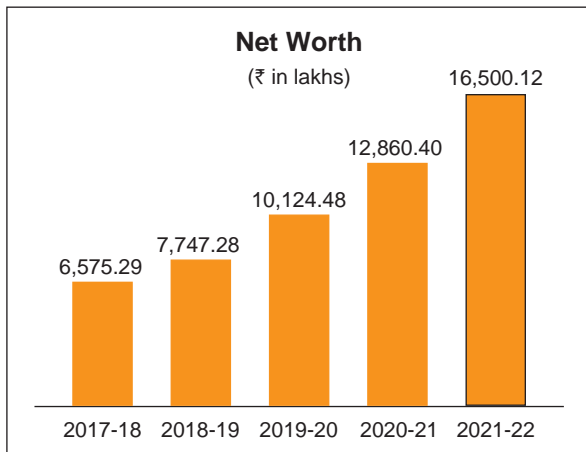
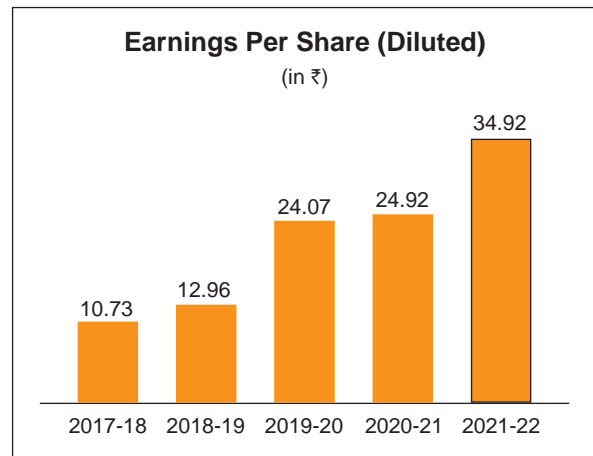
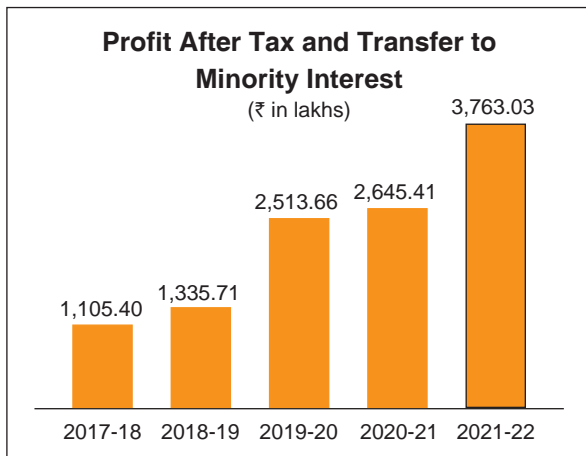
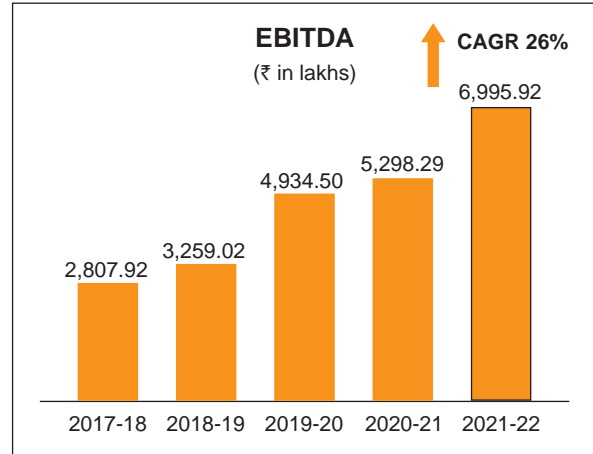
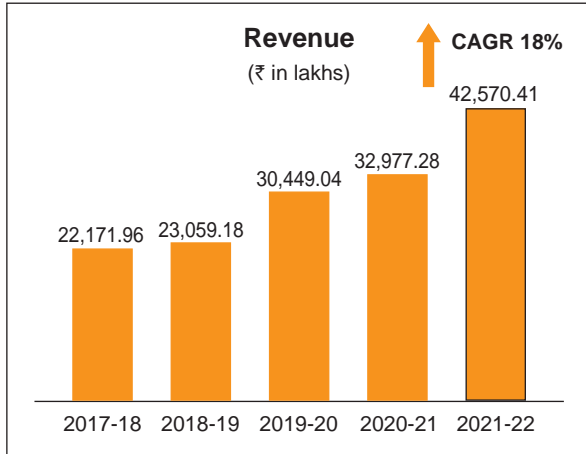
**FINANCIAL HIGHLIGHTS**

₹ in lakhs unless specified otherwise

Details	IND-AS		Previous GAAP							
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Sales <sup>1</sup>	<b>27661.40</b>	21306.49	20047.06	18925.39	17404.09	14927.65	14449.23	15603.02	13868.65	12440.65
Other Income	<b>237.60</b>	316.50	215.24	235.75	160.82	173.88	123.44	112.31	144.68	211.58
Total Income <sup>1</sup>	<b>27899.00</b>	21622.99	20262.30	19161.14	17564.91	15101.53	14572.67	15715.33	14013.33	12652.23
Profit before interest, depreciation, amortisation and tax <sup>2</sup>	<b>4825.52</b>	3732.58	2671.43	2756.56	2176.42	1777.04	1807.91	1774.59	2067.52	2020.66
Profit before interest & tax <sup>2</sup>	<b>4144.94</b>	3124.87	2214.95	2312.44	1801.33	1385.05	1389.77	1322.00	1792.58	1817.79
Profit before tax <sup>2</sup>	<b>3907.18</b>	2871.54	1875.82	1915.64	1263.30	822.75	812.01	805.32	1342.36	1437.63
Profit after tax <sup>2</sup>	<b>2924.71</b>	2145.83	1374.29	1357.14	870.76	560.89	559.03	546.67	895.79	974.78
Net fixed assets	<b>4921.73</b>	3255.55	2333.95	2400.18	2425.42	2068.21	2144.80	2239.75	2338.04	1504.89
Share Capital	<b>1065.71</b>	351.64	346.04	343.70	343.36	343.36	343.36	343.36	343.36	171.68
Reserves and Surplus	<b>14325.40</b>	12284.11	10275.29	9022.09	7813.88	7065.30	6474.13	6059.73	5718.23	5159.45
Networth	<b>15391.11</b>	12635.75	10621.33	9365.79	8157.24	7408.66	6817.49	6403.09	6061.59	5331.13
Total borrowings	<b>132.08</b>	420.01	1512.21	2167.07	2185.97	3707.87	3694.18	3515.91	3092.85	2582.83
Basic Earnings per share <sup>3</sup> (in ₹)	<b>27.52</b>	20.53	13.29	13.17	8.45	5.45	5.43	5.31	8.46	10.98
Diluted Earnings per share <sup>3</sup> (in ₹)	<b>27.14</b>	20.22	13.16	13.17	8.45	5.45	5.43	5.31	8.46	10.98
Dividend per share (in ₹)	<b>2.00</b>	6.00	5.00	5.00	4.00	3.50	3.50	3.50	3.50	5.00
Book value per share <sup>3</sup> (in ₹)	<b>144.42</b>	119.78	102.31	90.83	79.19	71.92	66.18	62.16	58.85	51.75
EBITDA / Total Income (%)	<b>17.30</b>	17.26	13.18	14.39	12.39	11.77	12.41	11.29	14.75	15.97
Profit before tax / Total Income (%)	<b>14.00</b>	13.28	9.26	10.00	7.19	5.45	5.57	5.12	9.58	11.36
Return on closing capital employed (%)	<b>26.70</b>	23.93	18.25	20.05	17.42	12.46	13.22	13.33	19.58	22.97
Return on closing net worth (%)	<b>19.00</b>	16.98	12.94	14.49	10.67	7.57	8.20	8.54	14.78	18.28

- Notes: 1. Net of excise duty and all other duties and taxes.  
 2. Excluding exceptional items.  
 3. (i) During FY 2021-22, the Company has issued 70,94,756 equity shares as fully paid-up bonus shares (in the ratio of 2:1). Consequently, the EPS and book value for the prior periods have been adjusted for the bonus issue.  
 (ii) During FY 2013-14, the Company has issued 17,16,776 equity shares as fully paid-up bonus shares (in the ratio of 1:1). Consequently, the EPS and book value for the prior periods have been adjusted for the bonus issue.

**KEY PERFORMANCE INDICATORS**  
(Consolidated)



Notes:

1. All figures are as per Ind-AS for FY22 and 21 and under Previous GAAP for earlier years.
2. EPS has been adjusted for prior periods in respect of issue of bonus shares in FY22.

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**THEJO ENGINEERING LIMITED**

Regd. Office : 3<sup>rd</sup> 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 36<sup>th</sup> Annual General Meeting of the Members of Thejo Engineering Limited will be held on Saturday, 27<sup>th</sup> August, 2022 at 10.45 a.m. at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai – 600 014, Tamil Nadu, India to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt (a) the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022 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 ₹ 2 /- (Rupees Two 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 31<sup>st</sup> March, 2022 and be paid out of the profits of the Company for the year 2021-22 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 20<sup>th</sup> August, 2022.”

3. To appoint a Director in place of Mr. Manoj Joseph (DIN 00434579), 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. Manoj Joseph (DIN 00434579), 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.”

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**NOTICE TO MEMBERS**

5. To re-appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the 41<sup>st</sup> Annual General Meeting and to fix their remuneration and to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board, M/s. Brahmayya & Co, Chartered Accountants (Firm Registration No. 000511S), be re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this 36<sup>th</sup> Annual General Meeting until the conclusion of the 41<sup>st</sup> Annual General Meeting, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

6. To appoint Mr. Sridhar Ganesh as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Sridhar Ganesh (DIN 01681018), who was appointed as an Additional Director with effect from 15<sup>th</sup> November, 2021, pursuant to the provisions of Section 161 (1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the Office of Director, be appointed as an Independent Director of the Company, for a term up to 14<sup>th</sup> November, 2026, and not liable to retire by rotation.

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Sridhar Ganesh (DIN 01681018) be paid such fees, remuneration, reimbursement of expenses and profit related commission as the Board may approve from time to time subject to such limits prescribed or as may be prescribed from time to time.

**“RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary, be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

By Order of the Board  
For THEJO ENGINEERING LIMITED

Place : Chennai  
Date : 26<sup>th</sup> May, 2022

M.D. RAVIKANTH  
CFO & Secretary



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**NOTICE TO MEMBERS****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. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a Member.
3. The form of proxy duly completed in all respects shall be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting (“the Meeting”). A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a Member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
4. Members / Proxies are requested to bring the duly filled Attendance Slip to the Meeting.
5. Documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays, Sundays and Public Holidays up to the date of the Meeting and at the venue of the Meeting.
6. The Register of Members and Share Transfer Books will remain closed from 21<sup>st</sup> August, 2022 to 27<sup>th</sup> August, 2022 (both days inclusive).
7. Explanatory Statement in terms of Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of re-appointment of statutory auditors and Additional information pursuant to Regulation 36 of the 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 and appointment of new Director at the AGM are annexed to this Notice.
8. 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.
9. 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](mailto:investor@thejo-engg.com).
10. Members having any query or desiring any information pertaining to Annual Accounts are requested to write to the Company at [investor@thejo-engg.com](mailto:investor@thejo-engg.com), at an early date to enable the Company to answer Members’ queries at the Meeting.
11. 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 and Disclosure Requirements) Regulations, 2015 (as amended), 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.19 for instruction on remote e-voting facility.

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**NOTICE TO MEMBERS**

12. Members may also note that the Notice of the 36<sup>th</sup> Annual General Meeting and the Annual Report for the Financial Year 2021-22 are available on the Company's website [www.thejo-engg.com](http://www.thejo-engg.com). The AGM Notice can also be accessed from the website of the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
  13. Members holding shares in electronic form are requested to intimate immediately any change in their e-mail ID / contact number/ address / bank mandates to the Depository Participants with whom they are maintaining their demat accounts.
  14. Any person, who acquires the shares of the Company and becomes a Member after the Company emails the Notice of the 36<sup>th</sup> AGM and holds the shares as on the cut-off date of 20<sup>th</sup> August, 2022 may follow the instructions given in SI No. 19 for casting their vote through remote e-voting.
  15. 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 voting during the AGM.
  16. The final dividend for the Financial Year ended 31<sup>st</sup> March, 2022, 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 or as beneficial owner in the records of the Depositories as on the record date, i.e. 20<sup>th</sup> August, 2022. 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](mailto:investor@thejo-engg.com).
  17. 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.
  18. 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.
  19. Instruction for Remote E-Voting Facility:
    - a) The remote e-voting period commences on Wednesday, 24<sup>th</sup> August, 2022 (9 a.m.) and ends on Friday, 26<sup>th</sup> August, 2022 (5 p.m.). The cut-off date for determining the eligibility of Members for the remote e-voting and poll is Saturday, 20<sup>th</sup> August, 2022.
    - 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 20<sup>th</sup> August, 2022, 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., 20<sup>th</sup> August, 2022. 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.
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**NOTICE TO MEMBERS**

- f) Remote e-voting is optional for Members. Members who have voted electronically through remote e-voting shall be entitled to attend the AGM but would not be allowed to vote at the Meeting.
- g) Members desiring to exercise their vote by using remote e-voting facility should follow carefully the instructions given below:
- (i) The voting period begins on Wednesday, 24<sup>th</sup> August, 2022 (9 a.m.) and ends on Friday, 26<sup>th</sup> August, 2022 (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 20<sup>th</sup> August, 2022 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed by SEBI that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided by SEBI to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for remote e-Voting **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.  2) After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the respective Company. On clicking the

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**NOTICE TO MEMBERS**

Type of shareholders	Login Method
	<p>e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY, etc. so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting, where applicable.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting, where applicable.</p>

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**NOTICE TO MEMBERS**

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting, where applicable.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting for **shareholders holding shares in physical mode and for shareholders other than individuals holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) 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.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
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**NOTICE TO MEMBERS**

- 6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  * 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.  • 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.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) 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 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of the Company on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the voting page.
- (xv) 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.
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**NOTICE TO MEMBERS****(xvi) Facility for Non – Individual Shareholders and Custodians – For Remote e-Voting.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto: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](mailto: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.

**20. Instruction for those Members whose email ids/ mobile numbers are not registered with the Company / depositories**

- 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](mailto:investor@thejo-engg.com).
- b) For Demat shareholders - Please update your email id & mobile number with your respective Depository Participant (DP)
- c) For Individual Demat shareholders – Please update your email id & mobile number with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual meetings (in cases where meetings are held virtually) through Depository.

21. If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

22. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

23. 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.

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**NOTICE TO MEMBERS**

24. The Board of Directors have appointed Mrs. Sindhuja Porselvam, Practicing Company Secretary (ACS 44831, CP 23622) as Scrutinizer for conducting the remote electronic voting and polling process in a fair and transparent manner.
25. The Scrutinizer shall submit her report to the Chairman of the Company, on the votes cast in favour or against, after scrutiny.
26. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company [www.thejo-engg.com](http://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 : 26<sup>th</sup> May, 2022

M.D. RAVIKANTH  
CFO & Secretary



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**NOTICE TO MEMBERS**
**EXPLANATORY STATEMENT ANNEXED TO NOTICE [PURSUANT TO PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013]**
**Item No. 6:**

The Board of Directors at their Meeting held on 12<sup>th</sup> November, 2021, based on the recommendation of the Compensation / Nomination and Remuneration Committee, appointed Mr. Sridhar Ganesh as an Additional Director of the Company with effect from 15<sup>th</sup> November, 2021 under the category of Independent Director.

Pursuant to Sections 149, 150, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. Sridhar Ganesh as Independent Director of the Company upto 14<sup>th</sup> November, 2026. He will not be liable to retire by rotation as stipulated in Section 152 of the Companies Act, 2013. The Company has received notice pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the appointment of the aforesaid Independent Director.

A brief profile along with other details of Mr. Sridhar Ganesh is as follows:

Name of the Director	Mr. Sridhar Ganesh
Director Identification Number	01681018
Date of joining of the Board	15 <sup>th</sup> November, 2021
Profile of the Director	Mr. Sridhar Ganesh is a graduate in Physics with a post graduate diploma in Management from the Indian Institute of Management, Calcutta. He had served the Cadbury Group as HR Director of Cadbury India Limited and HR Director - Africa, India, Middle East and L&D Director of EMEA Region of Cadbury Schweppes PLC. He had served on the Corporate Board of the Murugappa Group as Director – HR and Director – Diversified Business Group. He is an experienced Business Leader with interest and experience in the areas of Business Strategy, Coaching for Performance, Leadership Development & Communication. He is currently serving as a Director in the Board of M/s Adrenalin eSystems Limited.
Expertise in specific functional areas	The Company is engaged in manufacturing and services sector and People are one of the key resource of the Company. Mr. Sridhar Ganesh with expertise in Business Strategy, Human Resource Management, Leadership Development & Communication will bring in immense value to the Company in various facets of management, especially Human Resources.
No. of shares held in the Company	Nil
Directorships and Committee Memberships in other Companies*	Directorship – M/s Adrenalin eSystems Limited. Committee Membership – Nil
Relationship with other Directors / Key Managerial Personnel	Nil

*\*Directorships and Committee memberships in Thejo Engineering Limited and its Committees are not included in the aforesaid disclosure. Also, alternate directorship, directorships in Private Limited Companies, Foreign Companies, Section 8 Companies and Companies registered under Section 25 of the Companies Act, 1956 and their Committee memberships are excluded. Chairmanship / Membership of the Audit Committee and the Stakeholders' Relationship Committee in public limited companies alone has been considered.*

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**NOTICE TO MEMBERS**

In the opinion of the Board, Mr. Sridhar Ganesh, the Independent Director proposed to be appointed, fulfills the conditions specified in Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and he is independent of the management.

The Company has received from Mr. Sridhar Ganesh (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules, 2014 (ii) intimation in Form DIR 8 in terms of the Companies (Appointment & Qualifications of Directors) Rules, 2014 and (iii) a declaration to the Board of Directors to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the proposed Resolution except Mr. Sridhar Ganesh and his relatives.

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

This Explanatory Statement may also be regarded as disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard on General Meeting (SS-2).

**Explanatory statement in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

**Item No. 5:**

M/s. Brahmayya & Co, Chartered Accountants (Firm Registration No. 000511S), were appointed as the Statutory Auditors of the Company by the Members at the 31st Annual General Meeting of the Company held on 16th August, 2017 for a period of 5 consecutive years until the conclusion of 36th Annual General Meeting.

Considering the industry experience, quality of audit, independence, technical skills of M/s. Brahmayya & Co and based on the recommendation of Audit Committee, the Board of Directors have recommended their re-appointment as Statutory Auditors for another term of 5 consecutive years from the conclusion of 36th Annual General Meeting until the conclusion of the 41st Annual General Meeting, subject to approval of the Members, on such remuneration as recommended by the Audit Committee and as may be approved by the Board of Directors from time to time.

The Statutory Auditors have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. Further, M/s. Brahmayya & Co confirmed that they hold a valid peer review certificate issued by the Institute of Chartered Accountants of India.

None of the Directors or the Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution set out in Item No.5 of the accompanying Notice for approval by the Members.

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**NOTICE TO MEMBERS**

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

**Information about Mr. Manoj Joseph:**

Name of the Director	Mr. Manoj Joseph
Age	52 years
Director Identification Number	00434579
Date of joining of the Board	04 <sup>th</sup> 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 serving the Company as Managing Director.
Terms and conditions of re-appointment	Mr. Manoj Joseph 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 30 <sup>th</sup> August, 2021, Mr. Manoj Joseph was appointed as the Managing Director for a period of five years from 15 <sup>th</sup> July, 2021 as per the terms and conditions contained therein.
Remuneration last drawn	₹ 58.86 lakhs (excluding retirement benefits and commission) during the Financial Year 2021-22.
Remuneration proposed to be paid	As per existing terms and conditions.
Number of Meetings of the Board attended during the year (FY21-22)	5 (Five)
No. of shares held in the Company	4,97,580 equity shares as on 31 <sup>st</sup> March, 2022
Directorships of other Boards as on 31 <sup>st</sup> March, 2022*	Nil
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2022*	Nil
Relationship with other Directors / Key Managerial Personnel	Son of Mr. K.J. Joseph, Promoter & Chairman Emeritus and brother of Mr. Manesh Joseph, Whole-time Director and not related to any other Director / Key Managerial Personnel.

*\*Directorships and Committee memberships in Thejo Engineering Limited and its Committees are not included in the aforesaid disclosure. Also, alternate directorship, directorships in Private Limited Companies, Foreign Companies, Section 8 Companies and Companies registered under Section 25 of the Companies Act, 1956 and their Committee memberships are excluded. Chairmanship / Membership of the Audit Committee and the Stakeholders' Relationship Committee in public limited companies alone has been considered.*

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**NOTICE TO MEMBERS**
**Information about Mr. Rajesh John:**

Name of the Director	Mr. Rajesh John
Age	46 years
Director Identification Number	05161087
Date of joining of the Board	16 <sup>th</sup> 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 30 <sup>th</sup> August, 2021, Mr. Rajesh John was re-appointed as a Whole-time Director as per the terms and conditions contained therein.
Remuneration last drawn	₹ 35.93 lakhs (excluding retirement benefits and commission) during the Financial Year 2021-22.
Remuneration proposed to be paid	As per existing terms and conditions.
Number of Meetings of the Board attended during the year (FY21-22)	5 (Five).
No. of shares held in the Company	6,50,598 Equity Shares as on 31 <sup>st</sup> March, 2022
Directorships of other Boards as on 31 <sup>st</sup> March, 2022*	Nil
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2022*	Nil
Relationship with other Directors / Key Managerial Personnel	Son of Mr. Thomas John, Vice Chairman and not related to any other Director / Key Managerial Personnel.

*\*Directorships and Committee memberships in Thejo Engineering Limited and its Committees are not included in the aforesaid disclosure. Also, alternate directorship, directorships in Private Limited Companies, Foreign Companies, Section 8 Companies and Companies registered under Section 25 of the Companies Act, 1956 and their Committee memberships are excluded. Chairmanship / Membership of the Audit Committee and the Stakeholders' Relationship Committee in public limited companies alone has been considered.*

By Order of the Board  
For THEJO ENGINEERING LIMITED

Place : Chennai  
Date : 26<sup>th</sup> May, 2022

M.D. RAVIKANTH  
CFO & Secretary

## BOARD'S REPORT

The Board of Directors are pleased to present the Thirty-Sixth Annual Report of the Company (hereinafter referred to as "Thejo" / "Thejo Engineering" / "the Company" / "your Company") and its audited financial statements (standalone and consolidated) for the Financial Year ended 31<sup>st</sup> March, 2022. Your Company has voluntarily adopted Ind-AS during the financial year 2021-22 (FY22) with 1<sup>st</sup> April, 2020 being the transition date. Accordingly, the audited financial statements (standalone and consolidated) for FY22 are the first set of financial statements presented under Ind-AS. The summarised financial results for the year ended 31<sup>st</sup> March, 2022 are given below:

₹ in lakhs

	Standalone		Consolidated	
	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
Revenue from Operations	<b>27,753.92</b>	21,372.35	<b>42,446.34</b>	32,707.23
Other income	<b>145.08</b>	250.64	<b>124.07</b>	270.05
<b>Total Income</b>	<b>27,899.00</b>	21,622.99	<b>42,570.41</b>	32,977.28
<b>Expenses</b>				
Operating Expenditure	<b>23,073.48</b>	17,890.41	<b>35,574.49</b>	27,678.99
Depreciation and amortisation expense	<b>680.58</b>	607.71	<b>1,053.05</b>	876.42
<b>Total Expenses</b>	<b>23,754.06</b>	18,498.12	<b>36,627.54</b>	28,555.41
Profit before finance costs, exceptional item and tax	<b>4,144.94</b>	3,124.87	<b>5,942.87</b>	4,421.87
Finance Costs	<b>237.76</b>	253.33	<b>314.99</b>	369.28
<b>Profit before Exceptional item and tax</b>	<b>3,907.18</b>	2,871.54	<b>5,627.88</b>	4,052.59
Exceptional item	-	-	-	-
<b>Profit before tax</b>	<b>3,907.18</b>	2,871.54	<b>5,627.88</b>	4,052.59
Tax expense	<b>982.47</b>	725.71	<b>1,376.75</b>	1,107.96
<b>Profit for the year</b>	<b>2,924.71</b>	2,145.83	<b>4,251.13</b>	2,945.63
<b>Attributable to:</b>				
Owners of the Company	<b>2,924.71</b>	2,145.83	<b>3,763.03</b>	2,645.41
Non-controlling interests	-	-	<b>488.10</b>	299.22
<b>Opening balance of retained earnings</b>	<b>9,399.86</b>	7,427.43	<b>9,317.36</b>	6,886.87
Profit for the year	<b>2,924.71</b>	2,145.83	<b>3,763.03</b>	2,645.41
Dividend	<b>212.61*</b>	173.40	<b>212.61</b>	173.40
Transfer to Statutory Reserve	-	-	<b>76.27</b>	41.53
<b>Closing balance of retained earnings</b>	<b>12,111.96</b>	9,399.86	<b>12,791.50</b>	<b>9,317.36</b>

\* Dividend pertains to the Financial Year 2020-21. No appropriation for dividend has been made in the Accounts for the dividend recommended for the Financial Year 2021-22, pending approval by the Members at the ensuing Annual General Meeting.

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

During the year under review, in the wake of the business impact caused by COVID-19, your Company focussed on profitable operations at site level in respect of the Services and Operation and Maintenance Division. The Company continued its focus on value-added products under the Manufacturing Division. The Company also focussed closely on cost control and working capital management. This enabled the Company to increase its turnover and profitability. The financial performance of the Company at standalone and consolidated levels are given below.

**STANDALONE**

Your Company recorded revenue (from operations) of ₹ 27,753.92 lakhs for the year ended 31<sup>st</sup> March, 2022 as against ₹ 21,372.35 lakhs in the previous year. It achieved an EBITDA of ₹ 4,825.52 lakhs (previous year ₹ 3,732.58 lakhs), resulting in a net profit of ₹ 2,924.71 lakhs as against ₹ 2,145.83 lakhs in 2020-21, registering a growth of 29% in terms of EBITDA and a growth of 36% in terms of net profit.

**CONSOLIDATED**

The Consolidated Financial Statements of the Company have been prepared as per Ind-AS 110. The Company's consolidated revenue from operations in the year under review aggregated ₹ 42,446.34 lakhs (previous year ₹ 32,707.23 lakhs) on which it made EBITDA of ₹ 6,995.92 lakhs (previous year ₹ 5,298.29 lakhs) and net profit (attributable to the Owners of the Company) of ₹ 3,763.03 lakhs as against ₹ 2,645.41 lakhs in 2020-21, registering a growth of 32% and 42% in terms of EBITDA and net profit (attributable to the Owners of the Company), respectively.

**DIVIDEND**

During the Financial Year 2021-22, Bonus issue of Equity shares was made in October, 2021 in the proportion of Two new fully Paid-up Equity Share of ₹ 10/- each for every One existing fully Paid-up Equity Share of ₹ 10/- each.

The Board of Directors are pleased to recommend payment of dividend of 20% i.e. ₹ 2/- per equity share of ₹ 10/- each for the Financial Year ended 31<sup>st</sup> March, 2022 (previous year: 60%). Based on the equity shares outstanding as on 31<sup>st</sup> March, 2022, the dividend would absorb an amount of ₹ 213.14 lakhs (previous year - ₹ 212.61 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 1<sup>st</sup> 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 29<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> 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. On account of the bonus issue made in October, 2021 in the ratio of 2:1, appropriate adjustment, in terms of the number and the Exercise Price of all outstanding Options (vested and unvested), and the number of balance Options that are available for grant under the Scheme, were carried out in proportion to the Bonus issue.

## BOARD'S REPORT

Information in respect of options granted under the Thejo Employee Stock Option Plan 2015 is given in Note 26.9 forming part of the Financial Statements. As per Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the details of the ESOPs are uploaded on the Company's website <https://www.thejo-engg.com/sites/ESOPs2022.pdf>

The total shareholding of the Company changed due to the allotments made under ESOP 2015 and allotment of Bonus shares. The details of movement in shareholding are as follows:

Date	Details	No. of equity shares Allotted	No. of equity shares (Cumulative)
1 <sup>st</sup> April, 2021	Opening Balance		35,16,427
3 <sup>rd</sup> May, 2021	Allotment under ESOP	4,755	35,21,182
8 <sup>th</sup> June, 2021	Allotment under ESOP	21,731	35,42,913
31 <sup>st</sup> July, 2021	Allotment under ESOP	626	35,43,539
13 <sup>th</sup> September, 2021	Allotment under ESOP	3,839	35,47,378
15 <sup>th</sup> October, 2021	Allotment of Bonus Shares	70,94,756	1,06,42,134
14 <sup>th</sup> December, 2021	Allotment under ESOP	6,742	1,06,48,876
29 <sup>th</sup> January, 2022	Allotment under ESOP	6,750	1,06,55,626
10 <sup>th</sup> March, 2022	Allotment under ESOP	1,500	1,06,57,126

A Certificate from the Secretarial Auditors of the Company as required under Regulation 13 of the Securities & Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is attached to the Board's Report.

### CREDIT RATING

During the Financial Year 2021-22, CRISIL has reaffirmed the long-term and short-term credit ratings on the bank facilities of the Company at CRISIL A-/Stable and CRISIL A2+ respectively.

## REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

### GLOBAL ENVIRONMENT

The global economy recovered reasonably well in the calendar year 2021 even as new variants of the COVID-19 virus fuelled additional waves of the pandemic. Robust policy support in advanced economies, availability of vaccines and relaxation of pandemic restrictions helped economies bounce back, collectively expanding world output by an estimated 6.1%. The war in Ukraine is expected to cause significant slowdown in the global growth in 2022 and add to inflation. Global growth is expected to slow down to 3.6% in 2022. (World Economic Outlook, IMF, April 2022).

### India

The eight core industries comprise more than 40% of the weight of items included in the Index of Industrial Production (IIP). The cumulative growth of the core industries during FY 22 was estimated to be about 10.4%. Despite being hit by COVID-19, the steel industry, one of the major sectors catered to by the Company, benefitted by the rally in commodity prices. India was the only country among the top 10 steel producing countries to register growth in steel production during January to March, 2022.

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**BOARD'S REPORT****Australia**

The revenue of the iron ore mining sector in Australia has increased strongly over the past five years, due to generally higher output and stronger commodity prices. High global demand prompted several major Australian mining companies to commit and continue with new mining projects and expansions early over the period. This helped our subsidiary in Australia, Thejo Australia Pty Ltd, to strongly establish its business and continue its profitable operations.

**Saudi Arabia**

After registering a stronger-than-expected recovery in 2021, the Saudi Arabian economy is expected to be on a growth path in 2022, driven by higher oil prices and non-oil activities, as oil production strengthens and pandemic pressures fade. Saudi Arabia's direct trade with Russia and Ukraine is limited. With supportive economic environment, established business and clientele, Thejo Hatcon Industrial Services Company, our subsidiary in Saudi Arabia, ended the year with a good performance.

**Brazil**

The Brazilian economy faced ups and downs over the last two years. While H2 of 2020 saw a rebound in economic activity, the recovery got dampened due to subsequent waves of Covid. Brazil, again exited recession in the fourth quarter of 2021. However, consumer confidence is subdued as inflation rises and unemployment remains high. External factors such as existing supply chain challenges due to the pandemic and the Russian invasion of Ukraine weighs on the currency and global demand. The mining/mineral industries of Brazil showed reasonable growth during 2021, which in turn enabled our subsidiary in Brazil, Thejo Brasil Comercio E Servicos Ltda, to report better turnover and turn profitable.

**Chile**

Despite rising Inflation and amid buoyant domestic demand and supply bottlenecks, Chilean GDP is expected to have grown at 11.7% in 2021. The real GDP growth is expected to decelerate to 2% in 2022, as monetary and fiscal policies tighten. On the back of the steady establishment of our products and our brand in the market, the operations of our subsidiary in Chile, Thejo Engineering LatinoAmerica SpA, remained steady and continued to be profitable during the year.

Though our subsidiaries have limited direct exposure to Russia and Ukraine in trade, subject to the conflict's impact on the global economy, the subsidiaries are expected to grow in the medium term.

**INDUSTRY STRUCTURE AND DEVELOPMENT**

The steel sector has been a major contributor to India's manufacturing output. India is the world's second-largest producer of crude steel, with an output of 118 Million tons (MT) in 2021, representing an 18% growth over 2020 (100.3 MT). Steel sector is one of the key sectors catered to by the Company.

In the backdrop of the subsequent waves of Covid, the Company continued to focus on value-added products and on increasing services business with robust working capital management. This has resulted in increase in the turnover and profitability. The Company continues to develop its overseas markets and focus on exports as domestic growth is expected to be average in the long run.

**COMPANY PROFILE AND KEY DEVELOPMENTS****Profile**

Thejo Engineering is the pioneer of conveyor belt splicing by cold vulcanizing process, in-situ pulley lagging and recapping of conveyor belts. Thejo is a leading industrial solution provider for belt conveyor based bulk material handling systems, mining and mineral processing, and corrosion protection application. The

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**BOARD'S REPORT**

Products business of the Company 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. Thejo Engineering is one of the few companies in the sub-continent offering manufacturing, marketing, and servicing activities under one roof. Thejo Engineering has global presence with subsidiaries in Australia, Saudi Arabia, Brazil and Chile.

**COVID-19 Pandemic**

The first quarter of FY21-22 witnessed the second and subsequent waves of COVID-19 pandemic and had its impact on business/economic activities globally. In India, the Central and State Governments imposed localized lockdown/restrictions during May, 2021 to tackle the second wave of the pandemic. As a result, the manufacturing activities of the Company were temporarily closed for a short period of time during the last week of May 2021. During the second wave of the pandemic, the Company was actively monitoring all customer engagements across the country to minimize risks and ensure continuity of services. 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 consistently served them in line with their requirement and operation levels. The restrictions were slowly relaxed and the business momentum was regained in due course.

**Bonus issue**

Your Company continues to sustain its commitment to the highest levels of quality, superior service management and value addition to all stakeholders. During the year under review, the Company added value to the Shareholders' wealth by issuing Bonus Equity Shares in the proportion of two Equity shares for one share held in the Company.

**Corporate Governance Award**

The governance-centricity and focus on management excellence practised by the Company have resulted in sustained stakeholder satisfaction levels. The "Corporate Governance- Runner Up Award" of the inaugural Corporate Governance Awards received from MoneyLife Foundation exhibits Thejo's commitment towards better governance.

**Expansion of manufacturing facilities**

To meet future demand/requirements, Thejo Engineering is gearing up with plans to expand the existing manufacturing facilities that would increase the production (moulding) capacity of the manufacturing facilities from 2400 tonnes p.a. to 3600 tonnes p.a. The expansion would be carried out at an estimated capex of about ₹ 45 Crore and would be carried out in FY 2022-23.

**RESEARCH AND DEVELOPMENT**

The R&D Centre of the Company 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.

The R&D Centre of the Company was recognized as one of the Top 25 Innovative Companies under CII's Industrial Innovation Awards for two consecutive year in 2019 and 2020. The Company was also declared as the winner under the Manufacturing Medium Enterprise Category in the CII Industrial Innovations Awards for the year 2020.

During the year under review, the Company had applied for patents in respect of several products/inventions. As at the end of the financial year, the Company had applied for 30 product patents and two design patents, of which 17 product patents have been awarded and the balance are in process.

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**BOARD'S REPORT****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.

The Company established its Excellence Centre last year, which trains the technicians of the Company on safety and various technical aspects of the job.

**OPPORTUNITIES AND THREATS****Opportunities**

The Company has been broadening and deepening customer relationships by continually looking for new opportunities and newer areas in their businesses to add value, proactively investing in building newer capabilities, re-skilling its workforce and launching newer services towards long-term sustainability goals.

The products as well as services offerings of the Company are primarily 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.

The budget announced by the government for 2022-23 is said to benefit the steel industry with higher infrastructure spending. These measures are a positive sign towards growth in Core Industries and provide the Company with the possibility of new business opportunities. The Company has a balanced portfolio of products and services, which helps to moderate the impact of cyclicity experienced by its customers. It also helps the Company to tap the business opportunity during expansion as well as during regular operations.

The Company considers Operation and Maintenance (O&M) as one of the main areas for the future. O&M continues to be viewed as a commodity with consequent price pressures bordering on manpower contract. The Company intends to focus primarily on such O&M contracts that would add value to the Company as well as to the customers. We expect good potential in O&M in the long term as the market matures.

The Company has managed to considerably grow its exports despite the pandemic and the resultant impact on logistics posing challenge to international trade. With the domestic growth expected to be average over the medium/long term, the Company considers exports as the area of opportunity over the medium/long term. 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 has been a major threat and almost all countries faced a slowdown in economic growth amidst rising trade tensions and policy uncertainties. This had a bearing on various industries and sectors.

Russia's war on Ukraine has sent steel and other commodity prices soaring to very high levels. But spiralling commodity prices and input costs has its impact on the manufacturers, especially small and medium enterprises. Global supply chain disruptions are likely to continue.

Rising inflation trend in the global market can have an adverse impact on the price of raw materials, inventory and labour. It can make it difficult for the market to gauge the current value of the companies that make up market indexes. Any adverse movements in economic cycles in the Company's target markets is mitigated to some extent due to the Company's presence in multiple and diverse markets.

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**BOARD'S REPORT**

The domestic product business is prone to cyclicalities 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 industry players at lower prices, especially during times of economic downturn.

The Company could be susceptible to strategy, innovation, and business or product portfolio related risks if there is any significant and unfavourable shift in industry trends, customer preferences, or returns on R&D investments. Thejo does have the benefit of being very well entrenched with many of its customers, involved in their critical and strategic initiatives and years of established relationship. Therefore, client concentration related risks are mitigated to an extent.

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.

In the backdrop of the Ukraine war, the prices of some of the raw materials used by the Company are volatile. The Company is doing its best to address this risk of material prices by framing appropriate procurement and pricing policies.

**FUTURE OUTLOOK**

In 2022-23, construction and manufacturing activities in India are likely to be supported by spending on infrastructure and a gradual revival in automotive production, with an expected improvement in semiconductor supply. Raw material supply constraints in the international market is expected to result in higher domestic mining output and support the capital goods sector. Boosted by higher spends on infrastructure and gradual revival of the automotive sector, India's steel demand growth is expected to be high in 2022. The rising demand for Steel in the world could result in increased production by steel makers in India.

Though the expectation of a continued and stable recovery from the pandemic had been shaken by the war in Ukraine and rising inflation, Foreign Direct Investment (FDI) had reached a new high at \$83.57 Billion in FY22 with FDI equity inflows in manufacturing sector at \$21.34 Billion (76% growth YOY). Services sector is among the top three recipient sector attracting foreign equity inflows. In this backdrop, the future outlook is positive combined with high degree of uncertainty and unpredictability. In these circumstances, the Company and the Management are prepared to take swift decisions based on emerging situation, keeping the interest of all stakeholders in mind.

**FINANCIAL PERFORMANCE**

The financial performance of the Company in the year under review has shown good growth. The turnover from Manufacturing Division has increased with reasonable increase in profitability. The Services Division saw a better performance with increase in turnover and profitability. Exports registered a sizeable increase of 43% 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 in future.

The production of moulded and extruded rubber products was 1665 tonnes during 2021-22, registering a growth of 43% over the previous year (1,162 tonnes). The production of adhesives during the year under review was 342 tonnes, showing a growth of 6% over the previous year (323 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 26.3, forming part of the Financial Statements.

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**BOARD'S REPORT**
**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 except for the prevailing Russian Ukraine conflict and its impact on the global economy.

**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 initiatives that enhance productivity and efficiency. To enthuse the employee base and increase the linear relationship between performance and reward, increments/incentives and ESOP are being provided based on performance.

The Company 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 2021-22, the Company focussed on profitable business, receivable and working capital management. With the support of employees across divisions and aided by the rebound witnessed during the financial year, the Company could successfully increase its turnover, profitability, and consequently reduce working capital utilization and interest outflow. The Company registered a profitability of ₹ 2,924.71 lakhs against ₹ 2,145.83 lakhs in the previous year with a reasonable growth in sales.

As a result of the above factors, the Return on Net Worth increased to 20.87% in FY 22 compared to 18.59% in FY21.

During FY22, there was significant change (i.e. change of 25% or more as compared to the previous year) in the following key financial ratios:

Particulars	Financial Year 2021-22	Financial Year 2020-21
Debit Equity Ratio (Times)	0.15	0.09
Interest Coverage Ratio (Times)	17.43	12.34
Debt Service Coverage Ratio (Times)	9.38	6.38
Trade Payables Turnover Ratio (Times)	2.88	2.13

Key reasons for significant change in the above mentioned key financial ratios are as follows:

**Debt-Equity Ratio:** The Debt – Equity Ratio has increased from 0.09 times to 0.15 times, primarily on account of increase in lease liabilities as on 31<sup>st</sup> March, 2022 due to lease of land taken during the year.

**Debt Service Coverage Ratio and Interest Coverage Ratio:** The Debt Service Coverage Ratio has increased from 6.38 times to 9.38 times and Interest Coverage ratio has increased from 12.34 times to 17.43 times primarily on account of increase in the net profit of the Company from ₹ 2,145.83 lakhs to ₹ 2,924.71 lakhs during FY 2021-22.

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**BOARD'S REPORT**

Trade Payables Turnover Ratio: The Trade Payables Turnover Ratio has increased from 2.13 times to 2.88 times during the year on account of increase in purchases during the year (from ₹ 4,594.38 lakhs to ₹ 7,151.95 lakhs) on the back of increased business and turnover.

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 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 statements, whether as a result of any future events, change in assumptions or for any other reason, whatsoever. These 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 or guarantee any performance or returns. Members and others are requested to make their own judgment before taking any decision to invest in the shares of the Company.

**INTERNAL FINANCIAL CONTROL SYSTEM**

The Company has in place adequate internal financial controls 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 99.86% 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, 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022, Thejo Hatcon achieved a turnover of SAR 11.60 million (₹ 2,303.17 lakhs) on which it made a net profit of SAR 3.84 million (₹ 773.23 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, 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022, Thejo Australia achieved a turnover of AUD 22.07 million (₹ 12,400.97 lakhs) with a profit of AUD 0.73 million (₹ 420.08 lakhs).

Thejo Brasil Comercio E Servicos Ltda (Thejo Brasil) is mainly engaged in selling materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. During the period, 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022, Thejo Brasil achieved a turnover of BRL 2.14 million (₹ 305.18 lakhs) with a profit of BRL 0.68 million (₹ 98.96 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, 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022, Thejo Chile achieved a turnover of USD 1.33 million (₹ 993.99 lakhs) with a profit of USD 0.06 million (₹ 68.32 lakhs).

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

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

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Your Directors have constituted a Corporate Social Responsibility Committee (CSR Committee), with Mr. V.K. Srivastava as Chairman and Mr. Thomas John, Mr. V.A. George and Dr. C.N. Ramchand as Members.

The Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) and a CSR Annual Action Plan 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 2021-22, the Company was required to incur CSR expenditure of ₹ 45.20 lakhs being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company spent ₹ 45.25 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. Annual Report on CSR Activities for the Financial Year 2021-22 is given in Annexure 2, forming part of the Board's Report. Brief particulars of the CSR projects undertaken forms part of the same.

**DIVIDEND DISTRIBUTION POLICY**

The Company has formulated a Dividend Distribution Policy in compliance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The same is uploaded on the Company's website at

<https://www.thejo-engg.com/thejo-admin/upload/allstatutory/DivDisbPolicy.pdf>

**ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company is available on the Company's website at

<https://www.thejo-engg.com/investors/AnnRet>

**NUMBER OF MEETINGS OF BOARD**

Five meetings of the Board of Directors were held during the 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 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022 and of the profit of the Company for the year ended on that date;

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**BOARD'S REPORT**

- 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.

**AUDITORS' REPORT**

The Auditors' Report for the year ended 31<sup>st</sup> March, 2022 does not contain any qualification. During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Companies Act, 2013.

**AUDITORS**

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

Based on the recommendation of the Audit Committee, the Board has recommended the re-appointment of M/s.Brahmayya & Co., Chartered Accountants, as Auditors of the Company for a second term of five years (i.e. till the conclusion of the 41<sup>st</sup> Annual General Meeting), subject to the approval of the Members.

**SECRETARIAL AUDIT**

The Board appointed Mrs. Sindhuja Porselvam, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit Report of Mrs. Sindhuja Porselvam for the Financial Year is attached as Annexure 3 to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**SECRETARIAL STANDARDS**

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**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.

## BOARD'S REPORT

### 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 4, 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 5, 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, Stakeholders' Relationship Committee and Allotment Committee. The terms of reference of the Committees are provided in the Corporate Governance Report, forming part of the Board's Report. The composition of the Committees, as at 31<sup>st</sup> March, 2022, is as follows:

Name of the Committee	Composition of the Committee	Status
Audit Committee	Mr. M P Vijay Kumar Mr. A Satyaseelan Mrs. Sujatha Jayarajan	Independent Director, Chairman Independent Director, Member Independent Director, Member
Compensation/Nomination and Remuneration Committee	Mrs. Sujatha Jayarajan Mr. V K Srivastava Mr. M P Vijay Kumar Mr. Sridhar Ganesh	Independent Director, Chairperson Independent Director, Member Independent Director, Member Independent Director, Member
Corporate Social Responsibility Committee	Mr. V K Srivastava Mr. Thomas John Mr. V A George Dr. C.N. Ramchand	Independent Director, Chairman Non-Executive Director, Member Executive Chairman, Member Independent Director, Member
Stakeholders' Relationship Committee <sup>1</sup>	Dr. C N Ramchand Mr. Thomas John Mr. V K Srivastava Mrs. Sujatha Jayarajan	Independent Director, Chairman Non-Executive Director, Member Independent Director, Member Independent Director, Member
Allotment Committee	Mr. A. Satyaseelan Mr. Thomas John Mr. V.A. George Mr. Manoj Joseph Mr. Rajesh John	Independent Director, Chairman Non-Executive Director, Member Executive Chairman, Member Managing Director, Member Whole-time Director, Member

Note:

1) The Investors' Grievance Committee was re-designated as Stakeholders' Relationship Committee by the Board at its Meeting held on 12<sup>th</sup> November, 2021.

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



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**BOARD'S REPORT****VIGIL MECHANISM**

The Company has put in place a 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. Manoj Joseph (DIN 00434579), Managing 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.

On the recommendation of the Compensation/Nomination and Remuneration Committee, Mr. Sridhar Ganesh was appointed by the Board as Additional Director with effect from 15<sup>th</sup> November, 2021. Members may consider Mr. Sridhar Ganesh for appointment as Independent Director under Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, for a term upto 14<sup>th</sup> November, 2026 *vide* Item 6 of the Notice dated 26<sup>th</sup> May, 2022 convening the ensuing Annual General Meeting. None of the Company's Directors have any family relationships with Mr. Sridhar Ganesh. In the opinion of the Board, Mr. Sridhar Ganesh possesses the required integrity, expertise and experience (including proficiency) for being appointed as an Independent Director.

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 re-appointment/ appointment as Directors of the Company.

The details of Directors and Key Management Personnel, who were appointed or have resigned during the FY22 are as follows:

Mr. K.J. Joseph (DIN 00434410), resigned from the Board as Director and Chairman with effect from the close of business hours on 22<sup>nd</sup> June, 2021. The Board, while accepting his resignation, placed on record its warm appreciation of the invaluable service rendered by him in building the Organisation since its inception and contributing to its growth and prosperity. In recognition of his outstanding service, the Board was pleased to confer on Mr. Joseph, the honorary title of "Chairman Emeritus" with effect from 23<sup>rd</sup> June, 2021.

Mr. V.A. George (DIN 01493737) was appointed as Whole-time Director designated as Executive Chairman with the general powers of management of the affairs of the Company, for a period of 5 years with effect from 15<sup>th</sup> July, 2021, by the Board at its meeting held on 22<sup>nd</sup> June, 2021 based on the recommendation of the Compensation/Nomination and Remuneration Committee. The appointment was approved by the Members at their 35<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> August, 2021.

Mr. Manesh Joseph (DIN 07599476) was appointed as an Additional Director with effect from 23<sup>rd</sup> June, 2021 by the Board at its meeting held on 22<sup>nd</sup> June, 2021 based on the recommendation of the Compensation/Nomination and Remuneration Committee. On the recommendation of the Compensation/Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Manesh Joseph as Whole-time Director of the Company for a period of five years with effect from 23<sup>rd</sup> June, 2021. The Members at their 35<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> August, 2021 approved the appointment of Mr. Manesh Joseph as a Director and a Whole-time Director.

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**BOARD'S REPORT**

Mr. Manoj Joseph (DIN 00434579) was appointed as Managing Director of the Company for a period of 5 years with effect from 15<sup>th</sup> July, 2021, by the Board at its meeting held on 22<sup>nd</sup> June, 2021 based on the recommendation of the Compensation/Nomination and Remuneration Committee. The appointment was approved by the Members at their 35<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> August, 2021.

Mr. Rajesh John (DIN 05161087) was re-appointed as Whole-time Director of the Company for a period of 5 years with effect from 16<sup>th</sup> January, 2022, by the Board at its meeting held on 22<sup>nd</sup> June, 2021 based on the recommendation of the Compensation / Nomination and Remuneration Committee. The re-appointment was approved by the Members at their 35<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> August, 2021.

Mr. N. Ganga Ram (DIN 00001246), who was serving as an Independent Director on the Board, passed away on 6<sup>th</sup> October, 2021. He had joined the Board of the Company as an Independent Director in January, 2012. The Company benefitted greatly from his expertise, experience and guidance during his tenure as Independent Director.

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 specify the manner for effective evaluation of the performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. 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 the annual performance evaluation of the Board, Board Committees, Individual Directors and Chairperson during the year under review pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations. As approved by the Compensation/ Nomination and Remuneration Committee, the evaluation of the performance of the Board, its committees and individual directors, for the current year was done through web by filling the questionnaire uploaded in the web module.

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 based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

**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 6 to the Board's Report.

In terms of provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names of the employees drawing remuneration and other particulars, as prescribed in the said Rules forms part of this report. However, in terms of proviso to Section 136(1) of the Act and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Annual Report, excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any Member who is interested in obtaining these particulars may write to the Company Secretary of the Company. During the Financial

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**BOARD'S REPORT**

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 is committed to the well-being of the Environment, Society and upholding high standards of Governance and has won Runner Up Award of the inaugural "Corporate Governance Awards" presented by MoneyLife Foundation in January, 2022. The Company has voluntarily complied with the requirements of Corporate Governance to a large extent. A report on Corporate Governance is attached as Annexure 7 to the Board's Report.

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING**

As part of enhanced Corporate Governance and Reporting practices, the Business Responsibility and Sustainability Report ("BRSR") for the Financial Year 2021-22 has been given by the Company on a voluntary basis. The BRSR indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'. The BRSR is attached as Annexure 8 to the Board's Report.

**GENERAL**

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

1. Deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. 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.
5. Application made or proceeding pending under Insolvency and Bankruptcy Code, 2016.
6. Difference between amount of valuation done at the time of one time settlement and valuation done while taking loan from the Banks or Financial Institutions.

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  
26<sup>th</sup> May, 2022

V.A. GEORGE  
Executive Chairman  
DIN 01493737

THOMAS JOHN  
Vice Chairman  
DIN 00435035

MANOJ JOSEPH  
Managing Director  
DIN 0434579

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**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

<b>Particulars</b>	<b>2021-22</b>
Capital	17.67
Revenue (excluding depreciation)	154.55
<b>Total</b>	<b>172.22</b>
Total R&D expenditure as a % of total turnover	0.62%

## ANNEXURE TO BOARD'S REPORT

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO

## a) Payments in foreign currency towards Imports

₹ in lakhs

Imports at CIF Value	2021-22	2020-21
Raw Materials and Traded Goods	916.19	635.79
Capital Goods	24.19	38.58
<b>Total</b>	<b>940.38</b>	<b>674.37</b>

## b) Payments in foreign currency towards Expenditure

₹ in lakhs

Expenditure in Foreign currency	2021-22	2020-21
Professional and Consultation Fees	10.91	15.47
Seminar, Training & Development	21.29	41.37
Advertisement	22.57	2.49
Safety	21.66	0.00
Salaries & Incentives of Perth Branch	552.38	358.12
Other Expenditure of Perth Branch	431.75	177.73
Others	4.04	3.34
<b>Total</b>	<b>1,064.60</b>	<b>598.52</b>

## c) Earnings in foreign currency on Accrual basis

₹ in lakhs

Earnings in foreign exchange	2021-22	2020-21
Exports – Products	4,801.93	3,344.37
Exports – Services	6.56	0.00
<b>Total</b>	<b>4,808.49</b>	<b>3,344.37</b>

## d) Net Gain or Loss on Foreign Currency Translation

₹ in lakhs

Description	2021-22	2020-21
Profit/(Loss) on Foreign Currency Translation	62.88	51.81

## ANNEXURE 2 TO BOARD'S REPORT

## Annual Report on CSR activities for the Financial Year 2021-22

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

## 1. 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 a 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 <https://www.thejo-engg.com/invest/CSR%20Policy.pdf> for more details related to our CSR Policy.

## ANNEXURE TO BOARD'S REPORT

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship
1	Mr. V.K. Srivastava	Independent Director, Chairman
2	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member
3	Mr. V.A. George	Executive Chairman, Member
4	Dr. C.N. Ramchand	Independent Director, Member

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

- The composition of the CSR Committee is available on our website, at <https://www.thejo-engg.com/invest/CSR%20Composition.pdf>
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at <https://www.thejo-engg.com/invest/CSR%20Policy.pdf>
- The Board, based on the recommendation of the CSR committee, at its meeting held on May 26, 2022, has approved the annual action plan / projects for the financial year 2022-23, the details of which are available on our website, at <https://www.thejo-engg.com/invest/CSRProjectsFY22.pdf>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable as the CSR obligation of the Company is less than ₹ 10 crores.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Nil.

6. Average net profit of the Company as per Section 135(5) : ₹ 2,260.04 lakhs

7. (a) Two percent of the average net profit of the Company as per Section 135(5) : ₹ 45.20 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 45.20 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 45.25 lakhs	Nil	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

ANNEXURE TO BOARD'S REPORT

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹ In Lakhs).	Mode of implementation - Direct (Yes/No).	Mode of implementation-Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Health Care	Preventive health care	No	Tamilnadu	Chennai	1.00	No	Madras Medical Mission	CSR00008044
2.	Promotion of Sports	Promotion of rural sports/ nationally recognised sports / Paralympic sports / Olympic sports	No	Tamilnadu	Chennai	2.00	No	Victory Sports Foundation	CSR00002949
3.	Health Care	Preventive health care	No	Tamilnadu	Chennai	6.70	No	Kerala Catholic Society	CSR00017260
4.	Rehabilitation during COVID Pandemic	Disaster Management	Yes	Tamilnadu	Chennai	0.17	Yes	Rehabilitation during COVID Pandemic	-
5.	Education	Promoting Education	No	Tamilnadu	Chennai	3.00	No	Rotary Club of Madras Marina Trust	CSR00008141
6.	Health Care	Preventive health care	No	Tamilnadu	Chennai	5.00	No	Dean Foundation	CSR00000401
7.	Hunger Eradication	Malnutrition and hunger eradication	No	Tamilnadu	Bengaluru	7.50	No	The Akshaya Patra Foundation	CSR00000286
8.	Health Care	Preventive health care	No	Tamilnadu	New Delhi	5.00	No	Hope Foundation	CSR00000472
9.	Health Care	Preventive health care	No	Tamilnadu	Trichy	5.00	No	Society of St. Joseph's College	CSR00008590
10.	Health Care	Preventive health care	No	Tamilnadu	Chennai	5.00	No	Tamilnadu Kidney Research Foundation	CSR00001422
11.	Hunger Eradication	Malnutrition and hunger eradication	No	Tamilnadu	Chennai	1.00	No	Sri Brahmishi Ashram	CSR00024457
12.	PM CARES Fund	Contribution to PM CARES Fund	No	Delhi	Delhi	2.88	Yes	PM Cares Fund	-
13.	Health Care	Preventive health care	No	Tamilnadu	Chennai	1.00	No	Mellow Circle Prathyasha Trust	CSR00009801
	TOTAL					45.25			

- (d) Amount spent in Administrative Overheads Nil
- (e) Amount spent on Impact Assessment, if applicable Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 45.25 lakhs
- (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	45.20 lakhs
(ii)	Total amount spent for the financial year	45.25 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.05 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.05 lakhs

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**ANNEXURE TO BOARD'S REPORT**

9. (a) Details of Unspent CSR amount for the preceding three financial years : NIL  
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : NIL
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)
- (a) Date of creation or acquisition of the capital asset(s) : NIL  
(b) Amount of CSR spent for creation or acquisition of capital asset : NIL  
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable  
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Not Applicable  
(e) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) : Not Applicable

Place : Chennai  
Date : 26<sup>th</sup> May, 2022

V.A. GEORGE  
Executive Chairman  
DIN 01493737

V.K. SRIVASTAVA  
Chairman of CSR Committee  
DIN 00611678



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ANNEXURE TO BOARD'S REPORT

**ANNEXURE 3 TO BOARD'S REPORT**

**Form MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31/03/2022

*[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 31/03/2022 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 31/03/2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;  
The company has duly complied with the procedure laid under The Companies Act 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 and Sweat Equity) Regulations, 2021;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

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**ANNEXURE TO BOARD'S REPORT**

(e) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

\* *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. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
4. Employees' State Insurance Act, 1948
5. Shop & Establishment Act, 1948
6. The Payment of Gratuity Act, 1972
7. The Contract Labour (Regulation and Abolition) Act, 1970
8. The Maternity benefit Act, 1961
9. The Child Labour Prohibition and Regulation Act, 1986
10. The Industrial Employment (Standing Order) Act, 1946
11. The Employee Compensation Act, 1923
12. The Apprentices Act, 1961
13. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
14. The Minimum wages Act, 1948
15. Payment of Wages Act, 1936
16. Equal Remuneration Act, 1976
17. The Payment of Bonus Act, 1965

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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**ANNEXURE TO BOARD'S REPORT**

- 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.

**For Porselvam and Associates**

**Place : Chennai**  
**Date : 24/05/2022**  
**UDIN : A044831D000378043**

**SINDHUJA PORSELVAM**  
**Company Secretary in Practice**  
**Mem. No 44831; CP No. 23622**

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ANNEXURE TO BOARD'S REPORT

ANNEXURE TO SECRETARIAL AUDIT REPORT

To

The Members

M/s. THEJO ENGINEERING LIMITED

Chennai.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Porselvam and Associates**

**Place : Chennai**  
**Date : 24/05/2022**  
**UDIN : A044831D000378043**

**SINDHUJA PORSELVAM**  
**Company Secretary in Practice**  
**Mem. No 44831; CP No. 23622**

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**ANNEXURE TO BOARD'S REPORT**
**ANNEXURE 4 TO BOARD'S REPORT**

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

**DETAILS OF LOANS GIVEN, INVESTMENTS MADE OR GUARANTEES GIVEN OR SECURITY PROVIDED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013**

The particulars of loans given as at 31<sup>st</sup> March, 2022: Nil

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

Name of the Company and Country	During FY 21-22	As at 31 <sup>st</sup> March, 2022
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	-	695.39

The details of guarantee given as at 31<sup>st</sup> March, 2022: Nil

**ANNEXURE 5 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 2021-22, which were not at arm's length.

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

The contracts/arrangements/ transactions entered into by the Company during the Financial Year 2021-22 with the related parties were not material in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Members may refer to Note 26.5 forming part of the Financial Statements, disclosing the transactions with the related parties pursuant to the applicable Ind-AS.

For and on behalf of the Board

Chennai  
26<sup>th</sup> May, 2022

V.A. GEORGE  
Executive Chairman  
DIN 01493737

THOMAS JOHN  
Vice Chairman  
DIN 00435035

MANOJ JOSEPH  
Managing Director  
DIN 00434579

## ANNEXURE TO BOARD'S REPORT

**ANNEXURE 6 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 2021-22, 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 2021-22 are as follows:

Name of the Director / KMP	Remuneration of Director / KMP for the F.Y. 2021-22 (₹ in lakhs)	% increase in Remuneration in the F.Y. 2021-22	Ratio of Remuneration of each director to median remuneration of employees	Remuneration of Director / KMP for the F.Y. 2020-21 (₹ in lakhs)
Mr. K. J. Joseph <sup>1</sup>	1.50	(60.00)	0.45	3.75
Mr. Thomas John	4.00	6.67	1.20	3.75
Mr. V. A. George	108.00	17.07	32.34	92.25
Mr. Manoj Joseph	58.86	24.57	17.62	47.25
Mr. Rajesh John	35.93	21.34	10.76	29.61
Mr. Manesh Joseph <sup>2</sup>	30.72	NA	9.20	NA
Mr. N. Ganga Ram <sup>3</sup>	2.75	(42.11)	0.82	4.75
Mr. V. K. Srivastava	4.75	18.75	1.42	4.00
Mr. A. Satyaseelan	5.00	5.26	1.50	4.75
Mr. M. P. Vijay Kumar	5.50	15.79	1.65	4.75
Dr. C. N. Ramchand	3.75	15.38	1.12	3.25
Mrs. Sujatha Jayarajan	6.00	26.32	1.80	4.75
Mr. Sridhar Ganesh <sup>4</sup>	1.00	NA	0.30	NA
Mr. M. D. Ravikanth <sup>5</sup>	32.00	17.73	NA	27.18

Notes:

- 1) Mr. K.J. Joseph resigned from the Board on 22<sup>nd</sup> June, 2021.
- 2) Mr. Manesh Joseph was appointed as a Director with effect from 23<sup>rd</sup> June, 2021. Remuneration excludes remuneration drawn in his capacity as Sr Vice President (Services and Operations & Maintenance) for the period 1<sup>st</sup> April, 2021 till 22<sup>nd</sup> June, 2021.
- 3) Mr. Ganga Ram passed away on 6<sup>th</sup> October, 2021.
- 4) Mr. Sridhar Ganesh was appointed as an Additional Director under the category of Independent Director with effect from 15<sup>th</sup> November, 2021.
- 5) Remuneration excludes (a) ₹ 56.28 lakhs (PY ₹ 10.37 lakhs) of taxable value of perquisite on exercise of stock options under ESOP and (b) ₹ 9.23 lakhs (PY ₹ 16.77 lakhs) relating to Medical Reimbursement, LTA reimbursement, Leave Encashment, Ex-gratia, Incentive and Salary arrears paid during the year.

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**ANNEXURE TO BOARD'S REPORT**

- ii. The median remuneration of employees of the Company for the Financial Year was ₹ 3.34 lakhs.
- iii. There was an increase of 12.84% in the median remuneration of employees in the Financial Year.
- iv. There were 1,336 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2022.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year i.e. 2021-22 was 16.31% whereas the managerial remuneration increased by 20.43% (from ₹ 184.48 lakhs in 2020-21 to ₹ 222.17 lakhs in 2021-22) which is more or less in line with the increase in average salaries during the year. For the purpose of comparison with the previous year and for calculating the percentage of increase, the managerial remuneration of ₹ 222.17 lakhs for 2021-22 excludes the remuneration of Mr. Manesh Joseph, who was appointed as Director with effect from 23<sup>rd</sup> June, 2021 (including Mr. Manesh Joseph's remuneration as Director, it is ₹ 259.24 lakhs).
- 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.

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**ANNEXURE TO BOARD'S REPORT**
**ANNEXURE 7 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 a 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, Dividend Distribution Policy, 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 31<sup>st</sup> March, 2022, the Company's Board had 11 Directors, of which four were Executive Directors, one was Non-Executive Non-independent Director and six Independent Directors. The composition of the Board and category of Directors were as follows:

Category	Name of Director & Designation	DIN
<b>Promoter &amp; Non-Executive Director</b>	Mr. Thomas John, Vice Chairman	00435035
<b>Executive Directors</b>	Mr. V.A. George, Executive Chairman	01493737
	Mr. Manoj Joseph, Managing Director	00434579
	Mr. Rajesh John, Whole-time Director	05161087
	Mr. Manesh Joseph, Whole-time Director	07599476
<b>Independent Directors</b>	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
	Mr. Sridhar Ganesh, Independent Director	01681018



### 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 31<sup>st</sup> March, 2022 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. Thomas John	Nil	Nil	Nil
2	Mr. V.A. George	2	2	Nil
3	Mr. Manoj Joseph	Nil	Nil	Nil
4	Mr. Rajesh John	Nil	Nil	Nil
5	Mr. Manesh Joseph	Nil	Nil	Nil
6	Mr. V.K. Srivastava	Nil	Nil	Nil
7	Mr. M.P. Vijay Kumar	4	3	1
8	Mr. A. Satyaseelan	Nil	Nil	Nil
9	Dr. C.N. Ramchand	3	1	1
10	Mrs. Sujatha Jayarajan	2	1	Nil
11	Mr. Sridhar Ganesh	1	Nil	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) 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. Thomas John and Mr. Rajesh John as father and son and Mr. Manoj Joseph and Mr. Manesh Joseph as brothers.

#### Shareholding of Directors

None of the Directors has any shareholding in our Company as on 31<sup>st</sup> March, 2022 except as disclosed below:

S.No.	Name of the Director	No. of Shares	% of Equity Share Capital
1	Mr. Thomas John	6,50,604	6.10
2	Mr. V.A. George	1,50,000	1.41
3	Mr. Manoj Joseph	4,97,580	4.67
4	Mr. Rajesh John	6,50,598	6.10
5	Mr. Manesh Joseph	4,97,580	4.67

## 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 5 times. The Meetings of the Board of Directors were held on 14<sup>th</sup> June, 2021, 22<sup>nd</sup> June, 2021, 30<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021 and 10<sup>th</sup> March, 2022. 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	Attendance at the last Annual General Meeting held on 30 <sup>th</sup> August, 2021
1	Mr. Thomas John	5	5	Yes
2	Mr. V.A. George	5	5	Yes
3	Mr. Manoj Joseph	5	5	Yes
4	Mr. Rajesh John	5	5	Yes
5	Mr. Manesh Joseph <sup>1</sup>	5	3	Yes
6	Mr. V.K. Srivastava	5	5	Yes
7	Mr. A. Satyaseelan	5	5	Yes
8	Mr. M.P. Vijay Kumar	5	5	Yes
9	Dr. C.N. Ramchand	5	5	Yes
10	Mrs. Sujatha Jayarajan	5	5	Yes
11	Mr. Sridhar Ganesh <sup>2</sup>	5	1	NA
*	Mr. K.J. Joseph*	5	2	Yes
^	Mr. N. Ganga Ram <sup>^</sup>	5	3	Yes

Notes:

- 1) Mr. Manesh Joseph was appointed as a Director with effect from 23<sup>rd</sup> June, 2021.
  - 2) Mr. Sridhar Ganesh was appointed as an Additional Director under the category of Independent Director with effect from 15<sup>th</sup> November, 2021.
- \* Mr. K.J. Joseph resigned from the Board on 22<sup>nd</sup> June, 2021.
- ^ Mr. N. Ganga Ram passed away on 6<sup>th</sup> October, 2021.

## III. COMMITTEES

## i) Audit Committee

The Audit Committee of the Board of Directors was constituted on 16<sup>th</sup> January, 2012. Currently, the Committee consists of three 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. A. Satyaseelan	Independent Director, Member	4	4
3	Mrs. Sujatha Jayarajan	Independent Director, Member	4	4
*	Mr. N. Ganga Ram*	Independent Director, Member	4	2

\* Mr. N. Ganga Ram passed away on 6<sup>th</sup> October, 2021

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## ANNEXURE TO BOARD'S REPORT

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Audit Committee of the Board were held on 14<sup>th</sup> June, 2021, 30<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021 and 10<sup>th</sup> March, 2022.

### 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.
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### ANNEXURE TO BOARD'S REPORT

13. To review the functioning of the Whistle Blower mechanism.
14. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
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 30<sup>th</sup> August, 2021.

#### ii) Compensation / Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board was formed on 16<sup>th</sup> January, 2012. It was re-designated as Compensation / Nomination and Remuneration Committee with effect from 27<sup>th</sup> 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	Mrs. Sujatha Jayarajan	Independent Director, Chairperson (Chairperson since 10 <sup>th</sup> November, 2021)	3	3
2	Mr. V.K. Srivastava	Independent Director, Member	3	3
3	Mr. M.P. Vijay Kumar	Independent Director, Member	3	3
4	Mr. Sridhar Ganesh*	Independent Director, Member	3	1
^	Mr. N. Ganga Ram^	Independent Director, Chairman (till 6 <sup>th</sup> October, 2021)	3	1

\* Mr. Sridhar Ganesh was inducted as Member of the Committee with effect from 15<sup>th</sup> November, 2021

^ Mr. N. Ganga Ram passed away on 6<sup>th</sup> October, 2021

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Compensation / Nomination and Remuneration Committee of the Board were held on 22<sup>nd</sup> June, 2021, 10<sup>th</sup> November, 2021 and 10<sup>th</sup> March, 2022.

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## ANNEXURE TO BOARD'S REPORT

### 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;
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; and
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

## ANNEXURE TO BOARD'S REPORT

relevant period. The total reward package for Executive Directors, Key Managerial Personnel and Senior Management is intended to be market competitive with a strong linkage to their performance.

The Remuneration Policy has been uploaded on the website of the Company at <https://www.thejo-engg.com/sites/RemPolicy.pdf>

Details of the remuneration paid to the Directors during the Financial Year 2021-22 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 <sup>1</sup>	1.50	-	-	-	1.50
Mr. Thomas John	4.00	-	-	-	4.00
Executive Directors					
Mr. V.A. George	-	108.00	-	-	108.00
Mr. Manoj Joseph	-	58.86	12.02	-	70.88
Mr. Rajesh John	-	35.93	7.37	-	43.30
Mr. Manesh Joseph <sup>2</sup>	-	30.72	6.35	-	37.07
Independent Directors					
Mr. N. Ganga Ram <sup>3</sup>	2.75	-	-	-	2.75
Mr. V.K. Srivastava	5.50	-	-	-	5.50
Mr. A. Satyaseelan	5.00	-	-	-	5.00
Mr. M.P. Vijay Kumar	4.75	-	-	-	4.75
Dr. C.N. Ramchand	3.75	-	-	-	3.75
Mrs. Sujatha Jayarajan	6.00	-	-	-	6.00
Mr. Sridhar Ganesh <sup>4</sup>	1.00	-	-	-	1.00

Note:

1. Mr. K.J. Joseph resigned from the Board on 22nd June, 2021.
2. Mr. Manesh Joseph was appointed as a Director and whole-time Director with effect from 23rd June, 2021. The salary given above excludes the salary drawn by him in his capacity as Sr. Vice President before his appointment as Director.
3. Mr. N. Ganga Ram passed away on 6th October, 2021.
4. Mr. Sridhar Ganesh was appointed as an Additional Director under the category of Independent Director with effect from 15th November, 2021.

Sitting Fees exclude GST Paid 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 <sup>th</sup> July, 2021 to 14 <sup>th</sup> July, 2026	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Manoj Joseph	15 <sup>th</sup> July, 2021 to 14 <sup>th</sup> July, 2026	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Rajesh John	16 <sup>th</sup> January, 2022 to 15 <sup>th</sup> January, 2027	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Manesh Joseph	23 <sup>rd</sup> June, 2021 to 22 <sup>nd</sup> June, 2026	Not Applicable	Commission of up to 2% of annual profit	Nil

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

The Corporate Social Responsibility Committee of the Board was formed on 20<sup>th</sup> 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. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	1	1
3	Mr. V.A. George	Executive Chairman, Member	1	1
4	Dr. C.N. Ramchand*	Independent Director, Member	1	Nil
^	Mr. K.J. Joseph^	Promoter & Non-Executive Non-Independent Director, Member	1	1

\* Dr. C.N. Ramchand was inducted to the Committee as a member since 30<sup>th</sup> August, 2021

^ Mr. K.J. Joseph was Member of the Committee until 22<sup>nd</sup> June, 2021

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Corporate Social Responsibility Committee was held on 22<sup>nd</sup> June, 2021.

**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 of 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) Stakeholders' Relationship Committee**

The Shareholders' and Investors' Grievance Committee of the Board was formed on 16<sup>th</sup> January, 2012. It was re-designated as Stakeholders' Relationship Committee with effect from 12<sup>th</sup> November, 2021. 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. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	4	4
4	Mrs. Sujatha Jayarajan*	Independent Director, Member	4	2
^	Mr. K.J. Joseph^	Promoter & Non-Executive Non-Independent Director, Member	4	1

\* Mrs. Sujatha Jayarajan was inducted to the Committee as a member since 30<sup>th</sup> August, 2021

^ Mr. K.J. Joseph was member of the Committee until 22<sup>nd</sup> June, 2021

### ANNEXURE TO BOARD'S REPORT

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Committee were held on 14<sup>th</sup> June, 2021, 30<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021 and 10<sup>th</sup> March, 2022.

#### Terms of Reference

The terms of reference of the Stakeholders' Relationship Committee include:

1. Considering and resolving the grievances of the security holders of the Company including complaints relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings, etc.;
2. Reviewing of measures taken for effective exercise of voting rights by shareholders;
3. Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company;
5. Overseeing and reviewing, all matters connected with the transfer of securities of the Company;
6. Overseeing the performance of Registrars and Transfer Agents of the Company;
7. Recommending methods to upgrade the standard of services to the investors; and
8. Carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

#### 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 2021-22, the Company has not received any complaints from the Members. There were no complaints outstanding as on 31<sup>st</sup> March, 2022.

#### v) Allotment Committee

The Allotment Committee of the Board was formed on 3<sup>rd</sup> August, 2016. 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. A. Satyaseelan	Independent Director, Chairman	1	1
2	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	1	1
3	Mr. V.A. George	Executive Chairman, Member	1	1
4	Mr. Manoj Joseph	Managing Director, Member	1	1
5	Mr. Rajesh John	Director – Sales, Member	1	1
*	Mr. K.J. Joseph*	Promoter & Non-Executive Non-Independent Director, Member	1	Nil

\* Mr. K.J. Joseph was member of the Committee until 22<sup>nd</sup> June, 2021

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Allotment Committee of the Board of Directors was held on 10<sup>th</sup> March, 2021.



## ANNEXURE TO BOARD'S REPORT

### Terms of Reference

The terms of reference of the Allotment Committee are to allot shares and decide all the matters relating thereto on exercise of options by employees under Thejo Employee Stock Option Plan, 2015 and any other function as determined by the Board from time to time.

## 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
2020-21	30 <sup>th</sup> August, 2021	10.15 AM	Through Video Conferencing/ Other Audio Visual Means (VC/OAVM) Facility	a) Appointment of Mr. V.A. George as Whole-time Director designated as Executive Chairman, for a period of five years.
2019-20	29 <sup>th</sup> August, 2020	11.00 AM	Through Video Conferencing/ Other Audio Visual Means (VC/OAVM) Facility	a) Adoption of new set of Articles of Association pursuant to the Companies Act, 2013
2018-19	19 <sup>th</sup> August, 2019	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 600014.	a) Re-appointment of Mrs. Sujatha Jayarajan as an Independent Director.

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

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated 30<sup>th</sup> August, 2021 for issue of Bonus Equity shares, which was duly passed on 3<sup>rd</sup> October, 2021 (last date for e-voting) and the results of which were announced on 4<sup>th</sup> October, 2021. Mr. V. Ramasubramanian (Membership No. ACS No: 5890 / COP No: 11325), Practising Company Secretary, was appointed as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means (remote e-voting) in a fair and transparent manner. The voting results and details of voting pattern are as below:

Description of the Resolution	Votes in favour of the resolution			Votes against the resolution			Invalid Votes	
	Number of Members Voted	Number of Valid Votes cast by them	% of Total Number of Valid Votes cast	Number of Members Voted	Number of Valid Votes cast by them	% of Total Number of Valid Votes cast	Number of Members whose Votes were declared invalid	Number of Invalid Votes cast by them
Issue of Bonus Shares	38	21,14,976	100.00	Nil	Nil	Nil	Nil	Nil

### (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.

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**ANNEXURE TO BOARD'S REPORT****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 26.5 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 have been denied access to the Audit Committee.

**D. Dividend Distribution Policy**

The Company has formulated a Dividend Distribution Policy in compliance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The same is uploaded on the Company's website at

<https://www.thejo-engg.com/thejo-admin/upload/allstatutory/DivDisbPolicy.pdf>

**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.

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**ANNEXURE TO BOARD'S REPORT**
**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 20<sup>th</sup> May, 2014. The status of the Directors and their attendance at the meetings were as follows:

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

\* Dr. C.N. Ramchand was inducted to the Committee as a member since 30<sup>th</sup> August, 2021

^ Mr. K.J. Joseph was member of the Committee until 22<sup>nd</sup> June, 2021

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 22<sup>nd</sup> June, 2021.

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 10<sup>th</sup> March, 2022 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 2021-22 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](mailto:investor@thejo-engg.com)

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**ANNEXURE TO BOARD'S REPORT**
**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](http://www.thejo-engg.com)" immediately after its submission to the Stock Exchange.

**VII. GENERAL SHAREHOLDER INFORMATION****Annual General Meeting (Day, Date, Time and Venue)**

Saturday, 27<sup>th</sup> August, 2022 at 10.45 AM  
 The Music Academy, Kasturi Srinivasan Hall (Mini Hall)  
 New No. 168 (Old No. 306), T.T.K Road,  
 Royapettah, Chennai – 600 014, Tamil Nadu, India.

**Financial Year:** April to March

**Date of Book Closure:** Sunday, 21<sup>st</sup> August, 2022 to Saturday, 27<sup>th</sup> August, 2022 (both days inclusive) for payment of dividend and Saturday, 20<sup>th</sup> August, 2022 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 15<sup>th</sup> September, 2022.

**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 Limited (NSE) and no amount is outstanding as on date.*

## ANNEXURE TO BOARD'S REPORT

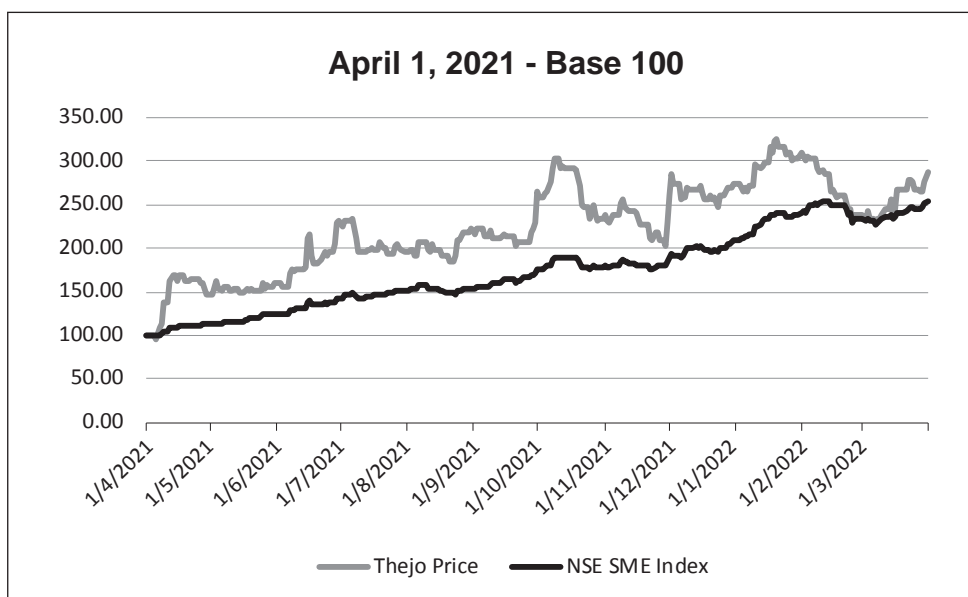
## Market Price Data:

(in ₹ per share)

Month	National Stock Exchange of India Limited - SME Platform (NSE Emerge)	
	Month's High Price*	Month's Low Price*
Apr-21	711.75	400.00
May-21	677.33	625.00
Jun-21	966.33	648.67
Jul-21	983.33	808.33
Aug-21	935.83	776.03
Sep-21	1,111.90	850.02
Oct-21	1,268.33	970.70
Nov-21	1,077.00	851.60
Dec-21	1,238.00	1,036.40
Jan-22	1,362.45	1,106.70
Feb-22	1,280.00	957.90
Mar-22	1,202.65	947.35

\* Note: Month's High Price / Low Price are arrived based on the daily closing rate. As the Company had issued Bonus Equity shares in the ratio of 2:1 in October, 2021, prices till 11<sup>th</sup> October, 2021 (cum-Bonus date) are adjusted proportionately for bonus issue.

## Performance in comparison to the NSE SME index:



Note: As the Company had issued Bonus Equity shares in the ratio of 2:1 in October, 2021, prices till 11<sup>th</sup> October, 2021 (cum-Bonus date) are adjusted proportionately for bonus issue.

## ANNEXURE TO BOARD'S REPORT

**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: <https://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 31<sup>st</sup> March, 2022:**

Nominal Value of Shares (in ₹)		Number of Holders	% of Total Holders	Total Face Value (in ₹)	% of Total Face Value
From	To				
10	5,000	527	50.82	12,10,500	1.14
5,001	10,000	149	14.37	10,42,500	0.98
10,001	20,000	176	16.97	26,53,840	2.49
20,001	30,000	39	3.76	10,00,920	0.94
30,001	40,000	28	2.70	10,04,800	0.94
40,001	50,000	14	1.35	6,15,210	0.58
50,001	1,00,000	41	3.95	28,50,590	2.67
1,00,001	Above	63	6.08	9,61,92,900	90.26
<b>Total</b>		<b>1037</b>	<b>100.00</b>	<b>10,65,71,260</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2022:**

Sl. No.	Category	No. of Shares	As a percentage of (A+B)
A	Promoters' & Promoter Group Holding		
	Individuals	58,30,320	54.71
B	Non-Promoters' Holding		
	Venture Capital Funds	-	-
	Bodies Corporate	4,59,000	4.31
	Clearing Member	2,850	0.03
	Individuals	34,06,543	31.96
	Hindu Undivided Family	9,37,650	8.80
	Non-Resident Indians	20,763	0.19
	<b>Total</b>	<b>1,06,57,126</b>	<b>100.00</b>

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**ANNEXURE TO BOARD'S REPORT**
**Dematerialisation of Shares and Liquidity as on 31<sup>st</sup> March, 2022:**

Sl. No.	Mode of Holding	No. of Shares	% to total equity shares
1	NSDL	67,17,452	63.03
2	CDSL	39,39,674	36.97
3	Physical	-	-
	<b>Total</b>	<b>1,06,57,126</b>	<b>100.00</b>

*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**

- |   |   |
|---|---|
| <p>1 Unit – I<br/>situated at Survey No.176/3,<br/>181/5 &amp; 181/6A, Jagannathapuram Road,<br/>Irulipattu Village, Alingivakkam Post,<br/>Ponneri Taluk, Chennai – 600 067.</p> <p>3 Unit – III<br/>situated at, Survey No. 100/5,<br/>Athipedu Village, Jagannathapuram Road,<br/>Ponneri Taluk, Chennai – 600 067.</p> <p>5 Research &amp; Development Centre<br/>situated at, Survey No. 179/3B,<br/>Jagannathapuram Road, Irulipattu Village,<br/>Ponneri Taluk, Chennai – 600 067.</p> | <p>2 Unit II (PU Division)<br/>situated at, Survey No. 179/3B,<br/>Jagannathapuram Road, Irulipattu Village,<br/>Alingivakkam Post, Ponneri Taluk,<br/>Chennai – 600 067.</p> <p>4 Lining Division<br/>situated at, Survey No. 234/2C<br/>Jaganathapuram-II, Ponneri Taulk,<br/>Tiruvallur District, Chennai – 600 067.</p> |
|---|---|

**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: <https://www.cameoindia.com>  
SEBI Registration No. INR: 000003753

## ANNEXURE TO BOARD'S REPORT

**ANNEXURE 8 TO BOARD'S REPORT****BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT****SECTION A: GENERAL DISCLOSURES****I. Details:**

1	Corporate Identity Number (CIN) of the Company	L27209TN1986PLC012833
2	Name of the Company	Thejo Engineering Limited
3	Year of incorporation	1986
4	Registered office address	3 <sup>rd</sup> Floor, VDS House, No.41, Cathedral Road, Chennai- 600 086.
5	Corporate address	3 <sup>rd</sup> Floor, VDS House, No.41, Cathedral Road, Chennai- 600 086.
6	E-mail	<a href="mailto:investor@thejo-engg.com">investor@thejo-engg.com</a>
7	Telephone	044-42221900
8	Website	<a href="http://www.thejo-engg.com">www.thejo-engg.com</a>
9	Financial year for which reporting is being done	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022 (FY22)
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited – SME Emerge Platform
11	Paid-up Capital	Rs. 10,65,71,260.00
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. M.D. Ravikanth, Company Secretary & Compliance Officer, Tel: +91 44 4222 1900 E-mail: <a href="mailto:investor@thejo-engg.com">investor@thejo-engg.com</a>
13	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain only to Thejo Engineering Limited.

**II. Products/services**14. Details of business activities: *(accounting for 90% of the turnover):*

The Company is engaged in manufacturing of rubber and polyurethane-based engineered products, marketing and servicing activities catering to installation, operation and maintenance of conveyor belts and allied services. Further details are provided in the Management Discussion and Analysis section of the Annual Report.

15. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover):*

S. No.	Product/Service	NIC Code	% of Sales
1	Manufacture of rubber products	2219	28.29
2	Manufacture of industrial machinery	2829	12.58
3	Manufacture of adhesives	2029	6.84
4	Maintenance and Repair Services	3312	39.60
5	Supply of manpower	7830	5.57
6	Machinery rental	7730	3.38



## ANNEXURE TO BOARD'S REPORT

## III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4 units	1 Corporate Office, 4 Zonal Offices, 11 Branch Offices, 31 Site offices offering Service backup for clients, 9 Site offices offering Operations & Maintenance to clients and 1 In-house R&D Centre	61
International	Nil	1 Branch at Perth, Australia.	1

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	10
International (No. of Countries)	1

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of total turnover of the Company - 17%

c. A brief on types of customers:

The Company serves customers across diversified industries viz., Mines, Mineral processing Plants, Coal Based Power Plants, Chemical plants, Cement, Aggregates, Bulk Sea Ports, OEM's, EPC's, Corrosion protection, Space Research and Defence.

## IV. Employees

18. Details as at the end of Financial Year: 31<sup>st</sup> March, 2022

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	481	458	95.22	23	4.78
2.	Other than Permanent (E)	21	18	85.71	3	14.29
3.	<b>Total employees (D + E)</b>	502	476	94.82	26	5.18
<b>WORKERS</b>						
4.	Permanent (F)	855	849	99.30	6	0.70
5.	Other than Permanent (G)	699	696	99.57	3	0.43
6.	<b>Total workers (F + G)</b>	1554	1545	99.42	9	0.58

## ANNEXURE TO BOARD'S REPORT

## b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	0	0	NA	0	NA
2.	Other than Permanent (E)	0	0	NA	0	NA
3.	<b>Total differently abled employees (D + E)</b>	0	0	NA	0	NA
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	4	4	100.00	0	0.00
5.	Other than permanent (G)	0	0	NA	0	NA
6.	<b>Total differently abled workers (F + G)</b>	4	4	100.00	0	0.00

## 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	1	9.09
Key Management Personnel	5	0	0.00

## 20. Turnover rate for permanent employees and workers

	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	16.59%	17.39%	16.63%	9.55%	4.55%	9.31%	8.53%	8.70%	8.53%
<b>Permanent Workers</b>	16.02%	66.67%	16.37%	17.23%	0.00%	17.09%	9.88%	0.00%	9.84%

Note: Number of employees/workers resigned as a % of number of employees/workers at year end  
Employee turnover in terms of number of employees who resigned is given below:

	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	76	4	80	42	1	43	37	2	39
<b>Permanent Workers</b>	136	4	140	142	0	142	88	0	88

## ANNEXURE TO BOARD'S REPORT

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name	Subsidiary / Associate	% of shares held
1	Thejo Australia Pty Ltd	Subsidiary	74%
2	Thejo Hatcon Industrial Services Company	Subsidiary	51%
3	Thejo Brasil Comercio E Servicos Ltda	Subsidiary	99.99%
4	Thejo Engineering LatinoAmerica SpA	Subsidiary	99.86%

The subsidiary companies generally do not participate in the BR initiatives of the Company.

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) -Yes  
(ii) Turnover (₹ In Lakhs) 27,661.40  
(iii) Net worth (₹ In Lakhs) 15,391.11

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct: Nil (PY: Nil)  
24. Overview of the entity's material responsible business conduct issues

*Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format*

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Pollution free transportation of ores, minerals, etc	Opportunity	With commitment to reducing pollution being prime focus of major industries, usage of methodology like pipe conveyor to transport ores, raw materials to reduce pollution will be priority for many of the core sector industries.	Not Applicable	Positive: The Company can partner with its customers in their efforts to reduce pollution while transporting materials by offering installation and maintenance services for pipe conveyors.

ANNEXURE TO BOARD'S REPORT

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Reduction of pollution at material transfer points in conveyors	Opportunity	There is scope for reducing the pollution at material transfer points while transferring materials through conveyors	Not Applicable	Positive: Based on studies done by the Company, a new offering called Sustainable Synergetic Solutions (SSS), which can sizeably reduce pollution at conveyor chutes, has been offered to its customers.

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

*This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.*

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1** Business should conduct and govern themselves with Ethics, Transparency and Accountability
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3** Businesses should promote the wellbeing of all employees
- P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5** Businesses should respect and promote human rights
- P6** Business should respect, protect, and make efforts to restore the environment
- P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8** Businesses should support inclusive growth and equitable development
- P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner

Disclosure Questions			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>											
1.	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b.	Has the policy been approved by the Board? (Yes/No)	Y	N	N	N	N	N	N	N	N
	c.	Web Link of the Policies, if available									

ANNEXURE TO BOARD'S REPORT

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	N	Y	N	Y	Y									
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N									
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, TruStea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	N	ISO	N	N	N	N	N	N	ISO									
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N									
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA									
<b>Governance, leadership and oversight</b>																			
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.																		
	The Company is making sincere efforts in ensuring safety of environment, responsible attitude towards the society and formulating and upholding high standards of Governance in its operations and activities. Towards this, the Company has formulated various policies and taken various measures. We remain committed to sustainable growth with focus on ESG.																		
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Managing Director																	
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No.																	
10.	Details of Review of NGRBCs by the Company:																		
	<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee</b>									<b>Frequency (Annually / Half yearly / Quarterly / Any other – please specify)</b>								
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Performance against above policies and follow up action	N	N	N	N	N	N	N	N	N	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q

## ANNEXURE TO BOARD'S REPORT

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	N	N	N	N	N	N	N	N	N

\* - Compliance of all regulations relevant to the operations of the Company is reviewed on a quarterly basis based on certification by MD/WTD.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Not Applicable

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

*This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.*

**PRINCIPLE 1**

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:- Nil
- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year: Nil
- Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed- Not Applicable
- Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. Though there is no specific policy for anti-corruption or anti-bribery, Code of conduct for Board Members and Senior Managers address the topic broadly.
- Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: Nil
- Details of complaints with regard to conflict of interest: Nil
- Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest - Not Applicable

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**ANNEXURE TO BOARD'S REPORT****PRINCIPLE 2****Businesses should provide goods and services in a manner that is sustainable and safe****Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively. - Nil
2.
  - a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) - Yes.
  - b. If yes, what percentage of inputs were sourced sustainably?
    - Natural Rubber is a product that is derived from trees. It comprises of about 15% of the raw material procured at our works.
    - Synthetic rubbers, produced from petroleum, is also one of the raw materials used by the Company. The Company is making efforts to substitute synthetic rubbers with Natural rubbers in our formulations used for making products.
    - The Company is putting efforts to reduce the usage of Carbon Black (derived from Oil) in our formulations and replace it with a natural product, which is sustainable.
    - The Company currently source Natural rubber through organisations who directly procure from rubber plantations, while enabling the best price advantages to the farmers.
    - The Company use agricultural waste fuel for the Steam Boilers at our manufacturing plants. The fuel comes in briquette form made from groundnut, coconut, and rice husk and wooden particles.
- 3.. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
  - The Company has identified organizations engaged in reclaim of rubber from rubber waste and scrap. This is an eco-friendly measure for disposal of rubber waste.
  - The in-house R&D Centre of the Company is also currently engaged in researching a process of biodegrading finished rubber product waste.
  - The Company recycles used hydraulic and lubrication oils from our equipment, thus reducing the procurement of new oils.
  - Plastic wastes are segregated and disposed to plastic recycling companies.
  - The Company use natural wood based crates and pallets to substitute plastic use for the same.
  - The Company has changed the packing to paper carton box from Polystyrene packing, wherever possible.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.  
No.

ANNEXURE TO BOARD'S REPORT

**PRINCIPLE 3**

**Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:
  - Group Accident insurance cover given to all permanent employees
  - Health insurance is provided to management cadre employees
  - Annual medical camps organised
  - Regular training on technical skills and personality development are given

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	458	117	25.55	458	100.00	NA	NA	0	0.00	0	0.00
Female	23	16	69.57	23	100.00	23	100.00	NA	NA	0	0.00
<b>Total</b>	<b>481</b>	<b>133</b>	<b>27.65</b>	<b>481</b>	<b>100.00</b>	<b>23</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>Other than Permanent employees</b>											
Male	18	0	0.00	18	100.00	NA	NA	0	0.00	0	0.00
Female	3	0	0.00	2	66.67	3	100.00	NA	NA	0	0.00
<b>Total</b>	<b>21</b>	<b>0</b>	<b>0.00</b>	<b>20</b>	<b>95.24</b>	<b>3</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	849	0	0.00	849	100.00	NA	NA	0	0.00	0	0.00
Female	6	0	0.00	6	100.00	6	100.00	NA	NA	0	0.00
<b>Total</b>	<b>855</b>	<b>0</b>	<b>0.00</b>	<b>855</b>	<b>100.00</b>	<b>6</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>Other than Permanent workers</b>											
Male	696	0	0.00	48	6.90	NA	NA	0	0.00	0	0.00
Female	3	0	0.00	0	0.00	3	100.00	NA	NA	0	0.00
<b>Total</b>	<b>699</b>	<b>0</b>	<b>0.00</b>	<b>48</b>	<b>6.87</b>	<b>3</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>



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**ANNEXURE TO BOARD'S REPORT**

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N / N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N / N.A.)
PF	100.00	100.00	Y	100.00	100 .00	Y
Gratuity	100.00	100.00	NA	100.00	100.00	NA
ESI	27.89	16.83	Y	33.21	70.70	Y
Others: Super Annuation	35.86	0.00	NA	29.76	0.00	NA

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. - Yes

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Code of Conduct for Board and Senior Managers enables equal opportunities by committing to provide a workplace free of discrimination and harassment on the basis of race, colour, religion, age, gender, national origin, disability, or any other bias.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave – Not applicable as there are no such cases.

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief - Yes

- A hotline (WhatsApp number) exists for any permanent as well as non-permanent employee/worker to communicate, register their grievances confidentially and directly with the Corporate Safety & HR Team
- The number has been displayed at prominent locations of each office and sites

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: There is currently no recognized trade union

ANNEXURE TO BOARD'S REPORT

8. Details of training given to employees and workers:

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	458	0	0.00	291	63.54	440	0	0.00	116	26.36
Female	23	4	17.39	0	0.00	22	4	18.18	0	0.00
<b>Total</b>	<b>481</b>	<b>4</b>	<b>0.82</b>	<b>291</b>	<b>60.50</b>	<b>462</b>	<b>4</b>	<b>0.87</b>	<b>116</b>	<b>25.11</b>
<b>Workers</b>										
Male	849	183	21.55	191	22.50	824	191	23.18	63	7.65
Female	6	0	0.00	0	0.00	7	0	0.00	0	0.00
<b>Total</b>	<b>855</b>	<b>183</b>	<b>21.40</b>	<b>191</b>	<b>22.34</b>	<b>831</b>	<b>191</b>	<b>22.98</b>	<b>63</b>	<b>7.58</b>

- Periodic Health & Safety Training are conducted at the 'Excellence Centre'-Chennai as well as at respective branch and site offices. Topics covered under the training are.
  - o Fire Safety Training
  - o First-aid Training
  - o Material Handling
  - o Workplace Safety
  - o Work at height
  - o Risk Assessment / Job Safety Analysis
  - o Emergency Preparedness
  - o PPE awareness & Usage
  - o Safe Chemical Handling
  - o Environmental Safety
  - o Safe Operating procedures
- Skill upgradation Training program
  - o every month we have 2 batches of skill upgradation training program at the 'Excellence Centre'

## ANNEXURE TO BOARD'S REPORT

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. D)	% (D / C)
<b>Employees</b>						
Male	458	458	100.00	440	440	100.00
Female	23	23	100.00	22	22	100.00
<b>Total</b>	481	481	100.00	462	462	100.00
<b>Workers</b>						
Male	849	849	100.00	824	824	100.00
Female	6	6	100.00	7	7	100.00
<b>Total</b>	855	855	100.00	831	831	100.00

Every year, all employees undergo an exhaustive appraisal exercise which rates the employees on their performance, attitudinal, interpersonal aspects, ethical and value systems. Feedback of their scores is also given to the respective employee.

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system?
  - Yes. Has been initiated since December 2021
  - Primarily this covers Service, Operation & Maintenance and Manufacturing Personnel.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
  - Risk Assessment documents
  - By conducting Risk Assessment Training for all employees with Procedures
  - By conducting Practical demonstration session with Assessment Format/Reports
  - Internal Audits
  - Periodic Safety Meeting by departments
- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
  - Yes. Done through Safety Violation Notification form and Safety Suggestions Box.
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**

Yes, Annual Medical camps through authorised Medical Practitioners.

**ANNEXURE TO BOARD'S REPORT**

11. Details of safety related incidents, in the following format:

<b>Safety Incident/Number</b>	<b>Category</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	1.46	1.24
Total recordable work-related injuries	Employees	0	0
	Workers	11	2
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- Daily Safety Meeting
- Safety Observation sharing & Corrective action plan follow-up
- Work Permit system
- Reporting Procedures for Safety Violation
- Conducting internal Safety Audit
- Regular & periodical Safety Checklist
- Pre & Post commissioning Inspections
- SHE Committee Meetings
- Complying Legal and statutory requirements

13. Number of Complaints on the following made by employees and workers:

	<b>FY 2021-22</b>			<b>FY 2020-21</b>		
	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

14. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Working Conditions	One assessment was done in FY21 and one in FY22 relating to Environment Monitoring - Ambient Air Quality, Lux, Noise, Stack Emission, Indoor Air Quality, Drinking water, ETP / STP Water analysis at our main manufacturing plant.
Health & Safety	Same as above

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**ANNEXURE TO BOARD'S REPORT**

16. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Some of the key corrective actions taken based on safety related incidents are as follows:

- Static electricity discharge provision.
- Temperature monitoring provision.
- Usage of full length hand glove for specified operations.
- Usage of heat resistant, cut resistant gloves for specified operations.

**PRINCIPLE 4:**

**Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.  
Stakeholders who have a material impact on the Company are identified as key stakeholders.
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication</b> (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	<b>Frequency of engagement</b> (Annually / Half yearly / Quarterly / others – please specify)	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Employees	No	Various	Regular	Various
Customers	No	Various	Regular	Various
Suppliers	No	Various	Regular	Various
Investors	No	Various	Annual/Periodic	Various

## ANNEXURE TO BOARD'S REPORT

## PRINCIPLE 5

## Businesses should respect and promote human rights

## Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	481	10	2.08	462	5	1.08
Other than permanent	21	0	0.00	14	0	0.00
<b>Total Employees</b>	502	10	1.99	476	5	1.05
<b>Workers</b>						
Permanent	855	0	0.00	831	0	0.00
Other than permanent	699	0	0.00	631	0	0.00
<b>Total Workers</b>	1,554	0	0.00	1,462	0	0.00

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2021-22					FY 2020-21				
	Total	= Min Wage		>Min Wages		Total	= Min Wages		>Min Wages	
		No	%	No	%		No	%	No	%
<b>Employees</b>										
Permanent										
Male	458	0	0.00	458	100.00	440	0	0.00	440	100.00
Female	23	0	0.00	23	100.00	22	0	0.00	22	100.00
Other than Permanent										
Male	18	0	0.00	18	100.00	11	0	0.00	11	100.00
Female	3	0	0.00	3	100.00	3	0	0.00	3	100.00
<b>Workers</b>										
Permanent										
Male	849	110	12.87	739	87.04	824	100	12.14	724	87.86
Female	6	0	0.00	6	100.00	7	0	0.00	7	100.00
Other than Permanent										
Male	696	339	48.71	357	51.29	628	380	60.51	248	39.49
Female	3	0	0.00	3	100.00	3	0	0.00	3	100.00

## ANNEXURE TO BOARD'S REPORT

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (₹ in Lakhs)	Number	Median remuneration / salary / wages of respective category (₹ In Lakhs)
Board of Directors (BoD):				
(a) Executive Directors	4	51.48	0	NA
(b) Non-Executive Non Independent Directors <sup>3</sup>	1	6.67	0	NA
(c) Non-Executive Independent Directors <sup>3</sup>	5	4.88	1	6.00
Key Managerial Personnel	5	42.12	0	NA
Employees other than BoD and KMP	454	3.60	23	3.78
Workers	849	2.34	6	1.45

Notes:

- 1) Number of Director/KMP/Employee/Workers is as at 31<sup>st</sup> March, 2022.
- 2) Remuneration/Salary/Wage represents salary/wages per annum based on fixed gross salary/wages per month as on 31<sup>st</sup> March, 2022.
- 3) In respect of Non-Executive Directors, remuneration represents Sitting Fee paid (excluding GST paid on reverse charge) and median is taken based on Non-Executive Directors who have served the Company throughout the financial year.
4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)** No
5. Describe the internal mechanisms in place to redress grievances related to human rights issues.  
The grievances relating to human rights will be addressed in a fair and transparent manner by following principles of natural justice in line with the HR Policy and other applicable policies of the Company.

## ANNEXURE TO BOARD'S REPORT

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labour	NIL	NIL	-	NIL	NIL	-
Forced Labour / Involuntary Labour	NIL	NIL	-	NIL	NIL	-
Wages	NIL	01	-	NIL	01	-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company believes in and follows the principle of not discriminating or harassing any complainant merely for lodging a complaint. The Company views complaints and suggestion as ways to improve. The Company treats such complaints as a positive step to make an assessment of its content and take corrective steps, if proved correct.

8. Do human rights requirements form part of your business agreements and contracts? No

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NIL
Forced/involuntary labour	NIL
Sexual harassment	NIL
Discrimination at workplace	NIL
Wages	NIL
Others – please specify	NIL

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

Not Applicable.



## ANNEXURE TO BOARD'S REPORT

**PRINCIPLE 6:****Businesses should respect and make efforts to protect and restore the environment****Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

in Mega Joules

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	9544666	6958253
Total fuel consumption (B)	211028	234569
Energy consumption through other sources (C)	Nil	Nil
<b>Total energy consumption (A+B+C)</b>	9755694	7192822
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	0.0071	0.0070
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

(The energy consumption data and relates to our manufacturing units. Energy intensity per rupee of turnover is based on turnover of products. 1 kWh (Unit) = 3.6 Mega Joules).

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. - No
3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22	FY 2020-21
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	Nil	Nil
(ii) Groundwater	16975	13390
(iii) Third party water	7502	5622
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	24477	19012
<b>Total volume of water consumption (in kilolitres)</b>	24477	19012
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	0.0179 litres	0.0186 litres
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No.

(The water consumption data relates to our manufacturing units and water intensity per rupee of turnover is based on turnover of products)

## ANNEXURE TO BOARD'S REPORT

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. ETP (10 KLD) / STP (4 KLD) plants are being operated to maintain zero discharge.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: The Company operates boilers, DG sets, etc at its manufacturing facilities. These are operated within the permitted parameters. The highest measurement in respect of the below parameters based on the ambient air quality test done at various places inside the manufacturing facilities are given hereunder:

<b>Parameter</b>	<b>Unit</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>
NOx	µg/m <sup>3</sup>	29.5	18
SOx	µg/m <sup>3</sup>	14.2	9.0
Particulate matter (PM):			
PM10	µg/m <sup>3</sup>	78.8	79
PM2.5	µg/m <sup>3</sup>	36.8	48
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The measurement of the ambient air quality was carried out by RVN Laboratory and Chennai Testing Laboratory Private Limited.

All the above parameters are within the permitted industrial standards.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

<b>Parameter</b>	<b>Unit</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	NA	NA
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	NA	NA
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		NA	NA
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

## ANNEXURE TO BOARD'S REPORT

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details - No
8. Provide details related to waste management by the entity, in the following format:

<i>Parameter</i>	<i>FY 2021-22</i>	<i>FY 2020-21</i>
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste <b>(A)</b>	0.00	0.00
E-waste <b>(B)</b>	0.00	0.00
Bio-medical waste <b>(C)</b>	0.00	0.00
Construction and demolition waste <b>(D)</b>	0.00	0.00
Battery waste <b>(E)</b>	0.00	0.00
Radioactive waste <b>(F)</b>	0.00	0.00
Other Hazardous waste. Please specify, if any. <b>(G)</b>		
(i) Oil sledge	7.61	11.37
Other Non-hazardous waste generated <b>(H)</b> . Please specify, if any.	0.00	0.00
<b>Total (A+B + C + D + E + F + G + H)</b>	7.61	11.37
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	0.00	0.00
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations Through third party: Oil sledge (Other Hazardous waste)	7.61	11.37
<b>Total</b>	7.61	11.37

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

(The waste management data relates to our manufacturing units and excludes items like cut rubber, metal pieces, etc, which are sold by the Company and further used by the purchaser).

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**ANNEXURE TO BOARD'S REPORT**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.
- Our manufacturing units are equipped with Effluent Treatment Plant and Condensate Recovery Units
  - Cut rubber pieces/ashes from production are offered/sold to rubber reclaiming operators for conversion to useable raw materials in production.
10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:  
Not Applicable
11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: Not Applicable
12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N) - Yes.  
If not, provide details of all such non-compliances - Not applicable

**PRINCIPLE 7**

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations - 13.  
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Indo-Australian Chamber of Commerce	National
2	All India Management Association	National
3	All India Rubber Industry Association	National
4	All India Manufacturers Association	National
5	Industrial Waste Management Association	National
6	Indian Institute of Material Management	National
7	Capexil	National
8	Federation of Indian Export Organizations	National
9	Madras Chamber of Commerce & Industries	State
10	Madras Management Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities - Not applicable
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**ANNEXURE TO BOARD'S REPORT**
**PRINCIPLE 8****Businesses should promote inclusive growth and equitable development****Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year - Nil
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: Not Applicable
3. Describe the mechanisms to receive and redress grievances of the community.
  - The public and community at large may post their grievances in confidentiality on a dedicated email established on the company website
  - Any such grievances are immediately addressed by the HR department, brought to the notice of the top management, and resolved.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	<b>FY 2021-22</b>	<b>FY 2020-21</b>
Directly sourced from MSMEs / small producers	NA	NA
Sourced directly from within the district and neighbouring districts	36%	37%

**PRINCIPLE 9****Businesses should engage with and provide value to their consumers in a responsible manner****Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.  
The Customer can email the company or call the company's representative about any complaint. The Company shall take timely step to assess the complaint and if correct, make remedial steps to resolve the same to the satisfaction of the customer.
2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	<b>As a % of Total Turnover</b>
Environmental and Social parameters relevant to the product	Thejo provides Material Safety Data Sheets, User Manuals and Warning Labels wherever applicable to educate user on safe usage, re-cycling and safe disposal of the products.
Safe and responsible usage	
Recycling and/or safe disposal	

ANNEXURE TO BOARD'S REPORT

3. Number of consumer complaints in respect of the following:

	FY 2021-22		Remarks	FY 2020-21		Remarks
	Received during the year	Pending resolution at end of the year		Received during the year	Pending resolution at end of the year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive trade practices	Nil	Nil	-	Nil	Nil	-
Unfair trade practices	Nil	Nil	-	Nil	Nil	-

4. Details of instances of product recalls on account of safety issues

Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)  
If available, provide a web-link of the policy - No.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services - Not applicable.

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**ANNEXURE TO BOARD'S REPORT**

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

To The Members of THEJO ENGINEERING 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 : 26<sup>th</sup> May, 2022

V.A. GEORGE  
Executive Chairman  
DIN 01493737

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**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 31<sup>st</sup> March, 2022 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 : 26<sup>th</sup> May, 2022

M.D. RAVIKANTH  
CFO & Secretary

V.A. GEORGE  
Executive Chairman  
DIN 01493737

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**ANNEXURE TO BOARD'S REPORT**

**CERTIFICATE UNDER REGULATION 13 OF SECURITIES & EXCHANGE BOARD OF INDIA  
(SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021**

We have examined the Employees Stock Option Scheme of **Thejo Engineering Limited** namely, Thejo Employees Stock Option Scheme 2015 (ESOP 2015), for the purpose of issuing a Certificate pursuant to Regulation 13 of the Securities & Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

In our opinion and to the best of our information and based on the Management's representation, we hereby certify that the Scheme has been implemented in accordance with Securities & Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolution of the Company in the general meeting.

**For PORSELVAM AND ASSOCIATES**

**Place : Chennai  
Date : 24/05/2022  
UDIN : A044831D000378230**

**SINDHUJA PORSELVAM  
Company Secretary in Practice  
Mem. No 44831; CP No. 23622**



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**Standalone Financial Statements**  
**2021 - 2022**

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**INDEPENDENT AUDITOR'S REPORT****To the Members of Thejo Engineering Limited****Report on the Audit of the Standalone Ind-AS Financial Statements****Opinion**

We have audited the accompanying standalone Ind-AS financial statements of Thejo Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the statement of Profit and Loss, including Other Comprehensive Income, statement of changes in Equity and statement of Cash Flows for the year then ended, and notes to the standalone Ind-AS 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 Standalone Ind-AS Financial Statements give the information required by the Companies Act, 2013 (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, 2022, and Profit and Other Comprehensive loss, changes in Equity and its Cash Flows for the year ended on that date.

**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 Standalone Ind-AS 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 standalone Ind-AS 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.

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

The Company's Board of Directors is 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 Ind-AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind-AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind-AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind-AS 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.

**Responsibility of Management for Standalone Ind-AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind-AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles

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## INDEPENDENT AUDITORS' REPORT

generally accepted in India, including the Indian 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 Standalone Ind-AS 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.

### **Auditor's Responsibilities for the Audit of the Standalone Ind-AS Financial Statements**

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

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## INDEPENDENT AUDITORS' REPORT

- e) Evaluate the overall presentation, structure and content of the standalone Ind-AS financial statements, including the disclosures, and whether the standalone Ind-AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind-AS 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including the statement of Other Comprehensive Income, Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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**" to this report.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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## INDEPENDENT AUDITORS' REPORT

- h) 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 standalone Ind-AS financial statements. Refer Note No.26.1.3 of Standalone Ind-AS 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.
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.
  - (v) The final dividend declared and paid by the Company during the year in respect of the previous financial year is in accordance with section 123 of the Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

P. BABU  
Partner  
Membership No. 203358  
UDIN: 22203358AJUCPN2252

Place : Chennai  
Date : 26<sup>th</sup> May, 2022

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**“Annexure-A” to the Independent Auditors’ Report****Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our report of even date**

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property plant and equipment.  
The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Property Plant and Equipment were 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 Property Plant and Equipment. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) Based on our examination of the records of the Company and according to the information and explanations given to us, the title deeds of all the immovable properties which are freehold are held in the name of the Company and such title deeds have been pledged with banks as security for loan facilities.
  - d) Based on our examination of the records of the Company and according to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment and Intangible Assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
  - (ii) a) 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.
  - b) Based on our examination of the records of the Company and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks during the year on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.
  - (iii) Based on our examination of records and according to the information and explanations given to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause 3(iii) of the Order is not applicable.
  - (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan to its directors, covered under Section 185 of Companies Act, 2013. Section 186 of the Companies Act, 2013 is not applicable to the company for the year.
  - (v) According to the information and explanations given to us, The Company has not accepted public deposits which requires compliance with the provisions of sections 73 to 76 of the Companies Act or any other relevant provisions of the Act and rules made thereunder. Accordingly, reporting under clause 3(v) of the Order is not applicable
-

### “Annexure-A” to the Independent Auditors’ Report

- (vi) According to the information and explanations given to us, the maintenance of cost records has been specified by the Central Government under subsection (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) The Company is regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees’ state insurance, income tax, 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 these statutory dues outstanding as at March 31, 2022 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, sales tax, customs duty have not been deposited on account of dispute, the amounts involved and the forum where dispute is pending are mentioned below:

(₹ in Lakhs)

Name of Statute	Amount of Dispute (31/3/22)	Amount of Dispute (31/3/21)	Amount Deposited (31/3/22)	Forum where dispute is pending
Commercial Tax (VAT, CST, Sales Tax, Entry Tax).	16.18	16.18	-	Hon’ble High Court.
Commercial Tax (VAT, CST, Sales Tax, Entry Tax).	2.95	2.95	2.95	VAT Tribunal
Commercial Tax (VAT, CST, Sales Tax, Entry Tax).	20.04	20.04	-	Deputy Commissioner
Commercial Tax (VAT, CST, Sales Tax, Entry Tax).	20.68	20.68	2.00	Commercial Tax Officer
Commercial Tax - GST	0.73	-	-	Commercial Tax Officer
Customs Duty Act 1962	12.50	12.50	-	Commissioner of Customs
Income Tax Act 1961	58.48	58.48	30.00	Income-Tax Appellate Tribunal
Income Tax Act 1961	74.28	43.15	7.03	Commissioner Appeals
Income Tax Act 1961	15.70	13.78	-	Assessing Officer
	<b>221.53</b>	<b>187.76</b>	<b>41.98</b>	

- (viii) According to the information and explanation given to us, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, reporting under clause 3(viii) of the order is not applicable.
- (ix) a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Accordingly, reporting under clause 3(ix)(a) of the order is not applicable.

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**“Annexure-A” to the Independent Auditors’ Report**

- b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c) According to the information and explanations given to us and based on our examination of the records of the Company, the term loans were applied for the purpose for which loans were obtained during the year.
  - d) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not utilised the funds raised on short term basis for long term purposes.
  - e) According to the information and explanations given to us and on our examination of the records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(e) of the order is not applicable.
  - f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable.
- (x)
- a) In our opinion and according to the information and explanations given to us, the Company has neither raised during the year any money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the order is not applicable.
  - b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares/ fully or partly or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the order is not applicable.
- (xi)
- a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the course of our audit.
  - b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - c) As represented to us by the Management, there are no whistle blower complaints were received by the Company during the year.
- (xii)
- In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as per provisions of the Companies Act, 2013. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- (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 Companies Act where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- (xiv)
- a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
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**“Annexure-A” to the Independent Auditors’ Report**

- b) The reports of internal auditors of the company issued for period under audit have been considered by us.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors. Accordingly, reporting under clause 3(xv) of the order is not applicable.
- (xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi)(d) of the Order is not applicable.
- (xvii) Based on our examination of the records of the Company, the Company has not incurred cash losses during the current year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) a) There is no unspent amount towards Corporate Social Responsibility (CSR) projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

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

P. BABU  
Partner  
Membership No. 203358  
UDIN: 22203358AJUCPN2252

Place : Chennai  
Date : May 26, 2022

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## **“Annexure-B” to the Independent Auditors’ Report**

**Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements 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 March 31, 2022 in conjunction with our audit of the standalone Ind-AS 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 issued by ICAI 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. 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 Ind-AS financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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**“Annexure-B” to the Independent Auditors’ Report**

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

P. BABU  
Partner  
Membership No. 203358  
UDIN: 22203358AJUCPN2252

Place : Chennai  
Date : May 26, 2022

**THEJO ENGINEERING LIMITED**
**Balance Sheet as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

Particulars	Note	As at 31-03-2022	As at 31-03-2021	As at 01-04-2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	2,626.62	2,391.84	2,296.78
Right-of-use Assets	4	2,197.70	765.44	926.00
Capital work-in-progress	4	73.31	85.24	14.26
Intangible assets	4	24.10	13.03	22.90
<b>Financial assets</b>				
Investments in subsidiaries	5	2,330.18	2,330.18	2,126.05
Other financial assets	6	395.22	365.13	328.59
Deferred tax assets (net)		198.11	167.63	147.44
Other non-current assets	7	248.22	94.49	78.53
<b>Current assets</b>				
Inventories	8	3,730.21	2,822.26	2,540.84
<b>Financial assets</b>				
Trade receivables	9	8,424.48	7,215.53	7,090.65
Cash and cash equivalents	10A	1,317.67	1,042.71	647.35
Bank balances (other than cash equivalents)	10B	757.80	726.77	601.59
Other financial assets	6	449.40	421.71	495.07
Other current assets	11	967.80	771.27	614.00
<b>TOTAL ASSETS</b>		<b>23,740.82</b>	<b>19,213.23</b>	<b>17,930.05</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	12	1,065.71	351.64	346.04
Share Application Money	12	0.00	0.00	0.00
Other equity	13	14,325.40	12,284.11	10,104.84
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	14	77.18	89.63	53.25
Lease liabilities		2,095.83	663.53	774.95
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	14	54.90	330.38	1579.58
Lease liabilities		52.71	111.42	94.40
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	15	0.00	0.00	0.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	15	2,670.94	2,293.04	2,027.47
Other financial liabilities	16	1,050.45	1,089.71	1,006.44
Other current liabilities	17	1,752.85	1460.52	1,471.95
Provisions	18	594.85	539.25	471.13
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,740.82</b>	<b>19,213.23</b>	<b>17,930.05</b>
Basis of preparation and significant accounting policies	2			
First time adoption of Ind-AS	3			
Contingent liabilities and commitments	26.1			

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For BRAHMAYYA &amp; CO.

 Chartered Accountants  
 Firm Registration No. 000511S

 P. BABU  
 Partner  
 M. No. 203358

 Place : Chennai  
 Date : 26<sup>th</sup> May, 2022

 V A GEORGE  
 Executive Chairman  
 DIN 01493737

 MANOJ JOSEPH  
 Managing Director  
 DIN 00434579

 THOMAS JOHN  
 Vice Chairman  
 DIN 00435035

 M D RAVIKANTH  
 CFO and Secretary

**THEJO ENGINEERING LIMITED**
**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

Particulars	Note	Year ended	Year ended
		31-03-2022	31-03-2021
<b>INCOME</b>			
Revenue from operations	19	<b>27,753.92</b>	21,372.35
Other income	20	<b>145.08</b>	250.64
<b>TOTAL INCOME</b>		<b><u>27,899.00</u></b>	<u>21,622.99</u>
<b>EXPENSES</b>			
Cost of materials consumed	21	<b>7,271.17</b>	4,128.95
Purchases of stock-in-trade	21	<b>99.21</b>	108.29
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	<b>(1,126.39)</b>	75.72
Employee benefits expenses	23	<b>8,957.09</b>	7,674.87
Finance costs	24	<b>237.76</b>	253.33
Depreciation and amortisation expenses	4	<b>680.58</b>	607.71
Other expenses	25	<b>7,872.40</b>	5,902.58
<b>TOTAL EXPENSES</b>		<b><u>23,991.82</u></b>	<u>18,751.45</u>
<b>Profit before exceptional items and tax</b>		<b>3,907.18</b>	2,871.54
Exceptional items		-	-
<b>Profit before tax</b>		<b>3,907.18</b>	2,871.54
Tax Expenses			
Current tax		<b>1,012.95</b>	745.90
Deferred tax charge/(credit)		<b>(30.48)</b>	(20.19)
<b>PROFIT FOR THE YEAR (A)</b>		<b><u>2,924.71</u></b>	<u>2,145.83</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of net defined benefit plans		<b>(98.93)</b>	69.86
<b>Income-tax on Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of net defined benefit plans		<b>(24.90)</b>	17.58
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>		<b><u>(74.03)</u></b>	<u>52.28</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>		<b><u>2,850.68</u></b>	<u>2,198.11</u>
Earnings per equity share (of face value of ₹ 10/- each)			
Basic (in ₹)		<b>27.52</b>	20.53
Diluted (in ₹)		<b>27.14</b>	20.22
Basis of preparation and significant accounting policies	2		
First time adoption of Ind-AS	3		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For BRAHMAYYA &amp; CO.

 Chartered Accountants  
 Firm Registration No. 000511S

 P. BABU  
 Partner  
 M. No. 203358

 Place : Chennai  
 Date : 26<sup>th</sup> May, 2022

 V A GEORGE  
 Executive Chairman  
 DIN 01493737

 MANOJ JOSEPH  
 Managing Director  
 DIN 00434579

 THOMAS JOHN  
 Vice Chairman  
 DIN 00435035

 M D RAVIKANTH  
 CFO and Secretary

**THEJO ENGINEERING LIMITED**
**Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before exceptional items and tax	3,907.18	2,871.53
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	680.58	607.71
Interest income	(47.60)	(50.96)
Finance Costs	237.76	253.33
Employee stock option cost	36.55	67.95
Unrealised foreign exchange (gain)/loss, net	(52.88)	32.91
Loss/(Profit) on disposal of assets	(4.42)	(2.64)
Cash generated from operations before working capital changes	4,757.17	3,779.83
<i>Adjustments for:</i>		
(Increase)/decrease in trade receivables	(1,176.24)	(200.00)
(Increase)/decrease in other non-current financial assets	(0.83)	(60.60)
(Increase)/decrease in other current financial assets	(30.90)	24.37
(Increase)/decrease in other non-current assets	(153.73)	(15.96)
(Increase)/decrease in other current assets	(196.53)	(157.27)
(Increase)/decrease in inventories	(907.95)	(281.42)
Increase/(decrease) in trade payables	388.78	247.79
Increase/(decrease) in other current financial liabilities	(39.26)	83.28
Increase/(decrease) in other current provisions	32.16	(30.54)
Increase/(decrease) in other current liabilities	292.38	(11.42)
Cash generated from operations	2,965.05	3,378.06
Taxes (paid)/refund received	(1,063.55)	(594.95)
Net cash generated from/(used in) operating activities (A)	1,901.50	2,783.11
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(732.90)	(602.60)
Sale of property, plant and equipment	6.37	3.53
Investments made	0.00	(204.13)
(Investment)/Disposal in bank deposits, Net	(49.79)	(101.15)
Purchase of intangibles	(20.62)	(1.60)
Loans/Advance repaid by subsidiaires	0.00	49.20
Interest received	43.95	43.98
Net cash generated from/(used in) investing activities (B)	(752.99)	(812.77)

**THEJO ENGINEERING LIMITED**
**Statement of Cash Flow for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital/Premium on account of issue of shares (incl share application money)	<b>80.75</b>	92.21
Proceeds from long-term borrowing	<b>51.65</b>	95.75
Repayments towards long-term borrowing	<b>(71.30)</b>	(123.20)
Increase/(decrease) in short-term borrowing	<b>(269.75)</b>	(1,189.22)
Lease deposit/Principal payment of lease liability/right-of-use assets	<b>(225.30)</b>	(87.63)
Interest payment for lease liability	<b>(101.01)</b>	(82.70)
Dividend paid	<b>(212.61)</b>	(173.40)
Finance Costs	<b>(136.57)</b>	(171.70)
Net cash generated from/(used in) financing activities (C)	<b>(884.14)</b>	(1,639.89)
Exchange difference on translation of cash and cash equivalents (D)	<b>10.59</b>	64.91
Net increase/(decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	<b>274.96</b>	395.36
Cash and cash equivalents at the beginning of the year	<b>1,042.71</b>	647.35
Cash and cash equivalents at the end of the year	<b>1,317.67</b>	1,042.71

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For BRAHMAYYA &amp; CO.

 Chartered Accountants  
 Firm Registration No. 000511S

 P. BABU  
 Partner  
 M. No. 203358

 Place : Chennai  
 Date : 26<sup>th</sup> May, 2022

 V A GEORGE  
 Executive Chairman  
 DIN 01493737

 MANOJ JOSEPH  
 Managing Director  
 DIN 00434579

 THOMAS JOHN  
 Vice Chairman  
 DIN 00435035

 M D RAVIKANTH  
 CFO and Secretary

**THEJO ENGINEERING LIMITED**
**Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

Particulars	Amount
<b>Equity share capital</b>	
As at 1 <sup>st</sup> April, 2020	346.04
Changes in equity share capital during the year	5.60
As at 31 <sup>st</sup> March, 2021	351.64
Changes in equity share capital during the year	714.07
As at 31 <sup>st</sup> March, 2022	<b>1,065.71</b>

**Other Equity**

	Reserves and surplus				Item of Other Comprehensive Income	Total
	Securities Premium	ESOP Outstanding	General Reserve	Retained Earnings	Remeasurement of net defined benefit plan	
As at 1 <sup>st</sup> April, 2020	<b>1,897.58</b>	<b>152.12</b>	<b>627.71</b>	<b>7,427.43</b>	<b>0.00</b>	<b>10,104.84</b>
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00
Restated balance as at 31 <sup>st</sup> March, 2020	1,897.58	152.12	627.71	7,427.43	0.00	10,104.84
Profit for the year				2,145.83		2,145.83
Other comprehensive income for the year					52.28	52.28
<i>Total comprehensive income for the year</i>				2,145.83	52.28	2,198.11
Dividend on equity shares (including Dividend distribution tax)				173.40		173.40
Issue of equity shares on exercise of employee stock options	120.18	(33.58)				86.60
Employee stock option cost for the year		67.95				67.95
As at 31 <sup>st</sup> March, 2021	<b>2,017.76</b>	<b>186.49</b>	<b>627.71</b>	<b>9,399.86</b>	<b>52.28</b>	<b>12,284.11</b>
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00
Restated balance as at 31 <sup>st</sup> March, 2021	2,017.76	186.49	627.71	9,399.86	52.28	12,284.11
Profit for the year				2,924.71		2,924.71
Other comprehensive income for the year					(74.03)	(74.03)
<i>Total comprehensive income for the year</i>				2,924.71	(74.03)	2,850.68
Dividend on equity shares (including Dividend distribution tax)				212.61		212.61
Issue of equity shares on exercise of employee stock options	115.16	(39.00)				76.16
Employee stock option cost for the year		36.55				36.55
Transfer on account of lapse of Options under ESOP		(14.34)	14.34			0.00
Issue of Bonus Shares	(709.48)					(709.48)
As at 31 <sup>st</sup> March, 2022	<b>1,423.44</b>	<b>169.70</b>	<b>642.05</b>	<b>12,111.96</b>	<b>(21.75)</b>	<b>14,325.40</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For BRAHMAYYA &amp; CO.

 Chartered Accountants  
 Firm Registration No. 000511S

 P. BABU  
 Partner  
 M. No. 203358

 Place : Chennai  
 Date : 26<sup>th</sup> May, 2022

 V A GEORGE  
 Executive Chairman  
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 Managing Director  
 DIN 00434579

 THOMAS JOHN  
 Vice Chairman  
 DIN 00435035

 M D RAVIKANTH  
 CFO and Secretary



## THEJO ENGINEERING LIMITED

### Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022

#### Note 1

##### Corporate Information

Thejo Engineering Limited (“the Company”) is a public limited company, with its Registered Office at VDS House, 3<sup>rd</sup> Floor, No. 41, Cathedral Road, Chennai 600086. The Company is listed on the SME platform of the National Stock Exchange, NSE – Emerge. 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

##### Basis of Preparation and Significant Accounting Policies

###### 2.1 *Basis of preparation*

Companies (Indian Accounting Standard) Rules, 2015 (as amended from time to time) notified by the Ministry of Corporate Affairs exempts Companies listed on the SME platform from mandatory implementation of Indian Accounting Standards (Ind-AS). The Audit Committee at its meeting held on 10<sup>th</sup> March, 2022, took note of the intent of the Management to adopt Ind-AS on a voluntary basis from the financial year 2021-22 with 1<sup>st</sup> April, 2020 as the transition date. Such transition has been carried out from the erstwhile Accounting Standards notified under the Companies Act, 2013, read with relevant rules issued thereunder (hereinafter referred to as “Previous GAAP”). Accordingly, the impact of the transition has been recorded in the opening reserves as at 1<sup>st</sup> April, 2020 and the corresponding figures presented in these results have been restated / reclassified. As approved by the Board of Directors at their Meeting held on 26<sup>th</sup> May, 2022, these are first Financial Statements presented by the Company based on Ind-AS.

These financial statements for the financial year ended 31<sup>st</sup> March, 2022 are the first the Company has prepared under Ind-AS with 1<sup>st</sup> April, 2020 being the date of transition to Ind-AS. For all periods including and upto the financial year ended 31<sup>st</sup> March, 2021, the Company prepared its financial statements in accordance with the Previous GAAP.

The Financial Statements as at 31<sup>st</sup> March, 2021 and the opening Balance Sheet as at 1<sup>st</sup> April, 2020 have been restated in line with Ind-AS for the purpose of comparative information. Reconciliation of Ind-AS and Previous GAAP numbers have been provided in Note 3.

The Financial Statements have been prepared on accrual and going concern basis using accounting policies that are applied consistently. The assets and liabilities have been classified as Current or Non-Current based on the normal operating cycle of the Company, which has been determined as 12 months based on the nature of products and services, and the time gap between acquisition of assets for processing and their realisation in cash and cash equivalents.

The financial statements for the year ended 31<sup>st</sup> March, 2022 were approved for issue by the Board of Directors at their meeting held on 26<sup>th</sup> May, 2022.

## THEJO ENGINEERING LIMITED

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### Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022

#### 2.2 *Basis of measurement*

The financial statements have been prepared under historical cost convention unless stated otherwise.

#### 2.3 *Use of estimates and judgements*

In the preparation of financial statements, the management has to make certain estimates, judgements and assumptions in the application of accounting policies that affects the reported amounts of assets, liabilities, income and expenses. Actual outcome may differ from these estimates. The management continuously evaluates these estimates and judgements and make appropriate revisions prospectively.

Information about critical judgements, estimates and assumptions that have the most significant impact on the amounts recognized in the financial statements are included in the following notes:

- (a) Measurement of defined benefit obligations
- (b) Measurement and likelihood of occurrence of provisions and contingencies
- (c) Recognition of deferred tax assets
- (d) Useful lives of property, plant and equipment
- (e) Useful lives of intangible assets
- (f) Measurement of share based payments

#### 2.4 *Functional and Presentation Currency*

Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (“the functional currency”). Indian rupee (INR) is the functional currency of the Company.

The Financial Statements are presented in INR, which is the presentation currency of the Company. Presentation is made in INR rounded to the nearest lakh except where indicated otherwise.

#### 2.5 *Recent Accounting Pronouncements*

The Ministry of Corporate Affairs (MCA) has issued a Notification dated 23<sup>rd</sup> March, 2022, whereby the Ind-AS mentioned below have been amended effective from 1<sup>st</sup> April, 2022.

- (a) Ind-AS 103 –Reference to conceptual framework while applying acquisition method
- (b) Ind-AS 109 – Annual improvements to Ind-AS (2021)
- (c) Ind-AS 16 – Proceeds before intended use
- (d) Ind-AS 37 – Cost of fulfilling a contract in relation to onerous contracts

Based on the initial assessment, the Company does not expect any major impact on its Financial Statements on account of these amendments.

#### 2.6 *Significant accounting policies*

##### 2.6.1 *Property, Plant and Equipment*

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Property, plant and equipment which are not ready for intended use are disclosed under "Capital work-in-progress".

Subsequent expenses related to an item of property, plant and equipment are added to its book value if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

Depreciation is charged on a pro-rata basis under written down value method based on the useful life of individual asset as prescribed in Schedule II of the Companies Act, 2013 ("the Act"), retaining a residual value of 5% of the cost of the assets except the following:

Plant and equipment are depreciated over a period of 1 to 15 years and office equipment over 2 to 5 years based on technical evaluation/advice.

No depreciation is charged on the free hold land.

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period and adjustment required, if any, are done prospectively.

Assets on leased premises, which cannot be used independent of the leased premises, are depreciated on the remaining period of lease or as per the useful life as stated above, whichever is earlier. Assets costing ₹ 5,000 and below are depreciated over a period of one year.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Upon first time adoption of Ind-AS, the Company has elected to measure all its property, plant and equipment at the carrying value under Previous GAAP as their deemed cost on the date of transition to Ind-AS (1<sup>st</sup> April, 2020).

**2.6.2 Intangible Assets****A. Intangible assets acquired separately:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a written down value basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**B. Internally-generated intangible assets - research and development expenditure:**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) The intention to complete the intangible asset and use or sell it;

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

- (c) The ability to use or sell the intangible asset;
- (d) The probable future economic benefits that will be generated from the intangible asset;
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**C. Derecognition of intangible assets**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognized.

**D. Useful lives of intangible assets**

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Lives (in Years)
Software & Licenses	1-6 years

Upon first time adoption of Ind-AS, the Company has elected to measure its intangible assets at the carrying value under Previous GAAP as their deemed cost on the date of transition to Ind-AS (1<sup>st</sup> April, 2020).

**Impairment of Tangible & Intangible Assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives, goodwill and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

**2.6.3 Leases****Company as Lessee**

At the inception of a contract, the Company assess if the contract conveys the right to control the use of an identified asset for a specified period of time for a consideration. If so, such contracts are considered to be/to contain lease. Where the Company is a lessee, except in case of short-term leases (tenure less than twelve months) and leases of low value assets, the Company recognizes lease liability and right-of-use assets. In the case of leases for short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates being the rate the Company would have to pay to borrow fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Subsequent to the initial measurement, the lease liability is increased by the interest on the lease liability and reduced by the lease payments made. A lease liability is re-measured when there is a change in the lease term or a change in an index or rate used to determine lease payments, etc., Lease liability and Right-of-use asset are presented separately in the Balance Sheet. In the Statement of Cash Flows, lease payments have been classified as cash flow from financing activities.

**Company as Lessor**

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as expenses over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

**2.6.4 Investment in Subsidiaries and Joint Ventures**

Investments in subsidiaries and joint ventures are carried at cost net of accumulated impairment losses, if any. Where an indication of impairment exists, the carrying value of the investment is assessed for the amount of impairment loss and written down to its recoverable amount. At the time of disposal of investments, the difference between the net proceeds of disposal and the carrying amount is recognized in the Statement of Profit and Loss.

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

Upon first time adoption of Ind-AS, the Company has elected to measure its investment in subsidiaries at the carrying value under Previous GAAP as their deemed cost on the date of transition to Ind-AS (1<sup>st</sup> April, 2020).

**2.6.5 Inventories**

Inventories are valued at lower of cost and net realisable value based on FIFO Basis. Cost of work-in-progress and finished goods includes the cost of purchase, conversion and all other cost incurred in bringing the inventory to their current condition and location. Net realizable value is the estimated selling price in the ordinary course of business net of estimated cost of completion and cost required to be incurred to complete the sale.

**2.6.6 Cash and Cash Equivalents**

Cash and cash equivalents are short-term (three months from the date of acquisition), highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

**2.6.7 Financial Instruments****A. Financial Assets**

Financial assets comprises investments in equity and debt securities, trade receivables, cash and cash equivalents, and other financial assets. Financial assets are recognized when the Company becomes a party to the contractual positions of an instrument.

Financial assets are recognized initially at fair value. In the case of financial assets other than those recognized at fair value through profit and loss (FVTPL), the transaction costs attributable to the acquisition of financial assets are added to the fair value for the initial recognition. In the case of financial assets recognized at FVTPL, the transaction costs are recognized in the Statement of Profit and Loss.

Financial assets are subsequently measured at

- (i) Amortized cost
- (ii) Fair value through profit and loss (FVTPL) or
- (iii) Fair value through other comprehensive income (FVOCI)

**(i) Amortized Cost**

Financial assets that are held within the business model with an objective to hold them to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding are measured subsequently at amortized cost using the effective interest rate method (EIR method) net of impairment, if any. The amortization as per EIR and loss on account of impairment, if any, are recognized in the Statement of Profit and Loss.

By applying the above criteria, the following financial assets are measured at amortized cost:

- (a) Trade receivables
- (b) Loans
- (c) Other financial assets

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

## (ii) Fair value through other comprehensive income

Financial assets that are held within the business model whose objective is achieved by both selling the financial assets and collecting the contractual cash flows that are solely payments of principal and interest are measured subsequently at fair value through other comprehensive income. Movements in the fair value of such financial asset are recognized in the other comprehensive income. Interest income as per EIR and loss on account of impairment, if any, are recognized in the Statement of Profit and Loss. On derecognition, the cumulative gain or loss that has previously been recognized in the other comprehensive income is reclassified to other income in the Statement of Profit and Loss.

## (iii) Fair value through profit or loss

A financial asset is measured subsequently at fair value through profit or loss if it does not meet the classification criteria for measurement at amortized cost or fair value through other comprehensive income. Such financial assets are measured at fair value with all changes in the fair value, including interest and dividend income, if any, being recognized as other income in the Statement of Profit and Loss.

A financial asset is derecognized when the contractual rights to the cash flow from the asset expires, or when the contractual rights to receive the cash flows are transferred.

Subsequent to initial recognition, impairment losses are recognized in respect of all financial assets other than those classified for subsequent measurement under FVTPL. In respect of trade receivables, expected credit loss over the lifetime of the asset is estimated by adopting a simplified approach of provision matrix based on historical loss rates reflecting present conditions and forecast of future economic conditions. Under this approach, trade receivables are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other relevant factors to estimate the expected credit loss from these assets. In respect of financial assets other than trade receivables, if the credit risk has increased significantly since initial recognition, the impairment is measured at lifetime credit losses. The impairment losses and reversals are recognized in the Statement of Profit and Loss.

## Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

**B. Financial Liabilities**

Financial liabilities are recognized when the Company becomes a party to the contractual positions of an instrument.

Financial liabilities are recognized initially at fair value. In the case of financial liabilities other than those recognized at fair value through profit and loss (FVTPL), the transaction costs attributable to the acquisition of the financial liability are added to the fair value for the initial recognition. In the case of financial liabilities recognized at FVTPL, the transaction costs are recognized in the Statement of Profit and Loss.

Financial liabilities other than those recognized at FVTPL are subsequently measured at amortized cost using EIR method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

The Company measures the following financial liabilities under amortized cost:

- (a) Borrowings
- (b) Lease liabilities
- (c) Trade payables
- (d) Other financial liabilities

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities and financial assets are offset and net amount presented in the Balance sheet when the Company has a legal right to offset and intends to settle the same on net basis or realize the asset and settle the liability simultaneously.

A financial liability is derecognized when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in Statement of Profit and Loss under other income.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

*C. Fair Value Hierarchy*

The fair value of financial instruments are classifiable into three categories based on the inputs used in valuation technique. The three categories are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs and

Level 3: Inputs which are not based on observable market data.

**2.6.8 Provisions and Contingent Liabilities**

Provisions are recognized if the Company has a reliably estimated present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured based on the best estimate of expenditure required to settle the obligation as at the date of balance sheet. In cases where the effect of the time value of money is material, provisions are discounted to reflect its present value using current pre-tax rate reflecting the risk specific to the obligation. When discounting is used, the increase in the amount of provision due to the passage of time is recognized as finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, which is contingent upon the occurrence or non-occurrence of one or more uncertain future events, which are not fully within the control of the Company or when there is a present obligation arising from past events where it is either not probable that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated.



**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable. Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/ development of assets and amounts pertaining to Investments which have been committed but not called for.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

**Onerous contracts**

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

**2.6.9 Revenue Recognition****Sale of goods**

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

**Rendering of services**

The performance obligation under service contracts are provision of various services as set forth in the contracts. Revenue from rendering of services are recognised over a period of time by reference to the stage of completion as the customer simultaneously receives and consumes the benefit provided by the Company's performance. Payment for the service rendered is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

**Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Revenue disaggregation as per business segment and geography are contained in the segment information given in Note 26.3.

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022****2.6.10 Employee Benefits****Short-term benefits**

All short-term employee benefit obligations are measured on an undiscounted basis and expensed as the related services are rendered.

**Defined contribution plans**

Contribution to defined contribution plans like provident fund, superannuation fund, employee state insurance, etc are charged as an expense to the extent of periodic contribution required to be made as and when services are rendered to the Company. The Company has no further obligations beyond the periodic contribution in respect of defined contribution plans.

**Defined benefit plans**

The Company provides for gratuity, a defined benefit plan, to all eligible employees. The amount recognized as employee benefit expense in the Statement of Profit and Loss is the cost of accruing employee benefits promised to the eligible employees over the year and costs of past/future service benefit changes and similar costs. The defined benefit plan surplus or deficit as on the date of balance sheet comprises the difference between fair value of plan assets and present value of the defined benefit liabilities, discounted at the yield rate at the reporting date on risk free government bonds.

All re-measurements of defined benefit liabilities and assets are recognized in other comprehensive income and are subsequently not reclassified to the Statement of Profit and Loss. The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India.

**2.6.11 Share-based Payments**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 26.9.

The Company makes equity settled share based payment to selected employees under its ESOP program. The fair value of options granted as on grant date, calculated by an independent valuer on the basis of Black Scholes model, is recognized as employee benefit expense with a corresponding increase in equity over the vesting period. At the end of each reporting period, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. Fresh equity shares are issued upon exercise of vested options.

**2.6.12 Income-tax Expenses**

Income-tax expenses comprises current tax and deferred tax and is recognized in the Statement of Profit and Loss except to the extent that it relates to an item which is recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income using applicable tax rates enacted or substantively enacted as at the reporting date and any adjustments relating to income-tax of previous years.

Deferred tax is recognized in respect of temporary difference between the carrying amounts of assets and liabilities as per the financial statements and taxation laws. Deferred tax liability is recognized based on the expected manner of realization or settlement of the difference in carrying amounts applying tax rates enacted or substantively enacted as at the reporting date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available to utilize the same. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that it will be realized.

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

Current tax assets and liabilities are offset when there is a legally enforceable right to set them off and there is an intent to settle them on a net basis. Deferred tax assets and liabilities are set off when they are related to income-tax levied by the same taxation authority and there is a legally enforceable right to set off current tax assets and liabilities.

**2.6.13 Foreign Currency**

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. The income and expense of foreign branch operations are translated using average exchange rates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

**2.6.14 Earnings Per Share**

The Company presents the basic earnings per share by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued without a corresponding change in resources like bonus issue, the weighted number of equity shares outstanding during the period as well as all periods presented are adjusted for such events.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, consolidation of shares, etc. as appropriate.

**2.6.15 Segment Reporting**

The Company reports business and geographic segments in a manner consistent with the reporting provided to the Chief Operating Decision Maker, in line with Ind-AS 108.

**2.6.16 Dividend Distributed to Equity Shareholders**

Dividend distributed to equity shareholders is recognized as distribution to owners of capital in the Statement of Changes in Equity after it is approved by the Members.

**2.6.17 Borrowings and related costs**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

**2.6.18 Government Grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in Statement of Profit and Loss in the period in which they become receivable. Government grant is recognised either as other operating income, or other income or adjusted against expenses depending upon the nature of the grant and the same is followed consistently. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**2.6.19 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents includes balances in current accounts, cash on hand and cheques / drafts on hand. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**Note 3****First Time Adoption of Ind-AS**

The shares of the Company are listed on the SME exchange of the National Stock Exchange of India Limited (NSE). As per the Companies (Indian Accounting Standards) Rules, 2015, a company whose securities are listed on SME exchange as referred to in Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is not mandatorily required to comply with the Indian Accounting Standards (Ind-AS). Such companies may comply with Ind-AS on voluntary basis. Accordingly, the Company has opted to comply with Ind-AS and has prepared its financial statements for the year ended 31<sup>st</sup> March, 2022 as per Ind-AS with 1<sup>st</sup> April, 2020 being the transition date. These financial statements for the year ended 31<sup>st</sup> March, 2022 are the first financial statements the Company has prepared under Ind-AS. For all periods upto and including the year ended 31<sup>st</sup> March, 2021, the Company prepared its financial statements in accordance with the applicable accounting standards as specified in the Annexure to the Companies (Accounting Standard) Rules, 2016 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

The adoption of Ind-AS has been carried out in line with Ind-AS 101, First-time Adoption of Indian Accounting Standards. Ind-AS 101 requires that all Indian Accounting Standards and interpretations that are issued and effective for the first Ind-AS financial statements shall be applied retrospectively and consistently for all the financial years presented. Accordingly, the comparative figures in the Balance Sheet as at 31<sup>st</sup> March, 2021 and 1<sup>st</sup> April, 2020 and the Statement of Profit and Loss and Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2021 have been restated.

In the preparation of these Ind-AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind-AS 101. As at the transition date, the difference between the carrying values of asset and liabilities under Ind-AS and Previous GAAP have been recognized directly under appropriate category of equity. The adjustments made in restating the financial statement prepared under Previous GAAP and the details of exemptions, and exceptions availed by the Company under Ind-AS 101 are detailed below:

**A. Optional Exemptions from retrospective application**

The Company has elected to avail the following optional exemptions from retrospective application:

**(a) Deemed cost of property, plant and equipment**

The Company has opted to measure its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost as on the date of transition to Ind-AS.

**(b) Deemed cost of intangible assets**

The Company has opted to measure its intangible assets at the Previous GAAP carrying amount as its deemed cost as on the date of transition to Ind-AS.

**(c) Leases**

The Company has opted to assess if a contract existing at the date of transition contains a lease on the basis of facts and circumstances existing at that date. The Company has also opted to measure the lease liability and right-of-use asset at the date of transition based on the present value of remaining lease payments at the incremental borrowing rate at the date of transition.

**(d) Deemed cost of Investment in subsidiaries**

The Company has opted to measure its investment in subsidiaries at the Previous GAAP carrying amount as its deemed cost as on the date of transition to Ind-AS.

**(e) Share-based payments**

The Company has opted not to apply Ind-AS 102 Share-based payments to equity instruments that vested prior to the date of transition to Ind-AS.

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**B. Mandatory exceptions from retrospective application**

The Company has applied the following exceptions to the retrospective application of Ind-AS as mandatorily required under Ind-AS 101

**(a) Estimates**

Based on an assessment of the estimates that have been made under the Previous GAAP financial statements, there is no objective evidence of an error in those estimates. Hence, there is no necessity to revise the estimates.

**(b) Classification and measurement of financial assets**

The classification of financial assets into those measured at amortized cost or fair value through other comprehensive income is made on the basis of facts and circumstances that existed on the date of transition to Ind-AS.

**C. Transition to Ind-AS – Reconciliations**

The following reconciliations gives the details regarding the differences arising from the transition from Previous GAAP to Ind-AS in accordance with Ind-AS 101.

**(i) Reconciliation of material items of Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2021**

₹ in lakhs

Particulars	As per Ind-AS	As per Previous GAAP	Increase / (Decrease)
Cash generated from operations	2,783.11	2,612.74	170.37
Net cash used in investing activities	(812.77)	(711.62)	(101.15)
Net cash used in financing activities	(1,639.89)	(1,469.56)	(170.33)
Exchange difference on translation of cash and cash equivalents	64.91	64.91	0.00
Cash and cash equivalents as at the beginning of the year	647.35	1,274.20	(626.85)
Cash and cash equivalents at the end of the year	1,042.71	1,770.67	(727.94)

**(ii) Reconciliation of total equity as at March 31, 2021 and April 01, 2020:**

₹ in lakhs

Particulars	As at March 31, 2021	As at April 01, 2020
Total Equity (shareholder's funds) under previous GAAP	12,817.41	10,621.33
Provision under Expected Credit Loss under Ind-AS (net of tax) (If any)	(137.19)	(170.45)
Effect of leases under Ind-AS 116	(44.48)	0.00
Total adjustment to equity	(181.67)	(170.45)
Total equity under Ind-AS	12,635.74	10,450.88

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

(iii) Reconciliation of total comprehensive income for the year ended March 31, 2021

₹ in lakhs

Particulars	Year ended March 31, 2021
Profit as per Previous GAAP	2,241.60
Recognition of fair value cost of unvested options	(32.29)
Transfer of actuarial loss/gain to Other Comprehensive Income	(52.28)
Effect of Leases under Ind-AS 116	(44.48)
Effect of Provision for Expected Credit Loss	33.27
Total Effect of transition	(95.78)
Other comprehensive income for the year (net of tax)	52.28
Total comprehensive income under Ind-AS	2,198.10

Note: Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under Previous GAAP

Notes to the reconciliations:

- As per Previous GAAP, ESOP expense was recognized based on intrinsic value method (₹ 35.66 lakhs). Under Ind-AS, it is recognized based on fair value method (₹ 67.95 lakhs).
- As per Previous GAAP, re-measurement of defined benefit plan during the year (₹ 52.28 lakhs net of taxes) was recognized in the Statement of Profit and Loss. Under Ind-AS, it is recognized in other comprehensive income by accumulating it in a separate component of equity.
- As per Previous GAAP, periodic lease rental payments were charged to revenue (₹ 177.10 lakhs). Under Ind-AS, leases that are more than one year are recognized as Right-of-Use Assets with depreciation being charged thereon (₹ 160.57 lakhs), lease payments over the lease term being recognized at present value as lease liability with interest being charged thereon (₹ 82.70 lakhs) and lease deposit being recognized at present value with interest being recognized thereon (₹ 6.77 lakhs). The net difference on this account (net of tax) is ₹ 44.48 lakhs
- As per Ind-AS 109, provision has been made on Expected Credit Loss method on Trade Receivables (including EMD and SD) as against Incurred Credit Loss Method under Previous GAAP. The net difference on this account is reversal of provision (net) to an extent ₹ 33.27 lakhs (net of tax).

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

**Note 4**
**A. Property, plant and equipment**

	As at 01-04-2020	Additions 2020-21	Deletions 2020-21	As at 31-03-2021	Additions 2021-22	Deletions 2021-22	As at 31-03-2022
<i>Gross Block</i>							
Land	65.72	0.00	0.00	65.72	0.00	0.00	<b>65.72</b>
Buildings	837.10	75.57	0.00	912.67	206.55	0.00	<b>1,119.22</b>
Plant and machinery	1,049.41	257.56	0.19	1,306.78	303.19	0.00	<b>1,609.97</b>
Furnitures and fittings	126.34	105.19	0.02	231.51	36.85	0.18	<b>268.18</b>
Vehicles	175.53	52.72	0.68	227.57	138.17	2.12	<b>363.62</b>
Office equipments	42.68	40.59	0.00	83.27	60.07	0.00	<b>143.34</b>
<i>Total</i>	<i>2,296.78</i>	<i>531.63</i>	<i>0.89</i>	<i>2,827.52</i>	<i>744.83</i>	<i>2.30</i>	<i><b>3,570.05</b></i>
<i>Accumulated Depreciation</i>							
Land	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Buildings	0.00	82.81	0.00	82.81	89.35	0.00	<b>172.16</b>
Plant and machinery	0.00	234.87	0.00	234.87	259.31	0.00	<b>494.18</b>
Furnitures and fittings	0.00	34.37	0.00	34.37	52.99	0.01	<b>87.35</b>
Vehicles	0.00	57.45	0.00	57.45	68.96	0.34	<b>126.07</b>
Office equipments	0.00	26.18	0.00	26.18	37.49	0.00	<b>63.67</b>
<i>Total</i>	<i>0.00</i>	<i>435.68</i>	<i>0.00</i>	<i>435.68</i>	<i>508.10</i>	<i>0.35</i>	<i><b>943.43</b></i>
<i>Net Block</i>							
Land	65.72			65.72			<b>65.72</b>
Buildings	837.10			829.86			<b>947.06</b>
Plant and machinery	1,049.41			1,071.91			<b>1,115.79</b>
Furnitures and fittings	126.34			197.14			<b>180.83</b>
Vehicles	175.53			170.12			<b>237.55</b>
Office equipments	42.68			57.09			<b>79.67</b>
<i>Total</i>	<i>2,296.78</i>			<i>2,391.84</i>			<i><b>2,626.62</b></i>

Note: The Company has elected to continue with the carrying value of all its plant, property and equipment measured as per Previous GAAP as at the date of transition as their deemed cost (Gross Block Value) on transition date, i.e. 1<sup>st</sup> April, 2020. The movement in the values of plant, property and equipment as per Previous GAAP are as below:

	As at 01-04-2020	Additions 2020-21	Deletions 2020-21	As at 31-03-2021	Additions 2021-22	Deletions 2021-22	As at 31-03-2022
<i>Gross Block</i>							
Land	65.72	0.00	0.00	65.72	0.00	0.00	<b>65.72</b>
Buildings	1,496.89	75.57	0.00	1,572.46	206.55	0.00	<b>1,779.01</b>
Plant and machinery	3,336.59	257.56	3.94	3,590.21	303.19	0.00	<b>3,893.40</b>
Furnitures and fittings	584.04	105.19	0.24	688.99	36.85	2.48	<b>723.36</b>
Vehicles	609.52	52.72	13.62	648.62	138.17	35.69	<b>751.10</b>
Office equipments	300.83	40.59	0.00	341.42	60.07	0.00	<b>401.49</b>
<i>Total</i>	<i>6,393.59</i>	<i>531.63</i>	<i>17.80</i>	<i>6,907.42</i>	<i>744.83</i>	<i>38.17</i>	<i><b>7,614.08</b></i>



**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	As at 01-04-2020	Additions 2020-21	Deletions 2020-21	As at 31-03-2021	Additions 2021-22	Deletions 2021-22	As at 31-03-2022
<i>Accumulated Depreciation</i>							
Land	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Buildings	659.79	82.81	0.00	742.60	89.35	0.00	<b>831.95</b>
Plant and machinery	2,287.18	234.87	3.75	2,518.30	259.31	0.00	<b>2,777.61</b>
Furnitures and fittings	457.70	34.37	0.22	491.85	52.99	2.31	<b>542.53</b>
Vehicles	433.99	57.45	12.94	478.50	68.96	33.91	<b>513.55</b>
Office equipments	258.15	26.18	0.00	284.33	37.49	0.00	<b>321.82</b>
<i>Total</i>	<i>4,096.81</i>	<i>435.68</i>	<i>16.91</i>	<i>4,515.58</i>	<i>508.10</i>	<i>36.22</i>	<i><b>4,987.46</b></i>
<i>Net Block</i>							
Land	65.72			65.72			<b>65.72</b>
Buildings	837.10			829.86			<b>947.06</b>
Plant and machinery	1,049.41			1,071.91			<b>1,115.79</b>
Furnitures and fittings	126.34			197.14			<b>180.83</b>
Vehicles	175.53			170.12			<b>237.55</b>
Office equipments	42.68			57.09			<b>79.67</b>
<i>Total</i>	<i>2,296.78</i>			<i>2,391.84</i>			<i><b>2,626.62</b></i>

**B. Right-of-use Assets**

	As at 01-04-2020	Additions 2020-21	Deletions 2020-21	As at 31-03-2021	Additions 2021-22	Deletions 2021-22	As at 31-03-2022
<i>Gross Block</i>							
Land	253.87	0.00	0.00	253.87	1,743.06	180.21	1,816.72
Buildings	672.13	0.00	0.00	672.13	0.00	53.80	618.33
<i>Total</i>	<i>926.00</i>	<i>0.00</i>	<i>0.00</i>	<i>926.00</i>	<i>1,743.06</i>	<i>234.01</i>	<i>2,435.05</i>
<i>Accumulated Depreciation</i>							
Land	0.00	41.14	0.00	41.14	53.96	32.34	62.76
Buildings	0.00	119.42	0.00	119.42	108.97	53.80	174.59
<i>Total</i>	<i>0.00</i>	<i>160.56</i>	<i>0.00</i>	<i>160.56</i>	<i>162.93</i>	<i>86.14</i>	<i>237.35</i>
<i>Net Block</i>							
Land	253.87			212.73			1,753.96
Buildings	672.13			552.71			443.74
<i>Total</i>	<i>926.00</i>			<i>765.44</i>			<i>2,197.70</i>

**C. Capital work-in-progress**

	As at 01-04-2020	Additions 2020-21	Deletions 2020-21	As at 31-03-2021	Additions 2021-22	Deletions 2021-22	As at 31-03-2022
Capital work-in-progress	14.26	85.25	14.27	85.24	60.35	72.28	<b>73.31</b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

**D. Intangible assets**

	As at 01-04-2020	Additions 2020-21	Deletions 2020-21	As at 31-03-2021	Additions 2021-22	Deletions 2021-22	As at 31-03-2022
Computer software							
Gross block	22.90	1.60	0.00	24.50	20.62	0.00	<b>45.12</b>
Accumulated depreciation	0.00	11.47	0.00	11.47	9.55	0.00	<b>21.02</b>
Net block	22.90			13.03			<b>24.10</b>

Note: The Company has elected to continue with the carrying value of all its intangible assets measured as per Previous GAAP as at the date of transition as their deemed cost (Gross Block Value) on transition date, i.e. 1<sup>st</sup> April, 2020. The movement in the values of intangible assets as per Previous GAAP are as below:

	As at 01-04-2020	Additions 2020-21	Deletions 2020-21	As at 31-03-2021	Additions 2021-22	Deletions 2021-22	As at 31-03-2022
Computer software							
Gross block	141.75	1.60	0.00	143.35	20.62	0.00	<b>163.97</b>
Accumulated depreciation	118.85	11.47	0.00	130.32	9.55	0.00	<b>139.87</b>
Net block	22.90			13.03			<b>24.10</b>
Technical Knowhow							
Gross block	1.75	0.00	0.00	1.75	0.00	0.00	<b>1.75</b>
Accumulated depreciation	1.75	0.00	0.00	1.75	0.00	0.00	<b>1.75</b>
Net block	0.00			0.00			<b>0.00</b>

**As at**                      **As at**                      **As at**  
**31-03-2022**      31-03-2021      01-04-2020

**Note 5**
**Investment in Subsidiaries**
**Unquoted**

2040 Equity Shares of FV of SAR 1000/- each fully paid-up held in Thejo Hatcon Industrial Services Company, Kingdom of Saudi Arabia (31/3/21 - 2040 Equity shares; 1/4/20 - 2040 Equity Shares)	<b>333.72</b>	333.72	333.72
2220000 Equity Shares of FV of AUD 1/- each fully paid-up held in Thejo Australia Pty Ltd, Australia (31/3/21 - 2220000 Equity Shares; 1/4/20 - 2220000 Equity Shares)	<b>1,202.45</b>	1,202.45	1,202.45
501406 Equity Shares of FV of BRL 1/- each fully paid-up held in Thejo Brasil Comercio E Servicos Ltda, Brazil (31/3/21 - 501406 Equity Shares; 1/4/20 - 501406 Equity Shares)	<b>98.62</b>	98.62	98.62
725 Equity Shares of FV of CLP 950000/- each fully paid-up held in Thejo Engineering LatinoAmerica SpA, Chile (31/3/21 - 725 Equity Shares; 1/4/20 - 509 Equity Shares)	<b>695.39</b>	695.39	491.26
<b>Total</b>	<b><u>2,330.18</u></b>	<b><u>2,330.18</u></b>	<b><u>2,126.05</u></b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	<b>As at 31-03-2022</b>	As at 31-03-2021	As at 01-04-2020
<b>Note 6</b>			
<b>Other Financial Assets</b>			
<b>(Unsecured, considered good)</b>			
<b>Non-current</b>			
Fixed Deposits with remaining maturity of more than 12 months	19.89	1.18	25.25
Earnest Money/Security Deposits	269.48	264.53	196.09
Others	115.13	105.72	112.10
Less: Provision for ECL on Earnest Money/Security Deposits	9.28	6.30	4.85
<b>Total</b>	<b>395.22</b>	<b>365.13</b>	<b>328.59</b>
<i>Movement in Provision for Expected Credit Loss</i>			
Opening Balance	6.30	4.85	4.85
Add: Provision made during the year	2.98	1.45	NA
Less: Reversed during the year	0.00	0.00	NA
Closing Balance	9.28	6.30	4.85
<b>Current</b>			
Earnest Money/Security Deposits	432.76	379.13	375.97
Advance to Thejo Hatcon Industrial Services Company, Saudi Arabia	0.00	0.00	76.38
Interest accrued but not due on deposits	21.18	24.39	24.18
Advances to employees	16.27	21.44	40.75
Others	47.48	46.72	35.06
Less: Provision for ECL on Earnest Money/Security Deposits	68.29	49.97	57.27
<b>Total</b>	<b>449.40</b>	<b>421.71</b>	<b>495.07</b>
<i>Movement in Provision for Expected Credit Loss</i>			
Opening Balance	49.97	57.27	57.27
Add: Provision made during the year	18.32	0.00	NA
Less: Reversed during the year	0.00	7.30	NA
Closing Balance	68.29	49.97	57.27
<b>Note 7</b>			
<b>Other Non-current Assets</b>			
Capital Advances	217.94	64.41	26.66
Prepaid expenses	22.84	22.73	45.12
Deposits with Government Authorities	7.44	7.35	6.75
<b>Total</b>	<b>248.22</b>	<b>94.49</b>	<b>78.53</b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	As at 31-03-2022	As at 31-03-2021	As at 01-04-2020
<b>Note 8</b>			
<b>Inventories</b>			
Raw Materials and components	1,268.07	1,486.51	1,129.37
Work-in-progress	633.29	405.49	371.05
Finished goods	1,513.35	778.79	918.39
Stock-in-Trade	154.91	86.97	78.46
Stock in Transit	160.59	64.50	43.57
<b>Total</b>	<b>3,730.21</b>	<b>2,822.26</b>	<b>2,540.84</b>
<b>Note 9</b>			
<b>Trade Receivables</b>			
Unsecured, considered good	8,570.41	7,406.10	7,319.80
Less: Provision for Expected Credit Loss	145.93	190.57	229.15
<b>Total</b>	<b>8,424.48</b>	<b>7,215.53</b>	<b>7,090.65</b>
<i>Movement in Provision for Expected Credit Loss</i>			
Opening Balance	190.57	229.15	229.15
Add: Provision made during the year	0.00	0.00	NA
Less: Reversed during the year	44.64	38.58	NA
Closing Balance	145.93	190.57	229.15
<b>Note 10</b>			
<b>A Cash and Cash Equivalents</b>			
Cash on hand	18.16	14.89	21.77
Balance with bank in current accounts and pre-paid cards	1,299.51	1,027.82	625.58
Cheques/Drafts in hand/Funds in transit	0.00	0.00	0.00
<b>Total</b>	<b>1,317.67</b>	<b>1,042.71</b>	<b>647.35</b>
<b>B Bank balances (other than cash equivalents)</b>			
Term deposits with original maturity of 3 months or more (Of the above, amount Held as Margin Money for BG & LC: ₹ 534.22 lakhs; As on 31/3/21 ₹ 480.51 lakhs; As on 1/4/20 ₹ 508.14 lakhs)	757.80	726.77	601.59
<b>Total</b>	<b>757.80</b>	<b>726.77</b>	<b>601.59</b>
<b>Note 11</b>			
<b>Other Current Assets</b>			
Balances with indirect tax authorities	621.18	449.85	315.00
Other advances (including advance to suppliers and prepaid expenses)	346.62	321.42	299.00
<b>Total</b>	<b>967.80</b>	<b>771.27</b>	<b>614.00</b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

**Note 12**
**Equity Share Capital**

	As at 31-03-2022	As at 31-03-2021	As at 01-04-2020
<b>Authorised</b>			
1,50,00,000 (31/3/21: 1,50,00,000 and 1/4/20: 1,00,00,000) equity shares of ₹ 10/- each	1,500.00	1,500.00	1,000.00
<b>Issued, subscribed and fully paid-up</b>			
1,06,57,126 (31/3/21: 35,16,427 and 1/4/20: 34,60,352) equity shares of ₹ 10/- each	1,065.71	351.64	346.04
<b>Total</b>	<u>1,065.71</u>	<u>351.64</u>	<u>346.04</u>
Share Application Money	0.00	0.00	0.00

**Reconciliation of number of shares**

	As at 31-03-2022		As at 31-03-2021		As at 01-04-2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	3516427	351.64	3460352	346.04	3460352	346.04
Changes in equity share capital due to prior period error	0	0.00	0	0.00	0	0.00
Revised balance as at the beginning of the year	3516427	351.64	3460352	346.04	3460352	346.04
Shares issued during the year	7140699	714.07	56075	5.60	NA	NA
<b>Balance as at the end of the year</b>	<b>10657126</b>	<b>1,065.71</b>	<b>3516427</b>	<b>351.64</b>	NA	NA

**Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31-03-2022		As at 31-03-2021		As at 01-04-2020	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Girish Gulati HUF	823200	7.72%	274400	7.80%	273800	7.91%
Mr. K.J. Joseph	739500	6.94%	248500	7.07%	249400	7.21%
Mr. Thomas John	650604	6.10%	216868	6.17%	216868	6.27%
Mrs. Celinamma John	650598	6.10%	216866	6.17%	216866	6.27%
Mr. Rajesh John	650598	6.10%	216866	6.17%	216866	6.27%
Mrs. Rosamma Joseph	542960	5.09%	180320	5.13%	180320	5.21%
SIDBI Venture Capital Ltd. A/c India Opportunities Fund	0	0.00%	0	0.00%	263672	7.62%

**Details of equity shares held by the promoters of the Company**

	As at 31-03-2022		As at 31-03-2021		As at 01-04-2020		Change in holding %	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding	31-03-2022 V 31-03-2021	31-03-2021 V 01-04-2020
Mr. K.J. Joseph	739500	6.94%	248500	7.07%	249400	7.21%	(0.13%)	(0.14%)
Mr. Thomas John	650604	6.10%	216868	6.17%	216868	6.27%	(0.07%)	(0.10%)

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

**Shares reserved for issue under options**

	<b>No. of Shares</b>	No. of Shares	No. of Shares
	<b>31-03-2022</b>	31-03-2021	01-04-2020
Under Thejo Employee Stock Option Plan 2015 (Net of exercise)	<b>543530</b>	217125	273200
<b>Total</b>	<b>543530</b>	217125	273200

The Company has one class of equity shares of face value of ₹ 10/- each with one share entailing one vote. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts as per extant statutory provisions.

Details of allotment of shares for consideration other than cash, bonus issue and buy back of share in the last five years:

7094756 equity shares of face value of ₹ 10/- each were allotted as fully paid bonus shares on 15<sup>th</sup> October 2021 by capitalising securities premium.

	<b>As at 31-03-2022</b>	As at 31-03-2021	As at 01-04-2020
<b>Note 13</b>			
<b>Other Equity</b>			
Securities Premium	<b>1,423.44</b>	2,017.76	1,897.58
ESOP Outstanding Account	<b>169.70</b>	186.49	152.12
General Reserve	<b>642.05</b>	627.71	627.71
Retained Earnings	<b>12,111.96</b>	9,399.86	7,427.43
Items of Other Comprehensive Income			
Remeasurement of Defined Benefit Plan	<b>(21.75)</b>	52.28	0.00
<b>Total</b>	<b>14,325.40</b>	12,284.11	10,104.84

Refer Note 26.18 for nature and movement of items under Other Equity

**Note 14**
**Borrowings**
**Non-current**
**Secured**
**Term Loans**

From Banks	<b>67.55</b>	106.86	118.90
From Others (Financial Institutions)	<b>64.53</b>	43.40	54.95
	<b>132.08</b>	150.26	173.85
Less:			
Current Maturity on Term Loans from banks	<b>24.00</b>	36.87	84.03
Current Maturity on Term Loans from financial institutions	<b>30.90</b>	23.76	36.57
	<b>54.90</b>	60.63	120.60
<b>Total</b>	<b>77.18</b>	89.63	53.25

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	<b>As at 31-03-2022</b>	As at 31-03-2021	As at 01-04-2020
<b>Current Secured</b>			
Loans repayable on demand from Banks	<b>0.00</b>	269.75	1,458.98
Current Maturities of Term Loan from Banks	<b>24.00</b>	36.87	84.03
Current Maturities of Term Loan from financial institutions	<b>30.90</b>	23.76	36.57
<b>Total</b>	<b><u>54.90</u></b>	<u>330.38</u>	<u>1,579.58</u>
Refer Note 26.14 for details of security and terms of repayment			
<b>Note 15</b>			
<b>Trade Payables</b>			
Due to Micro and small enterprises (as per intimation received from vendors)	<b>0.00</b>	0.00	0.00
Due to Others			
Acceptances	<b>635.01</b>	511.95	319.10
Other than acceptances	<b>2,035.93</b>	1,781.09	1,708.37
<b>Total</b>	<b><u>2,670.94</u></b>	<u>2,293.04</u>	<u>2,027.47</u>
<b>Note 16</b>			
<b>Other Financial Liabilities</b>			
<b>Current</b>			
Employee related liabilities	<b>1,036.69</b>	1,079.52	984.10
Other payables	<b>13.76</b>	10.19	22.34
<b>Total</b>	<b><u>1,050.45</u></b>	<u>1,089.71</u>	<u>1,006.44</u>
<b>Note 17</b>			
<b>Other Current Liabilities</b>			
Statutory payables	<b>967.48</b>	763.51	579.75
Advances from customers	<b>74.59</b>	77.49	233.81
Security Deposit from vendors	<b>12.66</b>	64.37	27.15
Other outstanding liabilities	<b>698.12</b>	555.15	631.24
<b>Total</b>	<b><u>1,752.85</u></b>	<u>1,460.52</u>	<u>1,471.95</u>
<b>Note 18</b>			
<b>Provisions</b>			
<b>Current</b>			
For employee benefits (Compensated absence, Gratuity, etc)	<b>368.44</b>	237.34	337.75
Direct Taxes (Net)	<b>226.41</b>	301.91	133.38
<b>Total</b>	<b><u>594.85</u></b>	<u>539.25</u>	<u>471.13</u>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	<b>Year ended 31-03-2022</b>	Year ended 31-03-2021
<b>Note 19</b>		
<b>Revenue from operations</b>		
Sale of Products	<b>13,671.32</b>	10,233.64
Sale of Services & Works Contract	<b>13,990.08</b>	11,072.85
Other Operating Income	<b>92.52</b>	65.86
<b>Total</b>	<b><u>27,753.92</u></b>	<u>21,372.35</u>
<b>Note 20</b>		
<b>Other income</b>		
Interest	<b>47.60</b>	50.96
Difference in foreign exchange (gain)	<b>62.88</b>	51.81
Miscellaneous Income	<b>30.18</b>	145.23
Profit on sale of assets	<b>4.42</b>	2.64
<b>Total</b>	<b><u>145.08</u></b>	<u>250.64</u>
<b>Note 21</b>		
<b>Cost of materials consumed</b>		
Opening Stock of Raw Materials	<b>1,486.51</b>	1,129.37
Add: Purchases made during the year	<b>6,471.84</b>	4,043.96
	<b><u>7,958.35</u></b>	<u>5,173.33</u>
Less: Closing Stock of Raw Materials	<b>1,268.07</b>	1,486.51
	<b><u>6,690.28</u></b>	<u>3,686.82</u>
Add: Consumables	<b>580.89</b>	442.13
<b>Total</b>	<b><u>7,271.17</u></b>	<u>4,128.95</u>
Purchase of Traded Goods	<b>99.21</b>	108.29
<b>Note 22</b>		
<b>Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
<b>Opening Stock :</b>		
Work-in-Progress	<b>405.49</b>	371.05
Finished Goods	<b>778.79</b>	918.39
Stock-in-Trade	<b>86.97</b>	78.46
Stock in Transit	<b>64.51</b>	43.58
<b>Closing Stock :</b>		
Work-in-Progress	<b>633.29</b>	405.49
Finished Goods	<b>1,513.35</b>	778.79
Stock-in-Trade	<b>154.91</b>	86.97
Stock in Transit	<b>160.60</b>	64.51
<b>Total</b>	<b><u>(1,126.39)</u></b>	<u>75.72</u>



**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	Year ended 31-03-2022	Year ended 31-03-2021
<b>Note 23</b>		
<b>Employee Benefits Expense</b>		
(a) Salaries and incentives	6,808.65	5,807.77
(b) Contributions to PF, Superannuation, Gratuity & ESI	729.85	643.37
(c) Staff welfare expenses	1,107.29	852.49
(d) LTA, Ex-gratia, & Leave Encashment	274.75	303.29
(e) Employee Stock Option Expense	36.55	67.95
<b>Total</b>	<b>8,957.09</b>	<b>7,674.87</b>

<b>Note 24</b>		
<b>Finance costs</b>		
Interest	112.14	127.95
Other finance costs	125.62	125.38
<b>Total</b>	<b>237.76</b>	<b>253.33</b>

<b>Note 25</b>		
<b>Other expenses</b>		
<i>A. Manufacturing &amp; Other Direct Expenses</i>		
Power and fuel	417.68	320.27
Machinery Maintenance	186.56	159.66
Factory Maintenance	73.13	44.60
Electrical maintenance	12.55	12.71
Testing charges	8.74	6.65
Dyes & Moulding charges	90.06	65.89
Cartage, Coolie & Freight charges	561.60	349.45
Packing materials & charges	329.82	234.38
Service & Labour charges	3,930.55	2,941.04
<i>Total Manufacturing &amp; Other Direct Expenses</i>	<b>5,610.69</b>	<b>4,134.65</b>
<i>B. Administrative &amp; Selling Expenses</i>		
Professional Service Charges	228.40	222.73
Rent	67.01	77.59
Repairs & Maintenance	95.07	81.59
Travelling, Conveyance & Vehicle hire charges	692.62	535.19
Foreign Travel expenses	1.21	0.10
Vehicle Maintenance	253.73	172.50
Telephone, Telex & Postage	51.86	47.64
Printing & Stationery	39.83	30.91
Office Maintenance	55.27	45.72

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	<b>Year ended 31-03-2022</b>	Year ended 31-03-2021
Books & Periodicals	4.47	3.86
Computer Maintenance	68.14	35.60
Seminar & Conference	12.62	26.30
Electricity	22.37	13.43
Legal Fee & Charges	3.65	1.20
Donation	4.13	2.50
Recruitment, Training & Development	25.97	21.54
ECGC Premium	2.82	2.43
ISO Certification Charges	1.15	1.48
CSR Expenses	45.25	34.00
Insurance	51.13	44.51
Rates and taxes	43.64	35.98
Directors Sitting Fees	34.25	33.75
Commission	15.35	18.31
Advertisement	34.46	5.43
Sales Promotion Expenses	8.51	5.66
Freight on Exports	310.16	202.85
Loading & Unloading charges	21.05	13.62
Late Delivery Charges	35.98	34.71
Reversal of Provision for Expected Credit Loss	(23.34)	(44.44)
Payments to the Auditors		
a. Statutory Audit	12.50	12.50
b. Tax Audit	2.00	2.00
c. For certification & other services	9.15	5.15
Miscellaneous expenses	0.12	0.10
<i>Total Administration &amp; Selling Expenses</i>	<b>2,230.53</b>	<b>1,726.44</b>
<i>Sales Tax, Service Tax, &amp; Other Indirect Tax Expenses</i>	<b>31.18</b>	<b>41.49</b>
<b>Total</b>	<b>7,872.40</b>	<b>5,902.58</b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

(₹ in lakhs)

**Note 26 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS**
**Note 26.1 Contingent Liabilities (to the extent not provided for)**

Particulars	2021-22	2020-21
26.1.1 Guarantees issued by the Banks	1,627.11	1,117.22
26.1.2 Stand-by Letter of Credit issued by bank (for loan availed by Thejo Australia Pty Ltd)	0.00	913.45
	1,627.11	2,030.67

**26.1.3 Claims against the Company not acknowledged as debt**

Name of Statute	Amount of Dispute (31/3/22)	Amount of Dispute (31/3/21)	Amount Deposited (31/3/22)	Period to which it relates	Forum where dispute is pending
Commercial Taxes	60.57	59.85	4.95	Various	Various
Customs	12.50	12.50	0.00	2001	Commissioner of Customs
Income-tax	148.46	115.41	37.03	Various	Various
<b>Total</b>	<b>221.53</b>	<b>187.76</b>	<b>41.98</b>		

**26.1.4 Commitments**

Estimated amount of contracts remaining to be executed on capital account: ₹ 600.04 lakhs (Previous Year - ₹ 97.83 lakhs)

**Note. 26.2 Employee Benefits**

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

**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 Statement of Profit and Loss for the year.

**26.2.2 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 Ind-AS 19 in this regard is given hereunder:

Assumptions	2021-22	2020-21
Discount Rate	7.05%	6.85%
Salary Escalation	6.50%	6.00%
Attrition Rate	8.00%	5.00%
Expected return on plan assets	7.05%	6.85%

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**₹ in Lakhs**

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Table Showing Changes In Present Value Of Obligations</b>		
Present value of obligations at the beginning of the year	838.90	796.93
Interest Cost	56.46	52.01
Current Service Cost/Past Service Cost (Vested)	74.00	76.21
Benefits Paid	(29.41)	(19.97)
Actuarial (Gain) / Loss on obligations	101.41	(66.28)
<b>Present value of obligations as at end of the year</b>	<b>1,041.36</b>	<b>838.90</b>
<b>Table Showing Changes In Fair Value Of Plan Assets</b>		
Fair value of plan assets at the beginning of the year	824.08	658.27
Expected return on plan assets	58.41	47.31
Contributions	86.68	134.89
Benefits Paid	(29.41)	(19.97)
Actuarial Gain / (Loss) on plan assets	2.48	3.58
Fair value of plan assets at the end of the year	942.24	824.08
<b>Table Showing Actual Return On Plan Assets</b>		
Expected return on plan asset	58.41	47.31
Actuarial gain (loss) on plan asset	2.48	3.58
Actual return on plan asset	60.89	50.89
<b>Actuarial Gain / Loss Recognized</b>		
Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Actuarial gain / (loss) on obligations	(101.41)	66.28
Actuarial gain / (loss) for the year – plan assets	2.48	3.58
Total gain / (loss) for the year	(98.93)	69.86
<b>Actuarial gain / (loss) recognized in the year</b>	<b>(98.93)</b>	<b>(69.86)</b>
<b>Amounts To Be Recognized In Balance Sheet &amp; Statement of Profit and Loss</b>		
Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Present value of obligations as at the end of the year	1,041.36	838.90
Fair value of plan assets as at the end of the year	942.24	824.08
Amount determined under para 63 of Ind-AS 19	99.12	(14.82)
<b>Net defined benefit liability recognized in balance sheet</b>	<b>99.12</b>	<b>(14.82)</b>
Present value of future deduction in contribution under para 65 of Ind-AS 19	0.00	0.00
Net defined benefit asset recognized under para 64 of Ind-AS 19	0.00	0.00
<b>Expenses Recognized In Statement of Profit and Loss</b>		
Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Current Service Cost/Past Service Cost(Vested)	74.00	76.21
Net interest on defined benefit obligation	(1.95)	4.71
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>72.05</b>	<b>80.92</b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

Particulars	₹ in Lakhs	
	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Amount Recognized In Other Comprehensive Income</b>		
Actuarial (gain)/loss on plan obligation	101.41	(66.28)
Difference between Actual Return and Interest income on Plan Assets – (gain) /loss	(2.48)	(3.58)
<b>Amount recognized in Other Comprehensive Income</b>	<b>98.93</b>	<b>(69.86)</b>
<b>Movements in the liability recognized in the Balance Sheet</b>		
Opening net liability adjusted for effect of balance sheet limit	14.82	138.66
Amount recognized in profit and loss	72.05	80.92
Amount recognized in other comprehensive income	98.93	(69.86)
Contribution paid	(86.68)	(134.89)
<b>Closing net liability</b>	<b>99.12</b>	<b>14.82</b>

**Amount for the current period**

Present value of obligation	1,041.36	838.90
Plan assets	942.24	824.08
Surplus/(deficit)	(99.12)	(14.82)
Experience adjustment on plan liabilities– (loss)/gain	(62.28)	48.69
Impact of change in assumptions on plan liabilities – (loss)/gain	(39.13)	17.59
Experience adjustment on plan assets – (loss)/gain	2.48	3.58

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

The following table sets out the additional disclosures required under Ind-AS 19

Particulars	₹ in Lakhs	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
-Date of Valuation	31/03/2022	31/03/2021
-Average Duration of Defined benefit Obligation	7.6	9.5
Sensitivity Analysis		
A. Discount Rate + 50 BP	7.55%	7.35%
Defined Benefit Obligation [PVO]	1,007.23	804.15
Current Service Cost	83.49	70.41
B. Discount Rate - 50 BP	6.55%	6.35%
Defined Benefit Obligation [PVO]	1,077.64	876.25
Current Service Cost	90.35	77.90
C. Salary Escalation Rate + 50 BP	7.00%	6.50%
Defined Benefit Obligation [PVO]	1,077.56	876.41
Current Service Cost	90.37	77.72
D. Salary Escalation Rate - 50 BP	6.00%	5.50%
Defined Benefit Obligation [PVO]	1006.88	803.68
Current Service Cost	83.43	70.29

BP Denotes "Basis Points"

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Expected Contributions in Following Years [mid - year cash flows]		
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA
"NA" denotes "Not Available"		
Expected Benefit Payments in Following Years [mid - year cash flows]		
Year 1	91.82	55.97
Year 2	134.26	59.07
Year 3	128.03	83.20
Year 4	119.69	86.21
Year 5	88.51	83.18
Next 5 Years	512.39	388.74

**Note 26.3 Segment Reporting**

The Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on the analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Accordingly, the business segments of the Company are:

- (i) Manufacturing Units
- (ii) Service Units
- (iii) Others

and the geographic segments of the Company are:

- (i) India
- (ii) Outside India

Reporting for business segment is on the following basis:

Segment Revenue relating to individual segment is recorded in accordance with accounting policies followed by the Company. All expenditure, which is directly attributable to a business segment is charged to the respective segment. The income and costs which cannot be reasonably attributed to any specific business segment are shown as unallocable expenses (net of income).

Segment Results represents the profit before tax earned by each segment excluding finance costs and unallocable expenses (net of income).

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

For the purpose of monitoring segment performance and allocating resources between segments:

Property, plant and equipment employed in the operations are allocated to the segment to which the activity relates. The depreciation on the corresponding assets is charged to respective segments.

All other assets that are directly attributable to a particular segment of operations are allocated to the respective reportable segments.

All liabilities (other than borrowings, current and deferred tax liabilities) that are directly attributable to a particular segment of operation are allocated to the respective reportable segments.

The following is an analysis of the Company's revenue and results from operations by reportable segment.

**(i) Segment revenues and results**
**₹ in Lakhs**

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others		2021-22	2020-21
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21		
Segment Revenue	<b>14,003.46</b>	10,704.49	<b>15,541.46</b>	12,462.32	<b>2,274.97</b>	1,271.23	<b>31,819.89</b>	24,438.04
Less: Inter segment Revenue	<b>4,065.97</b>	3,064.90	<b>0.00</b>	0.79	<b>0.00</b>	0.00	<b>4,065.97</b>	3,065.69
Total Revenue	<b>9,937.49</b>	7,639.59	<b>15,541.46</b>	12,461.53	<b>2,274.97</b>	1,271.23	<b>27,753.92</b>	21,372.35
Segment Results	<b>2,569.27</b>	2,272.44	<b>2,268.40</b>	1,933.38	<b>426.28</b>	264.14	<b>5,263.95</b>	4,469.97
Less : Finance Cost							<b>237.76</b>	253.33
Unallocable Expenses (net of income)							<b>1,119.01</b>	1,345.10
Total Profit Before Tax							<b>3,907.18</b>	2,871.54
Tax Expenses							<b>982.47</b>	725.71
Profit after Tax							<b>2,924.71</b>	2,145.83

**(ii) Segment assets and liabilities**
**₹ in Lakhs**

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others		2021-22	2020-21
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21		
Segment Assets	<b>10,263.56</b>	7,823.30	<b>8,197.17</b>	6,978.32	<b>1,132.35</b>	702.25	<b>19,593.08</b>	15,503.87
Segment Liabilities	<b>4,478.02</b>	2,585.80	<b>1,785.73</b>	1,619.36	<b>211.58</b>	6.70	<b>6,475.33</b>	4,211.86
Capital Employed	<b>5,785.54</b>	5,237.50	<b>6,411.44</b>	5,358.96	<b>920.77</b>	695.55	<b>13,117.75</b>	11,292.01
Unallocated Capital Employed							<b>2,273.36</b>	1,343.74
Total Capital Employed							<b>15,391.11</b>	12,635.75

**(iii) Geographical information**
**₹ in Lakhs**

The Company is operating across multiple geographies with India being country of domicile, the details are as follows:

Particulars	India		Outside India		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue from external customers	<b>22945.43</b>	18027.98	<b>4808.49</b>	3344.37	<b>27753.92</b>	21372.35
Carrying amount of Segment Assets	<b>17227.07</b>	14061.65	<b>2366.01</b>	1442.22	<b>19593.08</b>	15503.87
Cost incurred to acquire tangible and intangible fixed assets	<b>658.15</b>	544.78	<b>2.11</b>	2.13	<b>660.26</b>	546.91

## THEJO ENGINEERING LIMITED

### Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022

#### Note 26.4 Financial Instruments

##### Capital Management

The Company's business model is working capital centric. The Company manages its working capital needs and long term capital expenditure, through a balanced mix of capital (including retained earnings), short term debt and long term debt.

The capital structure of the Company comprises of net debt (borrowings reduced by cash and bank balances) and equity. The Company is not subject to any externally imposed capital requirements.

The Company reviews its capital requirements on an annual basis as part of its Annual Operating Plan. As part of the Annual Operating Plan, the Company estimates the capital required and formulates the broad financing mechanism for the same.

##### Gearing Ratio

As the cash and cash equivalents were greater than debt, the Gearing Ratio is Nil.

##### Categories of Financial instruments

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Financial assets		
Non-current assets		
Investments in subsidiaries	2,330.18	2,330.18
Other financial assets	395.22	365.13
Current assets		
Trade receivables	8,424.48	7,215.53
Cash and cash equivalents	1,317.67	1,042.71
Bank balances (other than cash equivalents)	757.80	726.77
Other financial assets	449.40	421.71
Financial liabilities		
Non-current liabilities		
Borrowings	77.18	89.63
Lease liabilities	2,095.83	663.53
Current liabilities		
Borrowings	54.90	330.38
Lease liabilities	52.71	111.42
Trade payables	2,670.94	2,293.04
Other financial liabilities	1,050.45	1,089.71

Investment in subsidiaries are carried at cost net of accumulated impairment losses, if any. All other financial assets and liabilities are carried at amortized cost.

##### Financial Risk Management

The Company's activities expose it to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks by taking various measures.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.



**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**
*Market risk*

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company manages such risks through natural hedge.

*Foreign Currency risk management*

The Company undertakes transactions denominated in foreign currencies, resulting in exposure to exchange rate fluctuations. The foreign currency transactions primarily relate to imports and exports. Considering the volume of imports and exports, exchange rate exposures of the Company are managed through natural hedge.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ In lakhs

Particulars	Liabilities		Assets	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
AUD	74.47	0.00	83.97	104.17
EUR	2.86	19.21	119.39	56.71
GBP	4.92	10.37	0.00	0.00
USD	13.13	74.05	1111.73	1004.74

*Foreign Currency sensitivity analysis*

The above exposures when subjected to a sensitivity of 5% have the following impact:

₹ In lakhs

Particulars	Impact on profit with increase in Foreign Currency rate by 5%		Impact on profit with decrease in Foreign Currency rate by 5%	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
AUD	0.47	5.21	(0.47)	(5.21)
EUR	5.83	1.88	(5.83)	(1.88)
GBP	(0.25)	(0.52)	0.25	0.52
USD	54.93	46.53	(54.93)	(46.53)
Total	60.98	53.10	(60.98)	(53.10)

*Interest rate risk management*

The Company's exposure to interest rate risk is limited to the extent of Working capital and Term Loan funding availed from the Bankers, which is at the External Benchmark Lending rate subject to a periodic reset.

*Interest rate sensitivity analysis*

The interest rate sensitivity analysis is being done based on the assumption that the amount of liability outstanding at the end of the period was outstanding for the whole year and all other variables remaining constant:

If interest rates had been 50 basis points higher: The finance cost, for the financial year 2021-22, would have been higher and profits (pre-tax) would have been lesser by ₹ 0.66 lakhs (FY 2020-21: ₹ 2.10 lakhs) .

If interest rates had been 50 basis points lower: The finance cost, for the financial year 2021-22, would have been lower and profits (pre-tax) would have been higher by ₹ 0.66 lakhs. (FY 2020-21: ₹ 2.10 lakhs)

This is mainly attributable to Company's exposure to interest rates on its variable rate borrowings.

## THEJO ENGINEERING LIMITED

### Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022

#### *Other price risks*

Company's investments in equity instruments are restricted to its investment in its subsidiaries, which are held for strategic purposes rather than for trading. The Company, as on the reporting date of March 31, 2022 has four subsidiaries. All the four subsidiaries are incorporated abroad, closely held companies and unlisted.

As the purpose of all such investments are strategic rather than for trading, the Company does not recognise any impact of sensitivity in the equity prices.

#### *Credit Risk Management*

The credit risk to the Company arises primarily from customers defaulting on their contractual obligations, thus resulting in financial loss to the Company.

As part of mitigation process to address the risk, the Company evaluates the credentials of a customer before participating in the tender or before quoting for their order. Company evaluates the potential customers' credentials by factoring:

- (i) their financial health based on the publicly available financial statements,
- (ii) their credit rating, available in the public domain
- (iii) their repute in the market
- (iv) past experience, if the Company has done any business with them earlier

The Company makes provision on its financial assets, on every reporting period, as per Expected Credit Loss Method. The percentage at which the provision is made, is determined on the basis of historical experience of such provisions, modified to the current and prospective business and customer profile.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas.

Many of the customers of the Company comprise of Public Sector Undertakings, with whom the Company does not perceive any major risk.

#### *Liquidity Risk Management*

The liquidity requirements of the Company are met by Equity (including internal accruals) and working capital funding from the banks. The liquidity requirements for the operations are met by allocating the cash flows from the customers.

The Company has established a practice of prioritising the regulatory payments, employee related payments and supplier/ site level payments.

#### *Financing facilities*

Particulars	₹ In lakhs	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Secured fund based facilities, reviewed annually and payable at call		
Amount used/outstanding	0.00	269.75
Amount unused/available	4,575.00	4,305.25
Secured non- fund based facilities, reviewed annually		
Amount used/outstanding	2,414.78	2,625.69
Amount unused/available	3,485.22	3,274.31
Term loans		
Amount used/outstanding (including current maturities)	132.08	150.27
Amount unused/available	340.00	373.83

#### *Fair value measurements*

Fair value of financial assets and liabilities measured at amortised cost. Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets are at carrying values that approximate fair value. Borrowings, trade payables and other financial liabilities are at carrying values that approximate fair value. If measured at fair value in the financial statements, these financial instruments would be classified as Level 3 in the fair value hierarchy.

**THEJO ENGINEERING LIMITED**

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

**Note 26.5 Related Party Disclosures**
**List of Related Parties**

<b>Name of the Party</b>	<b>Relationship</b>
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 <sup>1</sup>	Key Management Personnel
Mrs. Rosamma Joseph	Relative of Key Management Personnel
Mrs. Celinamma John	Relative of Key Management Personnel
Mr. K John Joseph	Relative of Key Management Personnel

Note: 1) Mr. Manesh Joseph was Sr. VP – Operation & Maintenance and Services (Relative of Key Management Personnel) till 22<sup>nd</sup> June, 2021. He was appointed as a Whole-Time Director with effect from 23<sup>rd</sup> June, 2021.

**Related Party Transaction Details:**

₹ in Lakhs

<b>Related Party</b>	<b>Nature of Payment</b>	<b>Current Year Transaction</b>	<b>Outstanding as on 31<sup>st</sup> March, 2022</b>
Thejo Hatcon Industrial Services Company	Share Capital	0.00	<b>333.72</b>
Thejo Australia Pty Ltd	Share Capital	0.00	<b>1202.45</b>
Thejo Brasil Comercio E Servicos Ltda	Share Capital	0.00	<b>98.62</b>
Thejo Engineering LatinoAmerica SpA	Share Capital	0.00	<b>695.39</b>
Thejo Hatcon Industrial Services Company	Purchase & Sales	366.94	<b>103.91</b>
Thejo Australia Pty Ltd	Purchase & Sales	315.20	<b>8.70</b>
Thejo Brasil Comercio E Servicos Ltda	Purchase & Sales	123.76	<b>26.86</b>
Thejo Engineering LatinoAmerica SpA	Purchase & Sales	505.00	<b>663.93</b>
Thejo Australia Pty Ltd	Other Income/ Expense Reimbursement	54.35	<b>(1.99)</b>
Mr. K.J. Joseph	Sitting Fee	1.50	<b>0.00</b>
Mr. Thomas John	Sitting Fee	4.00	<b>0.00</b>
Mr. V.A. George	Remuneration	108.00	<b>(6.16)</b>
Mr. Manoj Joseph	Remuneration	58.86	<b>(3.32)</b>
Mr. Rajesh John	Remuneration	35.93	<b>(2.21)</b>
Mr. M.D. Ravikanth*	Remuneration	41.23	<b>(2.15)</b>
Mr. Manesh Joseph	Remuneration	38.35	<b>(2.19)</b>
Mrs. Rosamma Joseph	Remuneration	12.09	<b>(0.86)</b>
Mrs. Celinamma John	Remuneration	11.95	<b>(0.60)</b>
Mr. K. John Joseph	Remuneration	2.48	<b>0.00</b>

Note: Remuneration excludes retirement benefits

\* - Remuneration of Mr. M.D. Ravikanth excludes Rs. 56.28 lakhs of taxable value of perquisite on exercise of options under ESOP.

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**₹ in Lakhs**

<i>Related Party</i>	<i>Nature of Payment</i>	<i>Transaction during FY20-21</i>	<i>Outstanding as on 31<sup>st</sup> March, 2021</i>
Thejo Hatcon Industrial Services Company	Share Capital	0.00	333.72
Thejo Australia Pty Ltd	Share Capital	0.00	1202.45
Thejo Brasil Comercio E Servicos Ltda	Share Capital	0.00	98.62
Thejo Engineering LatinoAmerica SpA	Share Capital	204.13	695.39
Thejo Hatcon Industrial Services Company	Advance	(49.20)	0.00
Thejo Hatcon Industrial Services Company	Purchase & Sales	184.95	68.78
Thejo Australia Pty Ltd	Purchase & Sales	280.11	102.48
Thejo Brasil Comercio E Servicos Ltda	Purchase & Sales	45.20	68.84
Thejo Engineering LatinoAmerica SpA	Purchase & Sales	640.83	602.58
Thejo Australia Pty Ltd	Other Income/ Expense Reimbursement	70.56	(4.28)
Mr. K.J. Joseph	Sitting Fee	3.75	0.00
Mr. Thomas John	Sitting Fee	3.75	0.00
Mr. V.A. George	Remuneration	92.25	(18.79)
Mr. Manoj Joseph	Remuneration	47.25	(6.65)
Mr. Rajesh John	Remuneration	29.61	(4.38)
Mr. M.D. Ravikanth*	Remuneration	43.95	(0.81)
Mr. Manesh Joseph	Remuneration	46.67	(1.14)
Mrs. Rosamma Joseph	Remuneration	11.15	(0.86)
Mrs. Celinamma John	Remuneration	11.05	(0.98)
Mr. K. John Joseph	Remuneration	0.78	(0.33)

Note: Remuneration excludes retirement benefits

\* - Remuneration of Mr. M.D. Ravikanth excludes ₹ 10.37 lakhs of taxable value of perquisite on exercise of options under ESOP.

**Note 26.6 Calculation of Deferred Tax**
**₹ in Lakhs**

<i>Particulars</i>	<i>DTA</i>	<i>DTL</i>	<i>DTA</i>	<i>DTL</i>
	<b>31<sup>st</sup> March, 2022</b>		<b>31<sup>st</sup> March, 2021</b>	
On Account of:				
Property Plant & Equipment (incl Right-of-Use)	<b>0.00</b>	<b>491.65</b>	0.00	158.09
Provision for Leave Encashment	<b>67.79</b>	<b>0.00</b>	56.00	0.00
Lease Liabilities	<b>540.75</b>	<b>0.00</b>	195.04	0.00
Lease Deposit	<b>24.97</b>	<b>0.00</b>	12.55	0.00
Provision for Expected Credit Loss	<b>56.25</b>	<b>0.00</b>	62.13	0.00
Total	<b>689.76</b>	<b>491.65</b>	325.72	158.09
Net Deferred Tax Liability/(Asset)	<b>198.11</b>	<b>0.00</b>	167.63	0.00

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**Note 26.7 Leases**

The Company has taken land and commercial premises under leases.

The Movement of Lease liabilities during the year is as follows:

₹ in Lakhs

<b>Particulars</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>
Opening Balance of Lease Liabilities	774.95	869.35
Addition during the year	1,629.17	0.00
Interest Expense for the year	101.01	82.70
Lease payment during the year	201.04	177.10
Other Adjustments (including for lease foreclosed)	(155.55)	0.00
Closing Balance	<b>2,148.54</b>	774.95

Maturing analysis of Lease liabilities (Carrying Value)

₹ in Lakhs

<b>Particulars</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>
Less than 1 year	52.71	111.42
More than 1 year up to 5 years	280.60	432.76
More than 5 years	1,815.23	230.77
Total	<b>2,148.54</b>	774.95

Refer Note 2.6.3 for accounting policy on lease.

**Note 26.8 Earnings Per Share**
**Basic:**

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Net Profit after Tax (₹ in Lakhs)	3,477.82	2,145.82
Weighted Average Number of Equity Shares during the year (Nos.)	1,06,26,141	1,04,50,365
Earnings per Share (FV of ₹ 10/- each fully paid-up) (₹)	32.73	20.53

**Diluted:**

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Net Profit after Tax (₹ in Lakhs)	3477.82	2,145.82
Weighted Average Number of Equity Shares during the year (Nos.)	1,07,77,250	1,06,13,997
Earnings per Share (FV of ₹ 10/- each fully paid-up) (₹)	32.27	20.22

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**Note 26.9 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 <sup>1</sup>	6,72,348 options equivalent to 6,72,348 Equity shares of ₹ 10/- each.
Vesting Schedule	1/6 <sup>th</sup> 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	Fair Value Method
Impact of Fair Value Method	Not applicable as expense has been accounted under Fair Value Method.
Option Movement during the year <sup>1</sup>	Number of Options at the beginning of the period – 1,28,182 Number of Options Granted during the year – Nil Additional Options on account of issue of bonus shares – 1,43,142 Number of Options forfeited/lapsed during the year – 25,660 Number of Options vested during the year – 1,02,902 Number of Options exercised during the year – 45,943 Number of Shares arising as a result of exercise of options – 45,943 Money Realized by exercise of Option – ₹ 80.75 lakhs Loan Repaid by the Trust from exercise price received – NA Number of Options outstanding at the end of the year – 1,99,721 Number of Options exercisable at the end of the year – 1,05,131
Weighted Average Exercise Price <sup>1</sup>	₹ 141/- per share (for outstanding options)
Weighted Average Fair Value/Option <sup>1</sup>	₹ 89.55/- (for outstanding options)
Details of Options Granted to specified employees during the year	(A) Senior Managerial Personnel: Nil (B) Any other employee granted options amounting to 5% or more of option granted during the year: Nil (C) Identified employee who was granted option during the year equal to or exceeding 1% of issued capital: Nil (Note: Excludes adjustment made to outstanding options on account of issue of Bonus Shares)
Method and Significant Assumptions to estimate fair value <sup>1</sup>	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

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

<p>Expected Dividends: 1.81%  Risk-free interest rate: 6.93%-7.07%  Lot 2: Options granted in FY 19-20  Weighted Average Value of Share Price: ₹ 188/-  Weighted Average Price of Exercise Price: ₹ 141/-  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%</p> <p>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.</p>
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**Status of Options<sup>1</sup>**

Particulars	As at 31/3/2022		As at 31/3/2021	
	No. of Options	WAEP (₹)	No. of Options	WAEP(₹)
Outstanding at the beginning of the year	<b>1,28,182</b>	<b>313.47</b>	1,88,915	267.55
Add: Granted during the year	<b>0</b>	<b>NA</b>	0	NA
Add: Adjustment for Bonus Issue	<b>1,43,142</b>	<b>141.00</b>	NA	NA
Less: Forfeited/Lapsed during the year	<b>25,660</b>	<b>153.75</b>	4,658	245.31
Less: Exercised during the year	<b>45,943</b>	<b>175.76</b>	56,075	164.44
Outstanding at the end of the year	<b>1,99,721</b>	<b>141.00</b>	1,28,182	313.47
Exercisable at the end of the year	<b>1,05,131</b>	<b>141.00</b>	73,832	232.83

WAEP – Weighted Average Exercise Price / Option  
NA – Not Applicable

**Summary of Options Outstanding<sup>1</sup>:  
Thejo ESOP 2015**

As at 31/3/2022			As at 31/3/2021		
No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life	No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life
<b>0</b>	<b>NA</b>	<b>NA</b>	52,146	153.75	2 Months
<b>1,99,721</b>	<b>141.00</b>	<b>26 Months</b>	76,036	423.00	38 Months

Diluted EPS as per Ind-AS 33	Diluted EPS (Per Equity Share of face value of ₹ 10/- each fully paid) – ₹ 32.27/-
Price of underlying shares in Market at the time of grant of option <sup>1</sup>	Lot 1 (Granted in FY 15-16): ₹ 205/- per Equity Share Lot 2 (Granted in FY 19-20): ₹ 188/- per Equity Share

Note: 1. Where needed, the numbers have been adjusted for change in exercise/market price and/or number of outstanding options on account of issue of bonus shares.

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**Note 26.10 Payment to Auditors**

₹ in Lakhs

<i>Description</i>	<b>2021-22</b>	<b>2020-21</b>
For Audit	<b>12.50</b>	12.50
For Taxation Matters	<b>2.00</b>	2.00
For Certification	<b>9.15</b>	5.15
<b>Total</b>	<b>23.65</b>	<b>19.65</b>

**Note 26.11 Corporate Social Responsibility**

The Company has spent ₹ 45.25 lakhs for various CSR activities (PY ₹ 34 lakhs)

₹ in Lakhs

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Amount required to be spent during the year	<b>45.20</b>	33.70
Amount of expenditure incurred	<b>45.25</b>	34.00
Shortfall at the end of the year	<b>0.00</b>	0.00
Total of previous years shortfall	<b>0.00</b>	0.00
Reason for shortfall	<b>Not Applicable</b>	Not Applicable
Nature of CSR activities	Preventive health care, promoting education, malnutrition and hunger eradication, disaster management, etc	
Details of related party transactions in relation to CSR expenditure	<b>Nil</b>	Nil
Movement in provisions relating to CSR during the year	<b>Not Applicable</b>	Not Applicable

**Note 26.12 Key Ratios**

<b>Particulars</b>	<b>Numerator/Denominator</b>	<b>2021-22</b>	2020-21	<b>% Variance</b>
Current ratio (in Times)	Current Asset/Current Liabilities	<b>2.53</b>	2.23	13.50%
Debt-Equity ratio (in Times)	Total Debt/Shareholder's Equity	<b>0.15</b>	0.09	56.69%
Debt service coverage ratio (in Times)	Earnings Available for debt service/Debt Service	<b>9.38</b>	6.38	47.09%
Return on Equity (as %)	Net Profit/Average Equity	<b>20.87%</b>	18.59%	12.27%
Inventory turnover ratio (in Times)	Sales/Average Inventory	<b>8.44</b>	7.95	6.26%
Trade receivables turnover ratio (in Times)	Net Credit Sales/Average Trade Receivables	<b>3.54</b>	2.98	18.75%
Trade Payables turnover ratio (in Times)	Net Credit Purchases/Average Trade Payables	<b>2.88</b>	2.13	35.49%
Net capital turnover ratio (in Times)	Net Sales/Working Capital	<b>2.92</b>	2.97	(1.63%)
Net profit ratio (as %)	Net Profit/Net Sales	<b>10.57%</b>	10.07%	4.98%
Return on capital employed (as %)	Earnings before interest and taxes/Capital Employed	<b>22.74%</b>	21.69%	4.87%
Return on investment (as %)	$\frac{\{MV(T1)-MV(T0)-\text{Sum}[C(t)]\}}{\{MV(T0)+\text{Sum}[W(t)*C(t)]\}}$	<b>NA</b>	NA	NA

*Additional Note on Key Ratios:*

Net Profit = Net Profit after taxes (and does not include items of Other Comprehensive Income)

Earnings available for debt service = Net Profit + Non-cash operating expenses like depreciation + Interest + Other adjustment like profit/loss on sale of fixed assets, etc.



## THEJO ENGINEERING LIMITED

### Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022

Average Inventory = (Opening Inventory + Closing Inventory)/2

Average Trade Receivables = (Opening Trade Receivables + Closing Trade Receivables)/2

Average Trade Payables = (Opening Trade Payables + Closing Trade Payables)/2

Working Capital = Current Assets – Current Liabilities

T1 = End of time period; T0 = Beginning of time period; t = specific date between T1 and T0; MV(T1) = Market Value at T1; MV(T0) = Market Value at T0; C(t) = Cash inflow/outflow on specific date; W(t) = Weight of net cash flow (either inflow or outflow) on day 't', calculated as (T1-t)/T1

Total debt includes Lease Liabilities

Interest includes other finance cost

The Company does not have any financial investment as part of treasury activity. The investments are in the nature of trade investment (Investment in subsidiaries) and Fixed Deposit with banks for the purpose of security/margin money for non-fund based limits. Hence, Return on Investment is given as Not Applicable (NA).

Reason for Variance > 25%:

Debt-Equity Ratio: The Debt – Equity Ratio has increased from 0.09 times to 0.15 times, primarily on account of increase in lease liabilities as on 31<sup>st</sup> March, 2022 due to lease of land taken during the year.

Debt Service Coverage Ratio: The Debt Service Coverage Ratio has increased from 6.38 times to 9.38 times primarily on account of increase in the net profit of the Company from ₹ 2145.83 lakhs to ₹ 2924.71 lakhs during FY 2021-22.

Trade Payables Turnover Ratio: The Trade Payables Turnover Ratio has increased from 2.13 times to 2.88 times during the year on account of increase in purchases during the year (from ₹ 4594.38 lakhs to ₹ 7151.95 lakhs) on the back of increased business and turnover.

#### Note 26.13 Reconciliation of Tax Rate

Particulars	2021-22	2020-21
Statutory Income-tax rate	25.17%	25.17%
Adjustment for Tax Incentives & expenses not allowable	(0.02%)	0.10%
Effective Rate of Income-tax	25.15%	25.27%

#### Note 26.14 Details of security provided for Borrowings

Loans repayable on demand from bank represents cash credit facility enjoyed by the Company from its working capital bankers and is secured by *pari passu* charge on the current assets of the Company with collateral security comprising immovable properties of the Company, second charge on plant & machinery purchased out of subsisting term loan, first charge on other plant & machinery and lien on Bank Deposit to an extent of ₹ 1.72 crore. The security coverage also extends to non-fund based facilities extended by the working capital bankers. The cash credit facility carry interest rate linked to benchmark lending rates. The facilities are also secured by personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John.

Term loan from bank comprise of working capital term loan (WCTL) under Emergency Credit Line Guarantee Scheme secured by second charge on the security offered for cash credit. The repayment term for the WCTL is 36 monthly instalments of ₹ 2 lakh (plus interest) after a principal moratorium for 12 months from the date of first drawdown. Term loan from bank as at previous year end included loan to procure fixed assets, which were secured by charge on assets purchased out of the term loan and collateral security on the immovable properties on *pari passu* basis. The said loan were repayable in 60 monthly instalments of ₹ 5 lakhs (plus interest) after a principal moratorium of six months from the date of first drawdown. The term loan (other than WCTL) was also secured by personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John.

Term loan from financial institution comprise of facilities availed for purchase of vehicle and is secured by vehicle purchased and personal guarantee of Mr. Thomas John. The loans are repayable in 35 to 60 Equated Monthly Instalments.

**THEJO ENGINEERING LIMITED**

Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022

**Note 26.15 Age-wise details of Capital Work-in-Progress**

₹ in lakhs

<i>Ageing of Projects in Progress</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
< 1 year	60.33	84.79
1-2 years	12.98	0.45
2-3 years	0.00	0.00
> 3 years	0.00	0.00
<b>Total</b>	<b>73.31</b>	<b>85.24</b>

**Note 26.16 Age-wise details of Trade Receivables**
*Unsecured, Undisputed and Considered Good*

₹ in lakhs

<i>Ageing from due date</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Unbilled Revenue	712.85	455.22
Less than six months*	7,139.98	6,376.00
6 months – 1 Year	469.69	281.65
1-2 Years	124.22	107.10
2-3 Years	14.28	37.45
More than 3 Years	109.40	148.68
<b>Total</b>	<b>8,570.41</b>	<b>7,406.10</b>
Less: Provision for Expected Credit Loss	145.93	190.57
<b>Total after Provision for Expected Credit Loss</b>	<b>8424.48</b>	<b>7215.53</b>

\* - includes outstanding that are not due.

Disputed receivables - Nil

**Note 26.17 Age-wise details of Trade Payables**
*Payable to Others (i.e. other than MSMEs)*

₹ in lakhs

<i>Ageing from due date</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Less than one year*	2,660.92	2,193.01
1-2 Years	8.82	21.13
2-3 Years	0.49	15.12
More than 3 Years	0.73	63.78
<b>Total</b>	<b>2,670.94</b>	<b>2,293.04</b>

\* - includes outstanding that are not due.

Dues to MSMEs and disputed dues - Nil

**Note 26.18 Nature and purpose of reserves**

Securities Premium: This comprises of the amount received in excess of the face value of equity shares on issue of shares and difference between the fair value of shares on the grant date and the issue price in respect of shares allotted under Employee Stock Option Plan. During the year, as approved by the Members, Bonus Equity Shares (of face value of Rs. 10/- each fully paid) in the ratio of 2:1 was issued by utilizing the Securities Premium. The movement in Securities Premium during the year is as follows:

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

₹ in lakhs

<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	<b>2,017.76</b>	1,897.58
Add: Addition on issue of shares under ESOP	<b>115.16</b>	120.18
Less: Utilization for issue of bonus shares	<b>(709.48)</b>	(0.00)
Balance as at the end of the year	<b>1,423.44</b>	2,017.76

Employees Stock Options Outstanding Account (ESOP Outstanding): The amount charged to Statement of Profit and Loss comprising the fair value of Employee stock options is credited to ESOP Outstanding Account. The movement in ESOP outstanding during the year is as follows:

₹ in lakhs

<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	<b>186.49</b>	152.12
Add: Fair value of ESOP charged to Statement of Profit and Loss during the year	<b>36.55</b>	67.95
Less: Issue of shares under ESOP	<b>(39.00)</b>	(33.58)
Less: Transfer to General Reserve on stock options lapsed	<b>(14.34)</b>	(0.00)
Balance at the end of the year	<b>169.70</b>	186.49

General Reserve: The amount transferred from net profit before declaring dividend under the then extant provisions of the Companies Act, 1956 is accumulated under General Reserve. The balance in ESOP outstanding in respect of options that lapsed on expiry of the options are also transferred to General Reserve. There is no statutory requirement for mandatory transfer to General Reserve under the Companies Act, 2013. The movement in General Reserve during the year is as follows:

₹ in lakhs

<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	<b>621.71</b>	621.71
Add: Transfer from ESOP outstanding on stock options lapsed	<b>14.34</b>	0.00
Balance at the end of the year	<b>642.05</b>	621.71

Retained Earnings: The amount of profits retained by the Company till date after transfers to General Reserve, dividends, other distributions made to the Shareholders, etc is accumulated under Retained Earnings. The movement in Retained Earnings during the year is as follows:

₹ in lakhs

<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	<b>9,399.86</b>	7,427.43
Add: Profit during the year	<b>2,924.71</b>	2,145.83
Less: Dividend distributed	<b>(212.61)</b>	(173.40)
Balance at the end of the year	<b>12,111.96</b>	9,399.86

*Items of Other Comprehensive Income*

Re-measurement of Net Defined Benefit Plans: The changes in liability arising on account of change in actuarial assumptions, experience adjustments, etc and difference between interest income on plan assets and actual interest earned thereon are recognized in Other Comprehensive Income and accumulated under this head under Other Equity. The movement in Re-measurement of Net Defined Benefit Plans during the year is as follows:

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

₹ in lakhs

<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	52.28	0.00
Add: Transfer from Other Comprehensive Income during the year	(74.03)	52.28
Balance at the end of the year	(21.75)	52.28

**Note 26.19 Other Disclosures**

**26.19.1** 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.

**26.19.2** 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.

<b>Asset</b>	<b>Useful Life as Evaluated</b>	<b>Useful Life as per Schedule II</b>
Shot recovery system, electric hoist and similar assets	10 years	15 years
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

Civil constructions on leased properties are amortized over the lease period.

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.

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

**26.19.4** 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 relevant Ind-AS.

**26.19.5** The Company did not have any outstanding loan or advance due from any of the Promoters, Directors, Key Management Personnel or other related parties as at 31<sup>st</sup> March, 2022, nor was any loan or advance extended during the year.

**26.19.6** The Company has duly filed necessary quarterly returns to the banks which have extended credit facilities on the basis of security of current assets of the Company and such quarterly statements are in agreement with the books of account. The Company has used its borrowed funds only for the purposes for which they were borrowed. The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

**26.19.7** The Company did not have anything to report in respect of the following:

- (a) Benami properties
- (b) Trading or investment in crypto or virtual currency
- (c) Giving/receiving of any loan or advance or funds with the understanding that the recipient shall lend, invest, provide security or guarantee on behalf of the Company/funding party
- (d) Transactions not recorded in books that were surrendered or disclosed as income during income-tax assessment

## THEJO ENGINEERING LIMITED

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### Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2022

- (e) Charges or satisfaction not registered with ROC beyond statutory period
- (f) Title deeds in respect of freehold immovable properties not being held in the name of the Company.
- (g) Transactions with struck-off companies
- (h) Non-compliance with number of layers as prescribed under the Companies Act, 2013, read with Companies (Restriction on number of Layers) Rules, 2017.

**26.19.8** During the FY 2021-22, the Company has incurred a revenue expenditure (excluding depreciation) of ₹ 154.55 lakhs and capital expenditure of ₹ 17.67 lakhs in relation to Research & Development. (FY 2020-21: ₹ 128.41 lakhs and ₹ 0.37 lakh, respectively).

**26.19.9** Other income for the year ended 31<sup>st</sup> March, 2021 includes an amount of ₹ 94.80 lakhs (AUD 1.84 lakhs) received by Perth Branch as Jobkeeper Subsidy and ATO (Australian Tax Office) Cash Booster as part of the stimulus/relief package extended by the Australian/West Australian Government to support the business entities to overcome the adverse impact of COVID-19.

**26.19.10** The Board has recommended a dividend of ₹ 2/- (Rupees Two Only) per equity share of face value of ₹ 10/- each (fully paid) for the FY 2021-22. 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 27 Previous Year Figures

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

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As per of our report of even date  
For BRAHMAYYA & CO.

Chartered Accountants  
(ICAI Registration No. 000511S)

P. BABU  
Partner  
Membership No. 203358

Place : Chennai  
Date : 26<sup>th</sup> May, 2022

For and on behalf of the Board of Directors

V A GEORGE  
Executive Chairman  
DIN 01493737

MANOJ JOSEPH  
Managing Director  
DIN 00434579

THOMAS JOHN  
Vice Chairman  
DIN 00435035

M D RAVIKANTH  
Chief Financial Officer  
and Secretary

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**Consolidated Financial Statements**  
**2021 - 2022**

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**INDEPENDENT AUDITOR'S REPORT****To The Members Of Thejo Engineering Limited****Report on the Audit of the Consolidated Ind-AS Financial Statements****Opinion**

We have audited the accompanying Consolidated Ind-AS 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, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated Ind-AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind-AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on the financial statements of the Subsidiaries the aforesaid Consolidated Ind-AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

**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 Ind-AS 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 consolidated Ind-AS 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 on the Consolidated Ind-AS Financial Statements.

**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 Holding Company's Annual Report, but does not include the Consolidated Ind-AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind-AS 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 Ind-AS 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 Ind-AS 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.

**INDEPENDENT AUDITORS' REPORT****Responsibilities of Management for the Consolidated Ind-AS financial statements**

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated Ind-AS 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 including other comprehensive income 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 Ind-AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind-AS 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.

**Auditor's Responsibilities for the Audit of the Consolidated Ind-AS financial statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind-AS 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 Ind-AS 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 Ind-AS 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 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 the management in Consolidated Financial Statements.



**INDEPENDENT AUDITOR'S REPORT**

- 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 Ind-AS 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 Ind-AS financial statements, including the disclosures, and whether the Consolidated Ind-AS 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 Ind-AS 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 Ind-AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind-AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision, performance and opinion in respect 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 Ind-AS 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 Ind-AS 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.

**Other Matters**

- a) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of ₹ 101.07 Crores as at March 31, 2022, total revenue from operations of ₹ 160.79 Crores and net cash inflows amounting to ₹ 9.96 Crores for the year ended on that date, as considered in the consolidated Ind-AS financial statements. These financial statements of the subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind-AS 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 subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind-AS financial statements, and our report on other legal and regulatory legal requirements, 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.

**INDEPENDENT AUDITOR'S REPORT****Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on the financial statements of subsidiaries as noted in the 'Other Matters' paragraph, 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 Ind-AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind-AS 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 (including other comprehensive income), the Consolidated Statement of Changes in Equity 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 Ind-AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind-AS 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 March 31, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, are disqualified as on March 31, 2022 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company to their directors during the year is in accordance with the provisions of section 197 of the Act read with schedule V to the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Consolidated Ind-AS financial statements has disclosed the impact of pending litigations on its financial position of Group in its Consolidated Ind-AS financial statements. – Refer Note 28.1.3
  - (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.
  - (iv) (a) The Management of the holding company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or

**INDEPENDENT AUDITOR'S REPORT**

invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management of the holding company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, according to the information and explanations given to us, and based on the CARO reports issued by us for the holding Company, we report that there are no qualifications or adverse remarks in the CARO report of Holding Company. The reporting as required by the Order is not applicable to four subsidiaries as they are incorporated outside India.

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

P. BABU  
Partner  
Membership No. 203358  
UDIN: 22203358AJUCPS9958

Place : Chennai  
Date : May 26, 2022

**“Annexure-A” To The Independent Auditors’ Report**

**Referred to in Paragraph 1(f) under Report on Other Legal and Regulatory Requirements section of our report of even date**

**Report on the Internal Financial Controls Over Financial Reporting with reference to aforesaid Consolidated Ind-AS Financial Statements 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 Ind-AS financial statements of the Group as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Thejo Engineering Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries which are companies incorporated outside India, as of that date.

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

The respective 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 respective Companies 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 internal financial controls over financial reporting of the 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”) issued by the ICAI 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. 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 judgement, 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

**“Annexure-A” To The Independent Auditors’ Report**

assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company, 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 2022, 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.

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

P. BABU  
Partner  
Membership No. 203358  
UDIN: 22203358AJUCPS9958

Place : Chennai  
Date : May 26, 2022

**THEJO ENGINEERING LIMITED**
**Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022**

Particulars	Note	All amount in ₹ lakhs unless otherwise stated		
		As at 31-03-2022	As at 31-03-2021	As at 01-04-2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	4,403.17	3,820.08	3,154.44
Right-of-use Assets	4	2,197.70	765.44	926.00
Capital work-in-progress	4	73.33	85.25	14.27
Intangible assets	4	24.11	13.04	22.91
Financial assets				
Investments in subsidiaries	5	0.00	0.00	0.00
Other financial assets	6	395.22	365.13	328.59
Deferred tax assets (net)		198.10	167.63	147.44
Other non-current assets	7	248.22	94.70	91.89
<b>Current assets</b>				
Inventories	8	5,221.96	3,824.93	3,394.64
Financial assets				
Trade receivables	9	10,663.99	9,271.44	9,951.94
Cash and cash equivalents	10A	4,279.14	3,008.45	2,196.30
Bank balances (other than cash equivalents)	10B	757.80	726.77	601.59
Other financial assets	6	488.70	458.43	447.57
Other current assets	11	1,340.26	1,514.55	895.43
<b>TOTAL ASSETS</b>		<b>30,291.70</b>	<b>24,115.84</b>	<b>22,173.01</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	12	1,065.71	351.64	346.04
Share Application Money	12	0.00	0.00	0.00
Other equity	13	15,434.41	12,508.76	9,607.99
Non-controlling interest	14	2,069.20	1,538.02	1,180.41
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	15	1,240.96	497.42	1,147.89
Lease liabilities		2,095.83	663.53	774.95
Deferred tax liabilities (net)		282.60	99.72	0.00
Other non-current liabilities	17	135.06	101.66	78.27
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	15	422.85	497.37	2,425.85
Lease liabilities		52.71	111.42	94.40
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	16	0.00	0.00	0.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	3,456.36	3,988.43	2,770.46
Other financial liabilities	18	1,132.88	1,184.24	1,071.03
Other current liabilities	19	2,073.73	1,758.89	1,818.46
Provisions	20	829.40	814.74	857.26
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,291.70</b>	<b>24,115.84</b>	<b>22,173.01</b>
Basis of preparation and significant accounting policies	2			
First time adoption of Ind-AS	3			
Contingent liabilities and commitments	28.1			

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For BRAHMAYYA & CO.

Chartered Accountants  
Firm Registration No. 000511S

P. BABU  
Partner  
M. No. 203358

Place : Chennai  
Date : 26<sup>th</sup> May, 2022

V A GEORGE  
Executive Chairman  
DIN 01493737

MANOJ JOSEPH  
Managing Director  
DIN 00434579

THOMAS JOHN  
Vice Chairman  
DIN 00435035

M D RAVIKANTH  
CFO and Secretary

**THEJO ENGINEERING LIMITED**
**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

Particulars	Note	Year ended 31-03-2022	Year ended 31-03-2021
<b>INCOME</b>			
Revenue from operations	21	42,446.34	32,707.23
Other income	22	124.07	270.05
<b>TOTAL INCOME</b>		<u>42,570.41</u>	<u>32,977.28</u>
<b>EXPENSES</b>			
Cost of materials consumed	23	11,148.60	6,496.80
Purchases of stock-in-trade	23	99.21	108.29
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(1,615.47)	(73.16)
Employee benefits expenses	25	15,195.28	12,679.06
Finance costs	26	314.99	369.28
Depreciation and amortisation expenses	4	1,053.05	876.42
Other expenses	27	10,746.87	8,468.00
<b>TOTAL EXPENSES</b>		<u>36,942.53</u>	<u>28,924.69</u>
<b>Profit before exceptional items and tax</b>		5,627.88	4,052.59
Exceptional items			
<b>Profit before tax</b>		5,627.88	4,052.59
Tax Expenses			
Current tax		1,227.64	1,037.15
Deferred tax charge/(credit)		149.11	70.81
<b>PROFIT FOR THE YEAR (A)</b>		<u>4,251.13</u>	<u>2,944.63</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of net defined benefit plans		(98.93)	69.86
<b>Income-tax on Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of net defined benefit plans		(24.90)	17.58
<b>Items that will be reclassified subsequently to profit or loss</b>			
Foreign currency translation adjustment		89.12	280.31
<b>Income-tax on Items that will be reclassified subsequently to profit or loss</b>			
Foreign currency translation adjustment		0.00	0.00
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>		<u>15.09</u>	<u>332.59</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>		<u>4,266.22</u>	<u>3,277.22</u>

**THEJO ENGINEERING LIMITED**
**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

Particulars	Note	Year ended 31-03-2022	Year ended 31-03-2021
<b>Profit attributable to:</b>			
Owners of the Company		<b>3,763.03</b>	2,645.41
Non-controlling interests		<b>488.10</b>	299.22
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		<b>(27.99)</b>	274.20
Non-controlling interests		<b>43.08</b>	58.39
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>3,735.04</b>	2,919.61
Non-controlling interests		<b>531.18</b>	357.61
Earnings per equity share (of face value of ₹ 10/- each)			
Basic (in ₹)		<b>35.41</b>	25.31
Diluted (in ₹)		<b>34.92</b>	24.92
Basis of preparation and significant accounting policies	2		
First time adoption of Ind-AS	3		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For BRAHMAYYA &amp; CO.

 Chartered Accountants  
 Firm Registration No. 000511S

 P. BABU  
 Partner  
 M. No. 203358

 Place : Chennai  
 Date : 26<sup>th</sup> May, 2022

 V A GEORGE  
 Executive Chairman  
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 Managing Director  
 DIN 00434579

 THOMAS JOHN  
 Vice Chairman  
 DIN 00435035

 M D RAVIKANTH  
 CFO and Secretary



**THEJO ENGINEERING LIMITED**
**Consolidated Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before exceptional items and tax	5,627.88	4,052.59
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	1,053.05	876.42
Interest income	(51.27)	(50.96)
Finance Costs	314.99	369.28
Employee stock option cost	36.55	67.95
Unrealised foreign exchange (gain)/loss, net	25.17	89.02
Loss/(Profit) on disposal of assets	24.45	(2.64)
Cash generated from operations before working capital changes	7,030.82	5,401.66
<i>Adjustments for:</i>		
(Increase)/decrease in trade receivables	(1,382.44)	706.76
(Increase)/decrease in other non-current financial assets	(0.83)	(60.61)
(Increase)/decrease in other current financial assets	(33.48)	(10.65)
(Increase)/decrease in other non-current assets	(153.52)	(2.81)
(Increase)/decrease in other current assets	174.29	(619.12)
(Increase)/decrease in inventories	(1,397.03)	(430.28)
Increase/(decrease) in trade payables	(517.50)	1,200.47
Increase/(decrease) in other current financial liabilities	(51.36)	113.17
Increase/(decrease) in other current provisions	80.98	40.71
Increase/(decrease) in other non-current liabilities	33.40	23.40
Increase/(decrease) in other current liabilities	314.82	(59.54)
Cash generated from operations	4,098.15	6,303.16
Taxes (paid)/refund received	(1,367.99)	(1,068.10)
Net cash generated from/(used in) operating activities (A)	2,730.16	5,235.06
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,449.26)	(1,310.64)
Sale of property, plant and equipment	6.37	3.53
(Investment)/Disposal in bank deposits, Net	(49.74)	(101.12)
Purchase of intangibles	(20.62)	(1.60)
Interest received	47.62	43.98
Net cash generated from/(used in) investing activities (B)	(1,465.63)	(1,365.85)

**THEJO ENGINEERING LIMITED**
**Consolidated Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital/Premium on account of issue of shares (incl share application money)	<b>80.75</b>	92.21
Proceeds from long-term borrowing	<b>1,631.10</b>	168.55
Repayments towards long-term borrowing	<b>(693.80)</b>	(1,217.28)
Increase/(decrease) in short-term borrowing	<b>(269.76)</b>	(1,534.07)
Lease deposit/Principal payment of lease liability/right-of-use assets	<b>(225.30)</b>	(87.63)
Interest payment for lease liability	<b>(101.01)</b>	(82.70)
Dividend paid	<b>(212.61)</b>	(173.40)
Finance Costs	<b>(213.80)</b>	(287.65)
Net cash generated from/(used in) financing activities (C)	<b>(4.43)</b>	(3,121.97)
Exchange difference on translation of cash and cash equivalents (D)	<b>10.59</b>	64.91
Net increase/(decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	<b>1,270.69</b>	812.15
Cash and cash equivalents at the beginning of the year	<b>3,008.45</b>	2,196.30
Cash and cash equivalents at the end of the year	<b>4,279.14</b>	3,008.45

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For BRAHMAYYA &amp; CO.

 Chartered Accountants  
 Firm Registration No. 000511S

 P. BABU  
 Partner  
 M. No. 203358

 Place : Chennai  
 Date : 26<sup>th</sup> May, 2022

 V A GEORGE  
 Executive Chairman  
 DIN 01493737

 MANOJ JOSEPH  
 Managing Director  
 DIN 00434579

 THOMAS JOHN  
 Vice Chairman  
 DIN 00435035

 M D RAVIKANTH  
 CFO and Secretary

**Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

Particulars	Amount									
	Securities Premium	ESOP Outstanding	General Reserve	Retained Earnings	Statutory Reserve	Foreign Currency Translation Reserve	Items of Other Comprehensive Income	Total - Attributable to Owners of the Company	Non-Controlling Interest	Grand Total
<b>Equity share capital</b>										
As at 1 <sup>st</sup> April, 2020	1,897.57	152.10	627.71	6,886.87	97.87	(54.13)	0.00	9,607.99	1,180.41	10,788.40
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated balance as at 31 <sup>st</sup> March 2020	1,897.57	152.10	627.71	6,886.87	97.87	(54.13)	0.00	9,607.99	1,180.41	10,788.40
Profit for the year				2,645.41				2,645.41	299.22	2,944.63
Other comprehensive income for the year						221.92	52.28	274.20	58.39	332.59
<i>Total comprehensive income for the year</i>				2,645.41		221.92	52.28	2,919.61	357.61	3,277.22
Dividend on equity shares				173.40				173.40		173.40
Issue of equity shares on exercise of employee stock options	120.18	(33.58)						86.61		86.61
Employee stock option cost for the year		67.95						67.95		67.95
Transfer to Statutory Reserve				(41.53)	41.53			0.00		0.00
As at 31 <sup>st</sup> March, 2021	2,017.75	186.47	627.71	9,317.36	139.40	167.79	52.28	12,508.76	1,538.02	14,046.78
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated balance as at 31 <sup>st</sup> March 2021	2,017.75	186.47	627.71	9,317.36	139.40	167.79	52.28	12,508.76	1,538.02	14,046.78
Profit for the year				3,763.03				3,763.03	488.10	4,251.13
Other comprehensive income for the year						46.04	(74.03)	(27.99)	43.08	15.09
<i>Total comprehensive income for the year</i>				3,763.03		46.04	(74.03)	3,735.04	531.18	4,266.22
Dividend on equity shares				212.61				212.61		212.61
Issue of equity shares on exercise of employee stock options	115.15	(39.00)						76.15		76.15
Employee stock option cost for the year		36.55						36.55		36.55
Transfer to Retained Earnings on lapse of stock options		(14.34)	14.34					0.00		0.00
Issue of Bonus Shares	(709.47)							(709.47)		(709.47)
Transfer to Statutory Reserve				(76.27)	76.27			0.00		0.00
As at 31 <sup>st</sup> March, 2022	1,423.43	169.68	642.05	12,791.50	215.67	213.83	(21.75)	15,434.41	2,069.20	17,503.61

The accompanying notes form an integral part of the financial statements

As per our report of even date

For BRAHMAYYA & CO.

Chartered Accountants

Firm Registration No. 000511S

P. BABU

Partner

M. No. 203358

Place : Chennai

Date : 26<sup>th</sup> May, 2022

For and on behalf of the Board

V A GEORGE

Executive Chairman

DIN 01493737

THOMAS JOHN

Vice Chairman

DIN 00435035

MANOJ JOSEPH

Managing Director

DIN 00434579

M D RAVIKANTH

CFO and Secretary

## THEJO ENGINEERING LIMITED

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Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### Note 1

#### Group Information

Thejo Engineering Limited (“the Company”/“the Parent Company”) is a public limited company, with its Registered Office at VDS House, 3<sup>rd</sup> Floor, No. 41, Cathedral Road, Chennai 600086. The Company is listed on the SME platform of the National Stock Exchange, NSE – Emerge. 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 branches at various locations in India and an overseas branch at Perth, Australia.

The Company and its subsidiaries (hereinafter referred to as “the Group”) are considered in these consolidated financial statements. The Company has 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

#### Basis of Preparation and Significant Accounting Policies

##### 2.1 *Basis of preparation*

Companies (Indian Accounting Standard) Rules, 2015 (as amended from time to time) notified by the Ministry of Corporate Affairs exempts Companies listed on the SME platform from mandatory implementation of Indian Accounting Standards (Ind-AS). The Audit Committee at its meeting held on 10<sup>th</sup> March, 2022, took note of the intent of the Management to adopt Ind-AS on a voluntary basis from the financial year 2021-22 with 1<sup>st</sup> April, 2020 as the transition date. Such transition has been carried out from the erstwhile Accounting Standards notified under the Companies Act, 2013, read with relevant rules issued thereunder (referred to as “Previous GAAP”). Accordingly, the impact of the transition has been recorded in the opening reserves as at 1<sup>st</sup> April, 2020 and the corresponding figures presented in these results have been restated / reclassified. As approved by the Board of Directors at their Meeting held on 26<sup>th</sup> May, 2022, these are first Consolidated Financial Statements presented by the Company based on Ind-AS.

These Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2022 are the first the Group has prepared under Ind-AS with 1<sup>st</sup> April, 2020 being the date of transition to Ind-AS. For all periods including and upto the financial year ended 31<sup>st</sup> March, 2021, the Group prepared its Consolidated Financial Statements in accordance with the Previous GAAP.

The Consolidated Financial Statements as at 31<sup>st</sup> March, 2021 and the opening Balance Sheet as at 1<sup>st</sup> April, 2020 have been restated in line with Ind-AS for the purpose of comparative information. Reconciliation of Ind-AS and Previous GAAP numbers have been provided in Note 3.

The Consolidated Financial Statements have been prepared on accrual and going concern basis using accounting policies that are applied consistently. The assets and liabilities have been classified as Current or Non-Current based on the normal operating cycle of the Group, which has been determined as 12 months based on the nature of products and services, and the time gap between acquisition of assets for processing and their realisation in cash and cash equivalents.

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

These Consolidated 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 Ind-AS 110. 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. The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies, which have been applied consistently, for like transactions and other events in similar circumstances.

The excess of cost to the Parent Company of its investment in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the consolidated financial statements as 'goodwill on consolidation' and carried in the consolidated balance sheet as an asset. Where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the company, it is recognised as 'capital reserve' and shown under the head Reserves and Surplus, in the consolidated financial statements.

Non-controlling interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the non-controlling 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. These are presented in the Consolidated Balance Sheet separately within equity. The profit and other comprehensive income attributable to non-controlling interest are shown separately in the Consolidated Statement of Profit and Loss and Consolidated Statement of Changes in Equity.

The transactions between the Parent Company and the Subsidiaries are eliminated. Any unrealized profit on the closing inventory and fixed assets held by any Company in the Group out of the sales made by another Company in the Group is reduced from the closing inventory and fixed assets on consolidation.

The Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 were approved for issue by the Board of Directors at their meeting held on 26<sup>th</sup> May, 2022.

**2.2 *Basis of measurement***

The Consolidated Financial Statements have been prepared under historical cost convention unless stated otherwise.

**2.3 *Use of estimates and judgements***

In the preparation of the Consolidated Financial Statements, the management has to make certain estimates, judgements and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual outcome may differ from these estimates. The management continuously evaluates these estimates and judgements and make appropriate revisions prospectively.

Information about critical judgements, estimates and assumptions that have the most significant impact on the amounts recognized in the Consolidated Financial Statements are included in the following notes:

- (a) Measurement of defined benefit obligations
- (b) Measurement and likelihood of occurrence of provisions and contingencies
- (c) Recognition of deferred tax assets
- (d) Useful lives of property, plant and equipment
- (e) Useful lives of intangible assets
- (f) Measurement of share based payments

## THEJO ENGINEERING LIMITED

### Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

#### 2.4 *Presentation Currency*

The Consolidated Financial Statements are presented in INR, which is the presentation currency of the Parent Company. Presentation is made in INR rounded to the nearest lakh except where indicated otherwise.

#### 2.5 *Recent Accounting Pronouncements*

The Ministry of Corporate Affairs (MCA) has issued a Notification dated 23<sup>rd</sup> March, 2022, whereby the Ind-AS mentioned below have been amended effective from 1<sup>st</sup> April, 2022.

- (a) Ind-AS 103 –Reference to conceptual framework while applying acquisition method
- (b) Ind-AS 109 – Annual improvements to Ind-AS (2021)
- (c) Ind-AS 16 – Proceeds before intended use
- (d) Ind-AS 37 – Cost of fulfilling a contract in relation to onerous contracts

Based on the initial assessment, the Company does not expect any major impact on its Financial Statements on account of these amendments.

#### 2.6 *Significant accounting policies*

##### 2.6.1 *Property, Plant and Equipment*

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Property, plant and equipment which are not ready for intended use are disclosed under "Capital work-in-progress".

Subsequent expenses related to an item of property, plant and equipment are added to its book value if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

In respect of the Parent Company, depreciation is charged on a pro-rata basis under written down value method based on the useful life of individual asset as prescribed in Schedule II of the Companies Act, 2013 ("the Act"), retaining a residual value of 5% of the cost of the assets except the following:

Plant and equipment are depreciated over a period of 1 to 15 years and office equipment over 2 to 5 years based on technical evaluation/advice.

No depreciation is charged on the free hold land. Assets on leased premises, which cannot be used independent of the leased premises, are depreciated on the remaining period of lease or as per the useful life as stated above, whichever is earlier. Assets costing ₹ 5,000 and below are depreciated over a period of one year.

In respect of the 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.

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period and adjustment required, if any, are done prospectively.

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in statement of consolidated profit and loss.

Upon first time adoption of Ind-AS, the Parent Company has elected to measure all its property, plant and equipment at the carrying value under Previous GAAP as their deemed cost on the date of transition to Ind-AS (1<sup>st</sup> April, 2020). The subsidiaries have measured the same in line with relevant IFRS.

**2.6.2 Intangible Assets****A. Intangible assets acquired separately:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight line/written down value basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**B. Internally-generated intangible assets - research and development expenditure:**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) The intention to complete the intangible asset and use or sell it;
- (iii) The ability to use or sell the intangible asset;
- (iv) The probable future economic benefits that will be generated from the intangible asset;
- (v) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the Consolidated Statement of Profit and Loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022****C. Derecognition of intangible assets**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognized.

**D. Useful lives of intangible assets**

In respect of the Parent Company, estimated useful lives of the intangible assets are as follows:

Asset	Useful Lives (in Years)
Software & Licenses	1-6 years

Upon first time adoption of Ind-AS, the Parent Company has elected to measure its intangible assets at the carrying value under Previous GAAP as their deemed cost on the date of transition to Ind-AS (1<sup>st</sup> April, 2020). The subsidiaries have measured the same in line with relevant IFRS.

**Impairment of Tangible & Intangible Assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives, goodwill and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.



## THEJO ENGINEERING LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 2.6.3 Leases

#### Group as Lessee

At the inception of a contract, the Group assess if the contract conveys the right to control the use of an identified asset for a specified period of time for a consideration. If so, such contracts are considered to be/to contain lease. Where the Group is a lessee, except in case of short-term leases (tenure less than twelve months) and leases of low value assets, the Group recognizes lease liability and right-of-use assets. In the case of leases for short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates being the rate the Parent Company/subsidiary would have to pay to borrow fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Subsequent to the initial measurement, the lease liability is increased by the interest on the lease liability and reduced by the lease payments made. A lease liability is re-measured when there is a change in the lease term or a change in an index or rate used to determine lease payments, etc. Lease liability and Right-of-use asset are presented separately in the Consolidated Balance Sheet. In the Consolidated Statement of Cash Flows, lease payments have been classified as cash flow from financing activities.

#### Group as Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as expenses over the lease term on the same basis as lease income. The respective leased assets are included in the Consolidated Balance Sheet based on their nature.

### 2.6.4 Inventories

Inventories are valued at lower of cost and net realisable value based on FIFO Basis. Cost of work-in-progress and finished goods includes the cost of purchase, conversion and all other cost incurred in bringing the inventory to their current condition and location. Net realizable value is the estimated selling price in the ordinary course of business net of estimated cost of completion and cost required to be incurred to complete the sale.

### 2.6.5 Cash and Cash Equivalents

Cash and cash equivalents are short-term (three months from the date of acquisition), highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

### 2.6.6 Financial Instruments

#### A. Financial Assets

Financial assets comprises investments in equity and debt securities, trade receivables, cash and cash equivalents, and other financial assets. Financial assets are recognized when the Group becomes a party to the contractual positions of an instrument.

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

Financial assets are recognized initially at fair value. In the case of financial assets other than those recognized at fair value through profit and loss (FVTPL), the transaction costs attributable to the acquisition of financial assets are added to the fair value for the initial recognition. In the case of financial assets recognized at FVTPL, the transaction costs are recognized in the Consolidated Statement of Profit and Loss.

Financial assets are subsequently measured at

- (i) Amortized cost
- (ii) Fair value through profit and loss (FVTPL) or
- (iii) Fair value through other comprehensive income (FVOCI)

- (i) Amortized Cost

Financial assets that are held within the business model with an objective to hold them to collect the contractual cash flows that are solely payments of principal and interest are measured subsequently at amortized cost using the effective interest rate method (EIR method) net of impairment, if any. The amortization as per EIR and loss on account of impairment, if any, are recognized in the Consolidated Statement of Profit and Loss.

By applying the above criteria, the following financial assets are measured at amortized cost:

- (a) Trade receivables
- (b) Loans
- (c) Other financial assets

- (ii) Fair value through other comprehensive income

Financial assets that are held within the business model whose objective is achieved by both selling the financial assets and collecting the contractual cash flows that are solely payments of principal and interest are measured subsequently at fair value through other comprehensive income. Movements in the fair value of such financial asset are recognized in the other comprehensive income. Interest income as per EIR and loss on account of impairment, if any, are recognized in the Consolidated Statement of Profit and Loss. On derecognition, the cumulative gain or loss that has previously been recognized in the other comprehensive income is reclassified to other income in the Consolidated Statement of Profit and Loss.

- (iii) Fair value through profit or loss

A financial asset is measured subsequently at fair value through profit or loss if it does not meet the classification criteria for measurement at amortized cost or fair value through other comprehensive income. Such financial assets are measured at fair value with all changes in the fair value, including interest and dividend income, if any, being recognized as other income in the Consolidated Statement of Profit and Loss.

A financial asset is derecognized when the contractual rights to the cash flow from the asset expires, or when the contractual rights to receive the cash flows are transferred.

Subsequent to initial recognition, impairment losses are recognized in respect of all financial assets other than those classified for subsequent measurement under FVTPL. In respect of trade receivables, expected credit loss over the lifetime of the asset is estimated by adopting a simplified approach of provision matrix based on historical loss rates reflecting present conditions and forecast of future economic conditions. Under this approach, trade receivables are grouped on the basis of similar credit characteristics such as industry, customer segment,

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

past due status and other relevant factors to estimate the expected credit loss from these assets. In respect of financial assets other than trade receivables, if the credit risk has increased significantly since initial recognition, the impairment is measured at lifetime credit losses. The impairment losses and reversals are recognized in the Consolidated Statement of Profit and Loss.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in the Consolidated Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

**B. Financial Liabilities**

Financial liabilities are recognized when the Group becomes a party to the contractual positions of an instrument.

Financial liabilities are recognized initially at fair value. In the case of financial liabilities other than those recognized at fair value through profit and loss (FVTPL), the transaction costs attributable to the acquisition of the financial liability are added to the fair value for the initial recognition. In the case of financial liabilities recognized at FVTPL, the transaction costs are recognized in the Consolidated Statement of Profit and Loss.

Financial liabilities other than those recognized at FVTPL are subsequently measured at amortized cost using EIR method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognized in the Consolidated Statement of Profit and Loss.

The Group measures the following financial liabilities under amortized cost:

- (i) Borrowings
- (ii) Lease liabilities
- (iii) Trade payables
- (iv) Other financial liabilities

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities and financial assets are offset and net amount presented in the Consolidated Balance Sheet when the Group has a legal right to offset and intends to settle the same on net basis or realize the asset and settle the liability simultaneously.

A financial liability is derecognized when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Consolidated Statement of Profit and Loss.

## THEJO ENGINEERING LIMITED

### Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

#### C. Fair Value Hierarchy

The fair value of financial instruments are classifiable into three categories based on the inputs used in valuation technique. The three categories are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs and

Level 3: Inputs which are not based on observable market data.

#### 2.6.7 Provisions and Contingent Liabilities

Provisions are recognized if the Group has a reliably estimated present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured based on the best estimate of expenditure required to settle the obligation as at the date of balance sheet. In cases where the effect of the time value of money is material, provisions are discounted to reflect its present value using current pre-tax rate reflecting the risk specific to the obligation. When discounting is used, the increase in the amount of provision due to the passage of time is recognized as finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, which is contingent upon the occurrence or non-occurrence of one or more uncertain future events, which are not fully within the control of the Group or when there is a present obligation arising from past events where it is either not probable that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable. Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/ development of assets and amounts pertaining to Investments which have been committed but not called for.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date

#### Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with that contract.

#### 2.6.8 Revenue Recognition

##### Sale of goods

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Group has a right to payment for the asset, customer has legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Group has objective evidence that all criteria for acceptance have been satisfied. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

## Rendering of services

The performance obligation under service contracts are provision of various services as set forth in the contracts. Revenue from rendering of services are recognised over a period of time by reference to the stage of completion as the customer simultaneously receives and consumes the benefit provided by the Group's performance. Payment for the service rendered is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

## Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Revenue disaggregation as per business segment and geography are contained in the segment information given in Note 28.3.

**2.6.9 Employee Benefits**

## Short-term benefits

All short-term employee benefit obligations are measured on an undiscounted basis and expensed as the related services are rendered.

*Parent Company:*

## Defined contribution plans

Contribution to defined contribution plans like provident fund, superannuation fund, employee state insurance, etc are charged as an expense to the extent of periodic contribution required to be made as and when services are rendered to the Company. The Company has no further obligations beyond the periodic contribution in respect of defined contribution plans.

## Defined benefit plans

The Company provides for gratuity, a defined benefit plan, to all eligible employees. The amount recognized as employee benefit expense in the Consolidated Statement of Profit and Loss is the cost of accruing employee benefits promised to the eligible employees over the year and costs of past/future service benefit changes and similar costs. The defined benefit plan surplus or deficit as on the date of balance sheet comprises the difference between fair value of plan assets and present value of the defined benefit liabilities, discounted at the yield rate at the reporting date on risk free government bonds.

All re-measurements of defined benefit liabilities and assets are recognized in other comprehensive income and are subsequently not reclassified to the Consolidated Statement of Profit and Loss. The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India.

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

## THEJO ENGINEERING LIMITED

### Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

#### 2.6.10 *Share-based Payments*

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 28.9.

The Group makes equity settled share based payment to selected employees under its ESOP program. The fair value of options granted as on grant date, calculated by an independent valuer on the basis of Black Scholes model, is recognized as employee benefit expense with a corresponding increase in equity over the vesting period. At the end of each reporting period, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. Fresh equity shares are issued upon exercise of vested options.

#### 2.6.11 *Income-tax Expenses*

Income-tax expenses comprises current tax and deferred tax and is recognized in the Consolidated Statement of Profit and Loss except to the extent that it relates to an item which is recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income using applicable tax rates enacted or substantively enacted as at the reporting date and any adjustments relating to income-tax of previous years.

Deferred tax is recognized in respect of temporary difference between the carrying amounts of assets and liabilities as per the financial statements and taxation laws. Deferred tax liability is recognized based on the expected manner of realization or settlement of the difference in carrying amounts applying tax rates enacted or substantively enacted as at the reporting date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available to utilize the same. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that it will be realized.

Current tax assets and liabilities are offset when there is a legally enforceable right to set them off and there is an intent to settle them on a net basis. Deferred tax assets and liabilities are set off when they are related to income-tax levied by the same taxation authority and there is a legally enforceable right to set off current tax assets and liabilities.

#### 2.6.12 *Foreign Currency*

In preparing the consolidated financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. The income and expense of foreign branch operations are translated using average exchange rates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

The financial statement of the subsidiaries are translated as follows:

- (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.

## THEJO ENGINEERING LIMITED

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### Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

The resultant exchange difference is accounted as foreign currency translation reserve, which is routed through Other Comprehensive Income and are accumulated under Foreign Currency Translation Reserve till disposal of the investment.

#### 2.6.13 *Earnings Per Share*

The basic earnings per share is presented by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued without a corresponding change in resources like bonus issue, the weighted number of equity shares outstanding during the period as well as all periods presented are adjusted for such events.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, consolidation of shares, etc. as appropriate.

#### 2.6.14 *Segment Reporting*

The Group reports business and geographic segments in a manner consistent with the reporting provided to the Chief Operating Decision Maker, in line with Ind-AS 108.

#### 2.6.15 *Dividend Distributed to Equity Shareholders*

Dividend distributed to equity shareholders is recognized as distribution to owners of capital in the statement of changes in equity after it is approved by the Members.

#### 2.6.16 *Borrowings and related costs*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Consolidated Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statements for issue, not to demand payment as a consequence of the breach.

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

**2.6.17 Government Grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they become receivable. Government grant is recognised either as other operating income, or other income or adjusted against expenses depending upon the nature of the grant and the same is followed consistently. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**2.6.18 Consolidated Cash flow statement**

Cash flows are reported using the indirect method, whereby the consolidated profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The consolidated cash flows from operating, investing and financing activities of the Group are segregated based on the available information. Cash and cash equivalents includes balances in current accounts, cash on hand and cheques / drafts on hand. Bankoverdrafts are shown within borrowings in current liabilities in the Consolidated Balance Sheet.



## THEJO ENGINEERING LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### Note 3

#### First Time Adoption of Ind-AS

The shares of the Company are listed on the SME exchange of the National Stock Exchange of India Limited (NSE). As per the Companies (Indian Accounting Standards) Rules, 2015, a company whose securities are listed on SME exchange as referred to in Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is not mandatorily required to comply with the Indian Accounting Standards (Ind-AS). Such companies may comply with Ind-AS on voluntary basis. Accordingly, the Company and the Group has opted to comply with Ind-AS and has prepared its Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 as per Ind-AS with 1<sup>st</sup> April, 2020 being the transition date. These Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 are the first Consolidated Financial Statements the Group has prepared under Ind-AS. For all periods upto and including the year ended 31<sup>st</sup> March, 2021, the Group prepared its consolidated financial statements in accordance with the applicable accounting standards as specified in the Annexure to the Companies (Accounting Standard) Rules, 2016 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

The adoption of Ind-AS has been carried out in line with Ind-AS 101, First-time Adoption of Indian Accounting Standards. Ind-AS 101 requires that all Indian Accounting Standards and interpretations that are issued and effective for the first Ind-AS financial statements shall be applied retrospectively and consistently for all the financial years presented. Accordingly, the comparative figures in the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021 and 1<sup>st</sup> April, 2020 and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow statement for the year ended 31<sup>st</sup> March, 2021 have been restated.

In the preparation of these Ind-AS based Consolidated Financial Statements, the Group has availed certain exemptions and exceptions in accordance with Ind-AS 101. As at the transition date, the difference between the carrying values of asset and liabilities under Ind-AS and Previous GAAP have been recognized directly under appropriate category of equity. The adjustments made in restating the Consolidated Financial Statements prepared under Previous GAAP and the details of exemptions, and exceptions availed by the Group under Ind-AS 101 are detailed below.

#### A. Optional Exemptions from retrospective application

The Group has elected to avail the following optional exemptions from retrospective application:

##### (a) Deemed cost of property, plant and equipment

The Group has opted to measure its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost as on the date of transition to Ind-AS.

##### (b) Deemed cost of intangible assets

The Group has opted to measure its intangible assets at the Previous GAAP carrying amount as its deemed cost as on the date of transition to Ind-AS.

##### (c) Leases

The Group has opted to assess if a contract existing at the date of transition contains a lease on the basis of facts and circumstances existing at that date. The Group has also opted to measure the lease liability and right-of-use asset at the date of transition based on the present value of remaining lease payments at the incremental borrowing rate at the date of transition.

##### (d) Deemed cost of Investment in subsidiaries

The Company has opted to measure its investment in subsidiaries at the Previous GAAP carrying amount as its deemed cost as on the date of transition to Ind-AS.

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

## (e) Share-based payments

The Group has opted not to apply Ind-AS 102 Share-based payments to equity instruments that vested prior to the date of transition to Ind-AS.

## B. Mandatory exceptions from retrospective application

The Group has applied the following exceptions to the retrospective application of Ind-AS as mandatorily required under Ind-AS 101

## (a) Estimates

Based on an assessment of the estimates that have been made under the Previous GAAP financial statements, there is no objective evidence of an error in those estimates. Hence, there is no necessity to revise the estimates.

## (b) Classification and measurement of financial assets

The classification of financial assets into those measured at amortized cost or fair value through other comprehensive income is made on the basis of facts and circumstances that existed on the date of transition to Ind-AS.

## C. Transition to Ind-AS – Reconciliations

The following reconciliations gives the details regarding the differences arising from the transition from Previous GAAP to Ind-AS in accordance with Ind-AS 101.

 (i) Reconciliation of material items of Consolidated Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2021

₹ in lakhs

Particulars	As per Ind-AS	As per Previous GAAP	Increase / (Decrease)
Cash generated from operations	5,235.06	5,064.71	170.35
Net cash used in investing activities	(1,365.85)	(1,264.75)	(101.10)
Net cash used in financing activities	(3,121.97)	(2,951.62)	(170.35)
Exchange difference on translation of cash and cash equivalents	64.91	64.91	0.00
Cash and cash equivalents as at the beginning of the year	2,196.30	2,823.16	(626.86)
Cash and cash equivalents at the end of the year	3,008.45	3,736.41	(727.96)

## (ii) Reconciliation of total Equity as at March 31, 2021 and April 01, 2020:

₹ in lakhs

Particulars	As at March 31, 2021	As at April 01, 2020
Total Equity (shareholder's funds) under Previous GAAP	13,042.01	10,124.48
Provision under Expected Credit Loss under Ind-AS (net of tax) (If any)	(137.19)	(170.45)
Effect of leases under Ind-AS 116	(44.42)	0.00
Total adjustment to equity	(181.61)	(170.45)
Total equity under Ind-AS (excluding non-controlling interest)	12,860.40	9,954.03

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

(iii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2021

₹ in lakhs

Particulars	Year ended March 31, 2021
Profit as per Previous GAAP	3,040.20
Recognition of fair value cost of unvested options	(32.29)
Transfer of actuarial loss/gain to Other Comprehensive income	(52.28)
Effect of Leases under Ind-AS 116	(44.42)
Effect of Provision for Expected Credit Loss	33.40
Total Effect of transition	2,944.61
Other comprehensive income for the year (net of tax)	332.60
Total comprehensive income under Ind-AS	3,277.21

Note: Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under Previous GAAP

Notes to the reconciliations:

- As per Previous GAAP, ESOP expense was recognized based on intrinsic value method (₹ 35.66 lakhs). Under Ind-AS, it is recognized based on fair value method (₹ 67.95 lakhs).
- As per Previous GAAP, re-measurement of defined benefit plan during the year (₹ 52.28 lakhs net of taxes) was recognized in the Consolidated Statement of Profit and Loss. Under Ind-AS, it is recognized in other comprehensive income by accumulating it in a separate component of equity.
- As per Previous GAAP, periodic lease rental payments were charged to revenue (₹ 177.11 lakhs). Under Ind-AS, leases that are more than one year are recognized as Right-of-Use Assets with depreciation being charged thereon (₹ 160.57 lakhs), lease payments over the lease term being recognized at present value as lease liability with interest being charged thereon (₹ 82.70 lakhs) and lease deposit being recognized at present value with interest being recognized thereon (₹ 6.77 lakhs). The net difference on this account (net of tax) is ₹ 44.42 lakhs
- As per Ind-AS 109, provision has been made on Expected Credit Loss method on Trade Receivables (including EMD and SD) as against Incurred Credit Loss Method under Previous GAAP. The net difference on this account is reversal of provision (net) to an extent ₹ 33.40 lakhs (net of tax).

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

**Note 4**
**A. Property, plant and equipment**

	As at	Additions	Deletions	Forex	Oth	As at	Additions	Deletions	Forex	Oth	As at
	01-04-2020	2020-21	2020-21	Diff/Adj	2020-21	31-03-2021	2021-22	2021-22	Diff/Adj	2021-22	31-03-2022
<i>Gross Block</i>											
Land	65.72	0.00	0.00	0.00	0.00	65.72	0.00	0.00	0.00	0.00	65.72
Buildings	1,156.26	75.57	0.00	(3.46)	0.00	1,228.37	206.54	24.92	23.79	0.00	1,433.78
Plant and machinery	1,447.32	885.18	0.17	155.03	0.00	2,487.36	980.45	0.00	38.09	0.00	3,505.90
Furnitures and fittings	183.89	106.26	0.01	7.74	0.00	297.88	47.10	0.24	3.90	0.00	348.64
Vehicles	243.02	117.81	0.69	21.82	0.00	381.96	154.84	2.12	8.44	0.00	543.12
Office equipments	58.23	54.85	0.00	9.01	0.00	122.09	72.25	14.05	1.05	0.00	181.34
<b>Total</b>	<b>3,154.44</b>	<b>1,239.67</b>	<b>0.87</b>	<b>190.14</b>	<b>0.00</b>	<b>4,583.38</b>	<b>1,461.18</b>	<b>41.33</b>	<b>75.27</b>	<b>0.00</b>	<b>6,078.50</b>
<i>Accumulated Depreciation</i>											
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Buildings	0.00	166.41	0.00	(10.69)	0.00	155.72	153.76	1.48	17.89	0.00	325.89
Plant and machinery	0.00	334.34	0.00	49.73	17.84	401.91	496.78	0.00	13.97	10.60	923.26
Furnitures and fittings	0.00	48.15	0.00	2.77	0.00	50.92	64.48	0.04	2.78	0.00	118.14
Vehicles	0.00	99.49	0.00	10.99	0.00	110.48	102.97	0.34	6.59	0.00	219.70
Office equipments	0.00	38.15	0.00	6.12	0.00	44.27	51.97	8.66	0.76	0.00	88.34
<b>Total</b>	<b>0.00</b>	<b>686.54</b>	<b>0.00</b>	<b>58.92</b>	<b>17.84</b>	<b>763.30</b>	<b>869.96</b>	<b>10.52</b>	<b>41.99</b>	<b>10.60</b>	<b>1,675.33</b>
<i>Net Block</i>											
Land	65.72					65.72					65.72
Buildings	1,156.26					1,072.65					1,107.89
Plant and machinery	1,447.32					2,085.45					2,582.64
Furnitures and fittings	183.89					246.96					230.50
Vehicles	243.02					271.48					323.42
Office equipments	58.23					77.82					93.00
<b>Total</b>	<b>3,154.44</b>					<b>3,820.08</b>					<b>4,403.17</b>

Note: The Company has elected to continue with the carrying value of all its plant, property and equipment measured as per Previous GAAP as at the date of transition as their deemed cost (Gross Block Value) on transition date, i.e. 1st April, 2020. The movement in the values of plant, property and equipment as per Previous GAAP are as below:

	As at	Additions	Deletions	Forex	Oth	As at	Additions	Deletions	Forex	Oth	As at
	01-04-2020	2020-21	2020-21	Diff/Adj	2020-21	31-03-2021	2021-22	2021-22	Diff/Adj	2021-22	31-03-2022
<i>Gross Block</i>											
Land	65.72	0.00	0.00	0.00	0.00	65.72	0.00	0.00	0.00	0.00	65.72
Buildings	2,228.43	75.57	0.00	(3.46)	0.00	2,300.54	206.54	29.61	23.79	0.00	2,501.26
Plant and machinery	4,120.16	885.18	17.71	155.03	0.00	5,142.66	980.45	0.00	38.09	0.00	6,161.20
Furnitures and fittings	716.98	106.26	0.23	7.74	0.00	830.75	47.10	3.16	3.90	0.00	878.59
Vehicles	847.09	117.81	13.63	21.82	0.00	973.09	154.84	35.69	8.44	0.00	1,100.68
Office equipments	341.94	54.85	0.17	9.01	0.00	405.63	72.25	26.03	1.05	0.00	452.90
<b>Total</b>	<b>8,320.32</b>	<b>1,239.67</b>	<b>31.74</b>	<b>190.14</b>	<b>0.00</b>	<b>9,718.39</b>	<b>1,461.18</b>	<b>94.49</b>	<b>75.27</b>	<b>0.00</b>	<b>11,160.35</b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	As at	Additions	Deletions	Forex	Oth	As at	Additions	Deletions	Forex	Oth	As at
	01-04-2020	2020-21	2020-21	Diff/Adj	2020-21	31-03-2021	2021-22	2021-22	Diff/Adj	2021-22	31-03-2022
<i>Accumulated Depreciation</i>											
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Buildings	1,072.17	166.41	0.00	(10.69)	0.00	1,227.89	153.76	6.17	17.89	0.00	<b>1,393.37</b>
Plant and machinery	2,672.84	334.34	17.54	49.73	17.84	3,057.21	496.78	0.00	13.97	10.60	<b>3,578.56</b>
Furnitures and fittings	533.09	48.15	0.22	2.77	0.00	583.79	64.48	2.96	2.78	0.00	<b>648.09</b>
Vehicles	604.07	99.49	12.94	10.99	0.00	701.61	102.97	33.91	6.59	0.00	<b>777.26</b>
Office equipments	283.71	38.15	0.17	6.12	0.00	327.81	51.97	20.64	0.76	0.00	<b>359.90</b>
<b>Total</b>	<b>5,165.88</b>	<b>686.54</b>	<b>30.87</b>	<b>58.92</b>	<b>17.84</b>	<b>5,898.31</b>	<b>869.96</b>	<b>63.68</b>	<b>41.99</b>	<b>10.60</b>	<b>6,757.18</b>
<i>Net Block</i>											
Land	65.72					65.72					<b>65.72</b>
Buildings	1,156.26					1,072.65					<b>1,107.89</b>
Plant and machinery	1447.32					2,085.45					<b>2,582.64</b>
Furnitures and fittings	183.89					246.96					<b>230.50</b>
Vehicles	243.02					271.48					<b>323.42</b>
Office equipments	58.23					77.82					<b>93.00</b>
<b>Total</b>	<b>3,154.44</b>					<b>3,820.08</b>					<b>4,403.17</b>

**B. Right-of-use Assets**

	As at	Additions	Deletions	Forex	Oth	As at	Additions	Deletions	Forex	Oth	As at
	01-04-2020	2020-21	2020-21	Diff/Adj	2020-21	31-03-2021	2021-22	2021-22	Diff/Adj	2021-22	31-03-2022
<i>Gross Block</i>											
Land	253.87	0.00	0.00	0.00	0.00	253.87	1,743.06	180.21	0.00	0.00	<b>1,816.72</b>
Buildings	672.13	0.00	0.00	0.00	0.00	672.13	0.00	53.80	0.00	0.00	<b>618.33</b>
<b>Total</b>	<b>926.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>926.00</b>	<b>1,743.06</b>	<b>234.01</b>	<b>0.00</b>	<b>0.00</b>	<b>2,435.05</b>
<i>Accumulated Depreciation</i>											
Land	0.00	41.15	0.00	0.00	0.00	41.15	53.96	32.35	0.00	0.00	<b>62.76</b>
Buildings	0.00	119.42	0.00	0.00	0.00	119.42	108.97	53.80	0.00	0.00	<b>174.59</b>
<b>Total</b>	<b>0.00</b>	<b>160.57</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>160.57</b>	<b>162.93</b>	<b>86.15</b>	<b>0.00</b>	<b>0.00</b>	<b>237.35</b>
<i>Net Block</i>											
Land	253.87					212.73					<b>1,753.96</b>
Buildings	672.13					552.71					<b>443.74</b>
<b>Total</b>	<b>926.00</b>					<b>765.44</b>					<b>2,197.70</b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

**C. Capital work in progress**

	As at	Additions	Deletions	Forex	Oth	As at	Additions	Deletions	Forex	Oth	As at
	01-04-2020	2020-21	2020-21	Diff/Adj	2020-21	31-03-2021	2021-22	2021-22	Diff/Adj	2021-22	31-03-2022
Capital work in progress	14.27	85.25	14.27	0.00	0.00	85.25	60.35	72.27	0.00	0.00	73.33

**D. Intangible assets**

	As at	Additions	Deletions	Forex	Oth	As at	Additions	Deletions	Forex	Oth	As at
	01-04-2020	2020-21	2020-21	Diff/Adj	2020-21	31-03-2021	2021-22	2021-22	Diff/Adj	2021-22	31-03-2022
Computer software											
Gross block	22.91	1.60	0.00	0.12	0.00	24.63	20.62	0.00	0.01	0.00	45.26
Accumulated depreciation	0.00	11.47	0.00	0.12	0.00	11.59	9.55	0.00	0.01	0.00	21.15
Net block	22.91					13.04					24.11

Note: The Company has elected to continue with the carrying value of all its intangible assets measured as per Previous GAAP as at the date of transition as their deemed cost (Gross Block Value) on transition date, i.e. 1st April, 2020. The movement in the values of intangible assets as per Previous GAAP are as below:

	As at	Additions	Deletions	Forex	Oth	As at	Additions	Deletions	Forex	Oth	As at
	01-04-2020	2020-21	2020-21	Diff/Adj	2020-21	31-03-2021	2021-22	2021-22	Diff/Adj	2021-22	31-03-2022
Computer software											
Gross block	142.35	1.60	0.00	0.12	0.00	144.07	20.62	0.00	0.01	0.00	164.70
Accumulated depreciation	119.44	11.47	0.00	0.12	0.00	131.03	9.55	0.00	0.01	0.00	140.59
Net block	22.91					13.04					24.11
Technical Knowhow											
Gross block	1.75	0.00	0.00	0.00	0.00	1.75	0.00	0.00	0.00	0.00	1.75
Accumulated depreciation	1.75	0.00	0.00	0.00	0.00	1.75	0.00	0.00	0.00	0.00	1.75
Net block	0.00					0.00					0.00

**As at**                      **As at**                      **As at**  
**31-03-2022**      31-03-2021      01-04-2020

**Note 5**
**Investment in Subsidiaries**
**Unquoted**

2040 Equity Shares of FV of SAR 1000/- each fully paid-up held in Thejo Hatcon Industrial Services Company, Kingdom of Saudi Arabia (31/3/21 - 2040 Equity shares; 1/4/20 - 2040 Equity Shares)	<b>333.72</b>	333.72	333.72
2220000 Equity Shares of FV of AUD 1/- each fully paid-up held in Thejo Australia Pty Ltd, Australia (31/3/21 - 2220000 Equity Shares; 1/4/20 - 2220000 Equity Shares)	<b>1,202.45</b>	1,202.45	1,202.45
501406 Equity Shares of FV of BRL 1/- each fully paid-up held in Thejo Brasil Comercio E Servicos Ltda, Brazil (31/3/21 - 501406 Equity Shares; 1/4/20 - 501406 Equity Shares)	<b>98.62</b>	98.62	98.62
725 Equity Shares of FV of CLP 950000/- each fully paid-up held in Thejo Engineering LatinoAmerica SpA, Chile (31/3/21 - 725 Equity Shares; 1/4/20 - 509 Equity Shares)	<b>695.39</b>	695.39	491.26
Less: Adjustment on Consolidation of subsidiaries	<b>(2,330.18)</b>	(2,330.18)	(2,126.05)
<b>Total</b>	<b>0.00</b>	0.00	0.00

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	<b>As at 31-03-2022</b>	As at 31-03-2021	As at 01-04-2020
<b>Note 6</b>			
<b>Other Financial Assets</b>			
<b>(Unsecured, considered good)</b>			
<b>Non-current</b>			
Fixed Deposits with remaining maturity of more than 12 months	19.89	1.18	25.25
Earnest Money/Security Deposits	269.48	264.52	196.09
Others	115.13	105.73	112.10
Less: Provision for ECL on Earnest Money/Security Deposits	9.28	6.30	4.85
<b>Total</b>	<b>395.22</b>	<b>365.13</b>	<b>328.59</b>
<i>Movement in Provision for Expected Credit Loss</i>			
Opening Balance	6.30	4.85	4.85
Add: Provision made during the year	2.98	1.45	NA
Less: Reversed during the year	0.00	0.00	NA
Closing Balance	9.28	6.30	4.85
<b>Current</b>			
Earnest Money/Security Deposits	432.76	379.13	375.97
Interest accrued but not due on deposits	21.18	24.38	24.18
Advances to employees	15.10	16.67	43.04
Others	87.95	88.22	61.65
Less: Provision for ECL on Earnest Money/Security Deposits	68.29	49.97	57.27
<b>Total</b>	<b>488.70</b>	<b>458.43</b>	<b>447.57</b>
<i>Movement in Provision for Expected Credit Loss</i>			
Opening Balance	49.97	57.27	57.27
Add: Provision made during the year	18.32	0.00	NA
Less: Reversed during the year	0.00	7.30	NA
Closing Balance	68.29	49.97	57.27
<b>Note 7</b>			
<b>Other Non-current Assets</b>			
Capital Advances	217.94	64.41	26.66
Prepaid expenses	22.84	22.93	58.48
Deposits with Government Authorities	7.44	7.36	6.75
<b>Total</b>	<b>248.22</b>	<b>94.70</b>	<b>91.89</b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	As at 31-03-2022	As at 31-03-2021	As at 01-04-2020
<b>Note 8</b>			
<b>Inventories</b>			
Raw Materials and components	1,268.07	1,486.51	1,129.37
Work-in-progress	633.29	405.49	371.05
Finished goods	2,881.27	1,640.74	1,739.88
Stock-in-Trade	154.91	86.97	78.46
Stock in Transit	284.42	205.22	75.88
<b>Total</b>	<b>5,221.96</b>	<b>3,824.93</b>	<b>3,394.64</b>
<b>Note 9</b>			
<b>Trade Receivables</b>			
<b>Non-current</b>			
Unsecured, considered good	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Current</b>			
Unsecured, considered good	10,809.92	9,462.01	10,181.09
Less: Provision for Expected Credit Loss	145.93	190.57	229.15
<b>Total</b>	<b>10,663.99</b>	<b>9,271.44</b>	<b>9,951.94</b>
<i>Movement in Provision for Expected Credit Loss</i>			
Opening Balance	190.57	229.15	229.15
Add: Provision made during the year	0.00	0.00	NA
Less: Reversed during the year	44.64	38.58	NA
Closing Balance	145.93	190.57	229.15
<b>Note 10</b>			
<b>A Cash and Cash Equivalents</b>			
Cash on hand	23.97	15.99	30.14
Balance with bank in current accounts	4,146.98	2,915.15	2,166.16
Cheques/Drafts in hand/Funds in transit	0.00	0.00	0.00
Deposit (Cash Equivalents)	108.19	77.31	0.00
<b>Total</b>	<b>4,279.14</b>	<b>3,008.45</b>	<b>2,196.30</b>
<b>B Bank balances (other than cash equivalents)</b>			
Term deposits with original maturity of 3 months or more (Of the above, amount Held as Margin Money for BG & LC: ₹ 534.22 lakhs As on 31/3/21 ₹ 480.51 lakhs; As on 1/4/20 ₹ 508.14 lakhs)	757.80	726.77	601.59
<b>Total</b>	<b>757.80</b>	<b>726.77</b>	<b>601.59</b>
<b>Note 11</b>			
<b>Other Current Assets</b>			
Balances with indirect tax authorities	621.18	449.85	315.00
Other advances (including advance to suppliers and prepaid expenses)	719.08	1,064.70	580.43
<b>Total</b>	<b>1,340.26</b>	<b>1,514.55</b>	<b>895.43</b>



**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

**Note 12**
**Equity Share Capital**

	As at 31-03-2022	As at 31-03-2021	As at 01-04-2020
<b>Authorised</b>			
1,50,00,000 (31/3/21: 1,50,00,000 and 1/4/20: 1,00,00,000) equity shares of ₹ 10/- each	1,500.00	1,500.00	1,000.00
<b>Issued, subscribed and fully paid-up</b>			
1,06,57,126 (31/3/21: 35,16,427 and 1/4/20: 34,60,352) equity shares of ₹ 10/- each	1,065.71	351.64	346.04
<b>Total</b>	<u>1,065.71</u>	<u>351.64</u>	<u>346.04</u>
Share Application Money	0.00	0.00	0.00

**Reconciliation of number of shares**

	As at 31-03-2022		As at 31-03-2021		As at 01-04-2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	3516427	351.65	3460352	346.04	3460352	346.04
Changes in equity share capital due to prior period error	0	0.00	0	0.00	0	0.00
Restated balance as at the beginning of the year	3516427	351.65	3460352	346.04	3460352	346.04
Shares issued during the year	7140699	714.07	56075	5.61	NA	NA
<b>Balance as at the end of the year</b>	<b>10657126</b>	<b>1065.72</b>	<b>3516427</b>	<b>351.65</b>	NA	NA

**Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31-03-2022		As at 31-03-2021		As at 01-04-2020	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Girish Gulati HUF	823200	7.72%	274400	7.80%	273800	7.91%
Mr. K.J. Joseph	739500	6.94%	248500	7.07%	249400	7.21%
Mr. Thomas John	650604	6.10%	216868	6.17%	216868	6.27%
Mrs. Celinamma John	650598	6.10%	216866	6.17%	216866	6.27%
Mr. Rajesh John	650598	6.10%	216866	6.17%	216866	6.27%
Mrs. Rosamma Joseph	542960	5.09%	180320	5.13%	180320	5.21%
SIDBI Venture Capital Ltd. A/c India Opportunities Fund	0	0.00%	0	0.00%	263672	7.62%

**Details of equity shares held by the promoters of the Company**

	As at 31-03-2022		As at 31-03-2021		As at 01-04-2020		Change in holding %	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding	31-03-2022 V 31-03-2021	31-03-2021 V 01-04-2020
Mr. K.J. Joseph	739500	6.94%	248500	7.07%	249400	7.21%	(0.13%)	(0.14%)
Mr. Thomas John	650604	6.10%	216868	6.17%	216868	6.27%	(0.07%)	(0.10%)

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

**Shares reserved for issue under options**

	<b>No. of Shares</b>	No. of Shares	No. of Shares
	<b>31-03-2022</b>	31-03-2021	01-04-2020
Under Thejo Employee Stock Option Plan 2015	<b>543530</b>	217125	273200
<b>Total</b>	<b>543530</b>	217125	273200

The Company has one class of equity shares of face value of ₹ 10/- each with one share entailing one vote. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts as per extant statutory provisions.

Details of allotment of shares for consideration other than cash, bonus issue and buy back of share in the last five years:

7094756 equity share of face value of ₹ 10/- each were allotted as fully paid bonus shares on 15<sup>th</sup> October 2021 by capitalising securities premium.

	<b>As at 31-03-2022</b>	As at 31-03-2021	As at 01-04-2020
<b>Note 13</b>			
<b>Other Equity</b>			
Securities Premium	<b>1,423.43</b>	2,017.75	1,897.57
ESOP Outstanding Account	<b>169.68</b>	186.47	152.10
General Reserve	<b>642.05</b>	627.71	627.71
Retained Earnings	<b>12,791.50</b>	9,317.36	6,886.87
Statutory Reserve	<b>215.67</b>	139.40	97.87
Foreign Currency Translation Reserve	<b>213.83</b>	167.79	(54.13)
Items of Other Comprehensive Income			
Remeasurement of Defined Benefit Plan	<b>(21.75)</b>	52.28	0.00
<b>Total</b>	<b>15,434.41</b>	12,508.76	9,607.99

Refer Note 28.17 for nature and movement of items under Other Equity

**Note 14**
**Non-controlling interest**

Opening Balance	<b>1,538.02</b>	1,180.41	621.03
Share of profit/(loss) during the year	<b>488.10</b>	299.22	522.66
Share of other comprehensive income during the year/FCTR	<b>43.08</b>	58.39	36.72
<b>Total</b>	<b>2,069.20</b>	1,538.02	1,180.41

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	<b>As at 31-03-2022</b>	As at 31-03-2021	As at 01-04-2020
<b>Note 15</b>			
<b>Borrowings</b>			
<b>Non-current</b>			
<b>Secured</b>			
<b>Term Loans</b>			
From Banks	1,566.33	610.06	1,690.79
From Others (Financial Institutions)	97.48	114.98	79.13
	<u>1,663.81</u>	<u>725.04</u>	<u>1,769.92</u>
Less:			
Current Maturity on Term Loans from banks	365.72	164.66	573.19
Current Maturity on Term Loans from financial institutions	57.13	62.96	48.84
	<u>422.85</u>	<u>227.62</u>	<u>622.03</u>
<b>Total</b>	<u>1,240.96</u>	<u>497.42</u>	<u>1,147.89</u>
<b>Current</b>			
<b>Secured</b>			
Loans repayable on demand from Banks	0.00	269.75	1,803.82
Current Maturities of Term Loan from Banks	365.72	164.66	573.19
Current Maturities of Term Loan from financial institutions	57.13	62.96	48.84
<b>Total</b>	<u>422.85</u>	<u>497.37</u>	<u>2,425.85</u>
Refer Note 28.13 for details of security and terms of repayment			
<b>Note 16</b>			
<b>Trade Payables</b>			
Due to Micro and small enterprises (as per intimation received from vendors)	0.00	0.00	0.00
Due to Others			
Acceptances	635.01	511.95	319.10
Other than acceptances	2,821.35	3,476.48	2,451.36
<b>Total</b>	<u>3,456.36</u>	<u>3,988.43</u>	<u>2,770.46</u>
<b>Note 17</b>			
<b>Other Non-current Liabilities</b>			
Termination Provision	135.06	101.66	78.27
<b>Total</b>	<u>135.06</u>	<u>101.66</u>	<u>78.27</u>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements as at 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	<b>As at 31-03-2022</b>	As at 31-03-2021	As at 01-04-2020
<b>Note 18</b>			
<b>Other Financial Liabilities</b>			
<b>Current</b>			
Employee related liabilities	1,119.09	1,173.75	1,048.41
Other payables	13.79	10.49	22.62
<b>Total</b>	<b><u>1,132.88</u></b>	<b><u>1,184.24</u></b>	<b><u>1,071.03</u></b>
<b>Note 19</b>			
<b>Other Current Liabilities</b>			
Statutory payables	1,274.89	997.98	686.20
Advances from customers	74.59	77.49	233.81
Security Deposit from vendors	12.66	64.36	29.10
Other outstanding liabilities	711.59	619.06	869.35
<b>Total</b>	<b><u>2,073.73</u></b>	<b><u>1,758.89</u></b>	<b><u>1,818.46</u></b>
<b>Note 20</b>			
<b>Provisions</b>			
<b>Current</b>			
For employee benefits (Compensated absence, Gratuity, etc)	572.98	393.07	422.22
Direct Taxes (Net)	256.42	421.67	435.04
<b>Total</b>	<b><u>829.40</u></b>	<b><u>814.74</u></b>	<b><u>857.26</u></b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	Year ended 31-03-2022	Year ended 31-03-2021
<b>Note 21</b>		
<b>Revenue from operations</b>		
Sale of Products	18,417.78	12,929.07
Sale of Services & Works Contract	23,936.04	19,712.30
Other Operating Income	92.52	65.86
<b>Total</b>	<b><u>42,446.34</u></b>	<b><u>32,707.23</u></b>
<b>Note 22</b>		
<b>Other income</b>		
Interest	51.27	50.96
Difference in foreign exchange (gain)	23.74	37.85
Miscellaneous Income	49.06	178.60
Profit on sale of assets	0.00	2.64
<b>Total</b>	<b><u>124.07</u></b>	<b><u>270.05</u></b>
<b>Note 23</b>		
<b>Cost of materials consumed</b>		
Opening Stock of Raw Materials	1,486.51	1,129.38
Add: Purchases made during the year	9,915.04	5,605.00
	<b><u>11,401.55</u></b>	<b><u>6,734.38</u></b>
Less: Closing Stock of Raw Materials	1,268.07	1,486.51
	<b><u>10,133.48</u></b>	<b><u>5,247.87</u></b>
Add: Consumables	1,015.12	1,248.93
<b>Total</b>	<b><u>11,148.60</u></b>	<b><u>6,496.80</u></b>
Purchase of Traded Goods	99.21	108.29
<b>Note 24</b>		
<b>Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
<b>Opening Stock :</b>		
Work-in-Progress	405.49	371.05
Finished Goods	1,827.97	1,907.12
Stock-in-Trade	86.97	78.46
Stock in Transit	205.22	75.88
Less: Unrealised gain in stock sold by parent to subsidiary	187.23	167.24
	<b><u>2,338.42</u></b>	<b><u>2,265.27</u></b>
<b>Closing Stock :</b>		
Work-in-Progress	633.29	405.49
Finished Goods	3,092.33	1,827.97
Stock-in-Trade	154.91	86.97
Stock in Transit	284.42	205.22
Less: Unrealised gain in stock sold by parent to subsidiary	211.06	187.22
	<b><u>3,953.89</u></b>	<b><u>2,338.43</u></b>
<b>Total</b>	<b><u>(1,615.47)</u></b>	<b><u>(73.16)</u></b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	<b>Year ended 31-03-2022</b>	Year ended 31-03-2021
<b>Note 25</b>		
<b>Employee Benefits Expense</b>		
Salaries and incentives	<b>12,002.28</b>	10,133.86
Contributions to PF, Superannuation, Gratuity & ESI	<b>1,421.81</b>	1,103.16
Staff welfare expenses	<b>1,390.26</b>	1,007.86
LTA, Ex-gratia, & Leave Encashment	<b>344.38</b>	366.23
Employee Stock Option Expense	<b>36.55</b>	67.95
<b>Total</b>	<b><u>15,195.28</u></b>	<b><u>12,679.06</u></b>
<b>Note 26</b>		
<b>Finance costs</b>		
Interest	<b>158.12</b>	220.41
Other finance costs	<b>156.87</b>	148.87
<b>Total</b>	<b><u>314.99</u></b>	<b><u>369.28</u></b>
<b>Note 27</b>		
<b>Other expenses</b>		
<i>A. Manufacturing &amp; Other Direct Expenses</i>		
Power and fuel	<b>417.68</b>	320.27
Machinery Maintenance	<b>501.97</b>	520.25
Factory Maintenance	<b>87.52</b>	47.82
Electrical maintenance	<b>12.55</b>	12.71
Testing charges	<b>8.74</b>	6.65
Dyes & Moulding charges	<b>90.06</b>	65.89
Cartage, Coolie & Freight charges	<b>675.89</b>	370.07
Packing materials & charges	<b>329.82</b>	234.38
Service & Labour charges	<b>5,448.28</b>	4,452.44
<i>Total Manufacturing &amp; Other Direct Expenses</i>	<b><u>7,572.51</u></b>	<b><u>6,030.48</u></b>
<i>B. Administrative &amp; Selling Expenses</i>		
Professional Service Charges	<b>283.64</b>	262.00
Rent	<b>350.80</b>	284.45
Repairs & Maintenance	<b>116.05</b>	112.36
Travelling, Conveyance & Vehicle hire charges	<b>804.46</b>	650.36
Foreign Travel expenses	<b>1.21</b>	0.10
Vehicle Maintenance	<b>309.02</b>	202.94
Telephone, Telex & Postage	<b>64.56</b>	61.63
Printing & Stationery	<b>51.31</b>	38.08
Office Maintenance	<b>69.20</b>	62.61
Books & Periodicals	<b>12.59</b>	10.42
Computer Maintenance	<b>114.46</b>	66.25

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

All amount in ₹ lakhs unless otherwise stated

	<b>Year ended 31-03-2022</b>	Year ended 31-03-2021
Seminar & Conference	12.62	26.30
Electricity	45.47	24.59
Legal Fee & Charges	12.78	2.85
Donation	4.13	2.50
Recruitment, Training & Development	73.12	46.16
ECGC Premium	2.82	2.43
CSR Expenses	45.25	34.00
Insurance	144.45	107.53
Rates and taxes	66.63	64.42
Directors Sitting Fees	34.25	33.75
Commission	15.35	18.31
Advertisement	58.84	11.69
Sales Promotion Expenses	11.20	11.29
Freight on Exports	310.16	202.85
Loading & Unloading charges	33.17	22.26
Late Delivery Charges	35.98	34.71
Bad Debts	0.00	11.48
Reversal of Provision for Expected Credit Loss	(23.34)	(44.44)
Loss on Sale of Assets	24.45	0.00
Payments to the Auditors		
a. Statutory Audit	12.50	12.50
b. Tax Audit	2.00	2.00
c. For certification & other services	27.90	13.93
Miscellaneous expenses	16.15	3.72
<i>Total Administration &amp; Selling Expenses</i>	<b>3,143.18</b>	2,396.03
<i>Sales Tax, Service Tax, &amp; Other Indirect Tax Expenses</i>	<b>31.18</b>	41.49
<b>Total</b>	<b><u>10,746.87</u></b>	<b><u>8,468.00</u></b>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**Note 28 ADDITIONAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS**
**Note 28.1 Contingent Liabilities (to the extent not provided for)**

₹ in lakhs

Particulars	2021-22	2020-21
28.1.1 Guarantees issued by the Banks	1,627.11	1,117.22
28.1.2 Stand-by Letter of Credit issued by bank (for loan availed by Thejo Australia Pty Ltd)	0.00	913.45
	1,627.11	2,030.67

**28.1.3 Claims against the Group not acknowledged as debt**

Name of Statute	Amount of Dispute (31/3/22)	Amount of Dispute (31/3/21)	Amount Deposited (31/3/22)	Period to which it relates	Forum where dispute is pending
Commercial Taxes	60.57	59.85	4.95	Various	Various
Customs	12.50	12.50	0.00	2001	Commissioner of Customs
Income-tax	148.46	115.41	37.03	Various	Various
<b>Total</b>	<b>221.53</b>	<b>187.76</b>	<b>41.98</b>		

**28.1.4 Commitments**

Estimated amount of contracts remaining to be executed on capital account: ₹ 600.04 lakhs (Previous Year - ₹ 97.83 lakhs)

**Note. 28.2 Employee Benefits**

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

**Parent Company:**
**28.2.1 Defined Contribution Schemes**

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

**28.2.2 Defined Benefit Scheme**

The 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 Ind-AS 19 in this regard is given hereunder:

Assumptions	2021-22	2020-21
Discount Rate	7.05%	6.85%
Salary Escalation	6.50%	6.00%
Attrition Rate	8.00%	5.00%
Expected return on plan assets	7.05%	6.85%



**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Table Showing Changes In Present Value Of Obligations</b>		
Present value of obligations at the beginning of the year	838.90	796.93
Interest Cost	56.46	52.01
Current Service Cost/Past Service Cost (Vested)	74.00	76.21
Benefits Paid	(29.41)	(19.97)
Actuarial (Gain) / Loss on obligations	101.41	(66.28)
<b>Present value of obligations as at end of the year</b>	<b>1,041.36</b>	<b>838.90</b>
<b>Table Showing Changes In Fair Value Of Plan Assets</b>		
Fair value of plan assets at the beginning of the year	824.08	658.27
Expected return on plan assets	58.41	47.31
Contributions	86.68	134.89
Benefits Paid	(29.41)	(19.97)
Actuarial Gain / (Loss) on plan assets	2.48	3.58
<b>Fair value of plan assets at the end of the year</b>	<b>942.24</b>	<b>824.08</b>
<b>Table Showing Actual Return On Plan Assets</b>		
Expected return on plan asset	58.41	47.31
Actuarial gain (loss) on plan asset	2.48	3.58
Actual return on plan asset	60.89	50.89
Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Actuarial Gain / Loss Recognized</b>		
Actuarial gain / (loss) on obligations	(101.41)	66.28
Actuarial gain / (loss) for the year – plan assets	2.48	3.58
Total gain / (loss) for the year	(98.93)	69.86
<b>Actuarial gain / (loss) recognized in the year</b>	<b>(98.93)</b>	<b>(69.86)</b>
Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Amounts To Be Recognized In Consolidated Balance Sheet &amp; Consolidated Statement of Profit and Loss</b>		
Present value of obligations as at the end of the year	1,041.36	838.90
Fair value of plan assets as at the end of the year	942.24	824.08
Amount determined under para 63 of Ind-AS 19	99.12	(14.82)
<b>Net defined benefit liability recognized in balance sheet</b>	<b>99.12</b>	<b>(14.82)</b>
Present value of future deduction in contribution under para 65 of Ind-AS 19	0.00	0.00
Net defined benefit asset recognized under para 64 of Ind-AS 19	0.00	0.00

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Expenses Recognized In Consolidated Statement of Profit and Loss</b>		
Current Service Cost/Past Service Cost(Vested)	74.00	76.21
Net interest on defined benefit obligation	(1.95)	4.71
<b>Expenses recognized in Consolidated Statement of Profit and Loss</b>	<b>72.05</b>	80.92
<b>Amount Recognized In Other Comprehensive Income</b>		
Actuarial (gain)/loss on plan obligation	101.41	(66.28)
Difference between Actual Return and Interest income on Plan Assets – (gain) /loss	(2.48)	(3.58)
<b>Amount recognized in Other Comprehensive Income</b>	<b>98.93</b>	(69.86)
<b>Movements in the liability recognized in the Consolidated Balance Sheet</b>		
Opening net liability adjusted for effect of balance sheet limit	14.82	138.66
Amount recognized in profit and loss	72.05	80.92
Amount recognized in other comprehensive income	98.93	(69.86)
Contribution paid	(86.68)	(134.89)
<b>Closing net liability</b>	<b>99.12</b>	14.82
<b>Amount for the current period</b>		
Present value of obligation	1,041.36	838.90
Plan assets	942.24	824.08
Surplus/(deficit)	(99.12)	(14.82)
Experience adjustment on plan liabilities– (loss)/gain	(62.28)	48.69
Impact of change in assumptions on plan liabilities – (loss)/gain	(39.13)	17.59
Experience adjustment on plan assets – (loss)/gain	2.48	3.58
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 Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

The following table sets out the additional disclosures required under Ind-AS 19

Particulars	₹ in Lakhs	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
-Date of Valuation	31/03/2022	31/03/2021
-Average Duration of Defined benefit Obligation	7.6	9.5
Sensitivity Analysis		
A. Discount Rate + 50 BP	7.55%	7.35%
Defined Benefit Obligation [PVO]	1,007.23	804.15
Current Service Cost	83.49	70.41
B. Discount Rate - 50 BP	6.55%	6.35%
Defined Benefit Obligation [PVO]	1,077.64	876.25
Current Service Cost	90.35	77.90
C. Salary Escalation Rate + 50 BP	7.00%	6.50%
Defined Benefit Obligation [PVO]	1,077.56	876.41
Current Service Cost	90.37	77.72
D. Salary Escalation Rate - 50 BP	6.00%	5.50%
Defined Benefit Obligation [PVO]	1,006.88	803.68
Current Service Cost	83.43	70.29
BP Denotes "Basis Points"		
Expected Contributions in Following Years [mid - year cash flows]		
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA
"NA" denotes "Not Available"		
Expected Benefit Payments in Following Years [mid - year cash flows]		
Year 1	91.82	55.97
Year 2	134.26	59.07
Year 3	128.03	83.20
Year 4	119.69	86.21
Year 5	88.51	83.18
Next 5 Years	512.39	388.74

**Subsidiaries**

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

## THEJO ENGINEERING LIMITED

### Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022 Note 28.3 Segment Reporting

The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on the analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Accordingly, the business segments of the Group are:

- (i) Manufacturing Units
- (ii) Service Units
- (iii) Others

and the geographic segments of the Group are:

- (i) India
- (ii) Outside India

Reporting for business segment is on the following basis:

Segment Revenue relating to individual segment is recorded in accordance with accounting policies followed by the Group. All expenditure, which is directly attributable to a business segment is charged to the respective segment. The income and costs which cannot be reasonably attributed to any specific business segment are shown as unallocable expenses (net of income).

Segment Results represents the profit before tax earned by each segment excluding finance costs and unallocable expenses (net of income).

For the purpose of monitoring segment performance and allocating resources between segments:

Property, plant and equipment employed in the operations are allocated to the segment to which the activity relates. The depreciation on the corresponding assets is charged to respective segments.

All other assets that are directly attributable to a particular segment of operations are allocated to the respective reportable segments.

All liabilities (other than borrowings, current and deferred tax liabilities) that are directly attributable to a particular segment of operation are allocated to the respective reportable segments.

The following is an analysis of the Group's revenue and results from operations by reportable segment.

#### (i) Segment revenues and results

₹ in Lakhs

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others			
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Segment Revenue	<b>14,003.46</b>	10,704.49	<b>30,245.60</b>	23,944.55	<b>3,574.15</b>	2,274.96	<b>47,823.21</b>	36,924.00
Less: Inter segment Revenue	<b>5,294.17</b>	4,206.37	<b>71.03</b>	0.79	<b>11.67</b>	9.61	<b>5,376.87</b>	4,216.77
Total Revenue	<b>8,709.29</b>	6,498.12	<b>30,174.57</b>	23,943.76	<b>3,562.48</b>	2,265.35	<b>42,446.34</b>	32,707.23
Segment Results	<b>2,569.27</b>	2,272.45	<b>3,908.16</b>	3,314.07	<b>593.04</b>	214.03	<b>7,070.47</b>	5,800.55
Less : Finance Cost							<b>314.99</b>	369.28
Unallocable Expenses (net of income)							<b>1,127.60</b>	1,378.68
Total Profit Before Tax							<b>5,627.88</b>	4,052.59
Tax Expenses							<b>1,376.73</b>	1,107.97
Profit after Tax							<b>4,251.16</b>	2,944.61

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**₹ in lakhs**

(ii) Segment assets and liabilities

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others			
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Segment Assets	<b>10,263.56</b>	7,823.30	<b>17,225.57</b>	14,401.84	<b>1,999.53</b>	1,380.52	<b>29,488.66</b>	23,605.66
Segment Liabilities	<b>4,478.02</b>	2,585.80	<b>5,353.30</b>	4,863.58	<b>988.67</b>	739.24	<b>10,819.99</b>	8,180.62
Capital Employed	<b>5,785.54</b>	5,237.50	<b>11,872.27</b>	9,538.26	<b>1,010.86</b>	641.28	<b>18,668.67</b>	15,417.04
Unallocated Capital Employed							<b>(2,168.55)</b>	(2,556.64)
Total Capital Employed							<b>16,500.12</b>	12,860.40

(iii) Geographical information

**₹ in Lakhs**

The Group is operating across multiple geographies with India being country of domicile, the details are as follows:

Particulars	India		Outside India		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue from external customers	<b>22,945.43</b>	18,027.98	<b>19,500.91</b>	14,679.25	<b>42,446.34</b>	32,707.23
Carrying amount of Segment Assets	<b>17,227.07</b>	14,061.65	<b>12,261.59</b>	9,544.01	<b>29,488.66</b>	23,605.66
Cost incurred to acquire tangible and intangible fixed assets	<b>658.15</b>	544.78	<b>718.45</b>	710.15	<b>1,376.60</b>	1,254.93

**Note 28.4 Financial Instruments**
*Capital Management*

The Group's business model is working capital centric. The Group manages its working capital needs and long term capital expenditure, through a balanced mix of capital (including retained earnings), short term debt and long term debt.

The capital structure of the Group comprises of net debt (borrowings reduced by cash and bank balances) and equity.

The Group is not subject to any externally imposed capital requirements.

The Group reviews its capital requirements on an annual basis as part of its Annual Operating Plan. As part of the Annual Operating Plan, the Group estimates the capital required and formulates the broad financing mechanism for the same.

*Gearing Ratio*

As the cash and cash equivalents were greater than debt, the Gearing Ratio is Nil.

*Categories of Financial instruments*
**(₹ in lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Financial assets		
Non-current assets		
Other financial assets	<b>395.22</b>	365.13
Current assets		
Trade receivables	<b>10,663.99</b>	9,271.44
Cash and cash equivalents	<b>4,279.14</b>	3,008.45
Bank balances (other than cash equivalents)	<b>757.80</b>	726.77
Other financial assets	<b>488.70</b>	458.43

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**₹ In lakhs**

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Financial liabilities		
Non-current liabilities		
Borrowings	1,240.96	497.42
Lease liabilities	2,095.83	663.53
Current liabilities		
Borrowings	422.85	497.37
Lease liabilities	52.71	111.42
Trade payables	3,456.36	3,988.43
Other financial liabilities	1,132.88	1,184.24

All the financial instruments are carried at amortized cost.

**Financial Risk Management**

The Group's activities expose it to market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. The Group seeks to minimise the effects of these risks by taking various measures.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**Market risk**

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group manages such risks primarily through natural hedge.

**Foreign Currency risk management**

The Group undertakes transactions denominated in foreign currencies, resulting in exposure to exchange rate fluctuations. The foreign currency transactions primarily relate to imports and exports. Considering the volume of imports and exports, exchange rate exposures are primarily managed through natural hedge.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (net) at the end of the reporting period are as follows:

**₹ In lakhs**

Particulars	Liabilities		Assets	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
AUD	74.47	0.00	83.97	104.17
EUR	2.86	19.21	119.39	56.71
GBP	4.92	10.37	0.00	0.00
USD	13.13	74.05	301.78	269.03

## THEJO ENGINEERING LIMITED

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**  
*Foreign Currency sensitivity analysis*

The above exposures when subjected to a sensitivity of 5% have the following impact:

₹ In lakhs

Particulars	Impact on profit with increase in Foreign Currency rate by 5%		Impact on profit with Decrease in Foreign Currency rate by 5%	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
AUD	0.47	5.21	(0.47)	(5.21)
EUR	5.83	1.88	(5.83)	(1.88)
GBP	(0.25)	(0.52)	0.25	0.52
USD	14.43	9.76	(14.43)	(9.76)
Total	20.48	16.33	(20.48)	(16.33)

### *Interest rate risk management*

The Group's exposure to interest rate risk is limited to the extent of Working capital and Term Loan funding availed from the Bankers, which is at the External Benchmark Lending rate subject to a periodic reset.

### *Interest rate sensitivity analysis*

The interest rate sensitivity analysis is being done based on the assumption that the amount of liability outstanding at the end of the period was outstanding for the whole year and all other variables remaining constant:

If interest rates had been 50 basis points higher: The finance cost, for the financial year FY2021-22, would have been higher and profits would have been lesser by ₹ 8.32 lakhs (FY 2020-21: ₹ 4.97 lakhs).

If interest rates had been 50 basis points lower: The finance cost, for the financial year FY2021-22, would have been lower and profits would have been higher by ₹ 8.32 lakhs. (FY 2020-21: ₹ 4.97 lakhs).

This is mainly attributable to Group's exposure to interest rates on its variable rate borrowings.

### *Other price risks*

The Group's investments in equity instruments are restricted to its investment by the Parent Company in subsidiaries, which are held for strategic purposes rather than for trading. As the purpose of all such investments are strategic rather than for trading, the Parent Company does not recognise any impact of sensitivity in the equity prices.

### *Credit Risk Management*

The credit risk to the Group arises primarily from customers defaulting on their contractual obligations, thus resulting in financial loss to the Group.

As part of mitigation process to address the risk, the Group evaluates the credentials of a customer before participating in the tender or before quoting for their order. The Group evaluates the potential customers' credentials by considering various factors such as:

- (i) their financial health based on the publicly available financial statements,
- (ii) their credit rating, available in the public domain
- (iii) their reputation in the market
- (iv) past experience, if the Group has done any business with them earlier

The Group makes provision on its financial assets, on every reporting period, as per Expected Credit Loss Method. The percentage at which the provision is made, is determined on the basis of historical experience of such provisions, modified to the current and prospective business and customer profile.

### *Liquidity Risk Management*

The liquidity requirements of the Group are met by Equity (including Internal accruals) and working capital funding from the banks. The liquidity requirements for the operations are met by allocating the cash flows from the customers.

**THEJO ENGINEERING LIMITED**

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**  
*Financing facilities* ₹ In lakhs

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Secured fund based facilities, reviewed annually and payable at call		
Amount used/outstanding	0.00	269.75
Amount unused/available	4,575.00	4,305.25
Secured non- fund based facilities, reviewed annually		
Amount used/outstanding	2,414.78	2,625.69
Amount unused/available	3,485.22	3,274.31
Term loans		
Amount used/outstanding (including current maturities)	1,663.81	725.04
Amount unused/available	340.00	373.83

**Fair value measurements**

Fair value of financial assets and liabilities measured at amortised cost. Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets are at carrying values that approximate fair value. Borrowings, trade payables and other financial liabilities are at carrying values that approximate fair value. If measured at fair value in the financial statements, these financial instruments would be classified as Level 3 in the fair value hierarchy.

**Note 28.5 Related Party Disclosures**
**List of Related Parties**

<b>Name of the Party</b>	<b>Relationship</b>
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 <sup>1</sup>	Key Management Personnel
Mrs. Rosamma Joseph	Relative of Key Management Personnel
Mrs. Celinamma John	Relative of Key Management Personnel
Mr. K. John Joseph	Relative of Key Management Personnel

Note: 1) Mr. Manesh Joseph was Sr. VP – Operation & Maintenance and Services (Relative of Key Management Personnel) till 22<sup>nd</sup> June, 2021. He was appointed as a Whole-Time Director with effect from 23<sup>rd</sup> June, 2021.

**Related Party Transaction Details:**
**₹ in Lakhs**

<b>Related Party</b>	<b>Nature of Payment</b>	<b>Current Year Transaction</b>	<b>Outstanding as on 31<sup>st</sup> March, 2022</b>
Mr. K.J. Joseph	Sitting Fee	1.50	0.00
Mr. Thomas John	Sitting Fee	4.00	0.00
Mr. V.A. George	Remuneration	108.00	(6.16)
Mr. Manoj Joseph	Remuneration	58.86	(3.32)
Mr. Rajesh John	Remuneration	35.93	(2.21)
Mr. M.D. Ravikanth*	Remuneration	41.23	(2.15)



**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

₹ in lakhs

<i>Related Party</i>	<i>Nature of Payment</i>	<i>Current Year Transaction</i>	<i>Outstanding as on 31<sup>st</sup> March, 2022</i>
Mr. Manesh Joseph	Remuneration	38.35	(2.19)
Mrs. Rosamma Joseph	Remuneration	12.09	(0.86)
Mrs. Celinamma John	Remuneration	11.95	(0.60)
Mr. K. John Joseph	Remuneration	2.48	0.00

Note: Remuneration excludes retirement benefits

\* - Remuneration of Mr. M.D. Ravikanth excludes ₹ 56.28 lakhs of taxable value of perquisite on exercise of options under ESOP.

₹ in Lakhs

<i>Related Party</i>	<i>Nature of Payment</i>	<i>Transaction during FY20-21</i>	<i>Outstanding as on 31<sup>st</sup> March, 2021</i>
Mr. K.J. Joseph	Sitting Fee	3.75	0.00
Mr. Thomas John	Sitting Fee	3.75	0.00
Mr. V.A. George	Remuneration	92.25	(18.79)
Mr. Manoj Joseph	Remuneration	47.25	(6.65)
Mr. Rajesh John	Remuneration	29.61	(4.38)
Mr. M.D. Ravikanth*	Remuneration	43.95	(0.81)
Mr. Manesh Joseph	Remuneration	46.67	(1.14)
Mrs. Rosamma Joseph	Remuneration	11.15	(0.86)
Mrs. Celinamma John	Remuneration	11.05	(0.98)
Mr. K. John Joseph	Remuneration	0.78	(0.33)

Note: Remuneration excludes retirement benefits

\* - Remuneration of Mr. M.D. Ravikanth excludes ₹ 10.37 lakhs of taxable value of perquisite on exercise of options under ESOP.

**Note 28.6 Details of Subsidiaries**

<b>Name</b>	<b>Ownership by the Parent Company</b>	<b>Minority Interest</b>	<b>Relationship</b>	<b>Reporting Date</b>	<b>Different Accounting policies applied</b>	<b>Reason for not consolidating the accounts of the subsidiary, if any</b>
Thejo Hatcon Industrial Services Company	51% (51%)	49% (49%)	Direct Control	31 <sup>st</sup> March, 2022	Not Applicable	Not Applicable
Thejo Australia Pty Ltd	74% (74%)	26% (26%)	Direct Control	31 <sup>st</sup> March, 2022	Not Applicable	Not Applicable
Thejo Brasil Comercio E Servicos Ltda	99.99% (99.99%)	0.01% (0.01%)	Direct Control	31 <sup>st</sup> March, 2022	Not Applicable	Not Applicable
Thejo Engineering LatinoAmerica SpA	99.86% (99.86%)	0.14% (0.14%)	Direct Control	31 <sup>st</sup> March, 2022	Not Applicable	Not Applicable

**THEJO ENGINEERING LIMITED**

Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022  
**Note 28.7 Calculation of Deferred Tax** ₹ in Lakhs

<i>Particulars</i>	<i>DTA</i>	<i>DTL</i>	<i>DTA</i>	<i>DTL</i>
	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021	
Parent Company:				
On Account of:				
Property Plant & Equipment (incl Right-of-Use)	0.00	491.65	0.00	158.09
Provision for Leave Encashment	67.78	0.00	56.00	0.00
Lease Liabilities	540.75	0.00	195.04	0.00
Lease Deposit	24.97	0.00	12.55	0.00
Provision for Expected Credit Loss	56.25	0.00	62.13	0.00
<b>Total</b>	<b>689.75</b>	<b>491.65</b>	<b>325.72</b>	<b>158.09</b>
Subsidiaries:				
Thejo Australia	0.00	282.60	0.00	99.72
<b>Total</b>	<b>0.00</b>	<b>282.60</b>	<b>0.00</b>	<b>99.72</b>
<b>Grand Total (Net)</b>	<b>198.10</b>	<b>282.60</b>	<b>167.63</b>	<b>99.72</b>

**Note 28.8 Earnings Per Share**
**Basic:**

<i>Particulars</i>	2021-22	2020-21
Net Profit after Tax (₹ in Lakhs)	3,763.03	2,645.41
Weighted Average Number of Equity Shares during the year (Nos.)	1,06,26,141	1,04,50,365
Earnings per Share (FV of ₹ 10/- each fully paid-up) (₹)	35.41	25.31

**Diluted:**

<i>Particulars</i>	2021-22	2020-21
Net Profit after Tax (₹ in Lakhs)	3,763.03	2,645.41
Weighted Average Number of Equity Shares during the year (Nos.)	1,07,77,250	1,06,13,997
Earnings per Share (FV of ₹ 10/- each fully paid-up) (₹)	34.92	24.92

**Note 28.9 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 <sup>1</sup>	6,72,348 options equivalent to 6,72,348 Equity shares of ₹ 10/- each.
Vesting Schedule	1/6 <sup>th</sup> 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.

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

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	Fair Value Method
Impact of Fair Value Method	Not applicable as Fair Value Method is used.
Option Movement during the year <sup>1</sup>	<p>Number of Options at the beginning of the period – 1,28,182</p> <p>Number of Options Granted during the year – Nil</p> <p>Additional Options on account of issue of bonus shares – 1,43,142</p> <p>Number of Options forfeited/lapsed during the year – 25,660</p> <p>Number of Options vested during the year – 1,02,902</p> <p>Number of Options exercised during the year – 45,943</p> <p>Number of Shares arising as a result of exercise of options – 45,943</p> <p>Money Realized by exercise of Option – Rs. 80.75 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 – 1,99,721</p> <p>Number of Options exercisable at the end of the year – 1,05,131</p>
Weighted Average Exercise Price <sup>1</sup>	₹ 141/- per share (for outstanding options)
Weighted Average Fair Value/Option <sup>1</sup>	₹ 89.55/- (for outstanding options)
Details of Options Granted to specified employees during the year	<p>(A) Senior Managerial Personnel: Nil</p> <p>(B) Any other employee granted options amounting to 5% or more of option granted during the year: Nil</p> <p>(C) Identified employee who was granted option during the year equal to or exceeding 1% of issued capital: Nil</p> <p>(Note: Excludes adjustment made to outstanding options on account of issue of Bonus Shares)</p>
Method and Significant Assumptions to estimate fair value <sup>1</sup>	<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> <p>Lot 2: Options granted in FY 19-20</p> <p>Weighted Average Value of Share Price: ₹ 188/-</p> <p>Weighted Average Price of Exercise Price: ₹ 141/-</p> <p>Expected Volatility: 41.70%-44.60%</p> <p>Expected Option Life: 3-4.5 years</p> <p>Expected Dividends: 1.18%</p> <p>Risk-free interest rate: 6.65%-6.85%</p> <p>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.</p>

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

Status of Options <sup>1</sup>					
Particulars	As at 31/3/2022		As at 31/3/2021		
	No. of Options	WAEP (₹)	No. of Options	WAEP(₹)	
Outstanding at the beginning of the year	1,28,182	313.47	1,88,915	267.55	
Add: Granted during the year	0	NA	0	NA	
Add: Adjustment for Bonus Issue	1,43,142	141.00	NA	NA	
Less: Forfeited/Lapsed during the year	25,660	153.75	4,658	245.31	
Less: Exercised during the year	45,943	175.76	56,075	164.44	
Outstanding at the end of the year	1,99,721	141.00	1,28,182	313.47	
Exercisable at the end of the year	1,05,131	141.00	73,832	232.83	

WAEP – Weighted Average Exercise Price / Option  
NA – Not Applicable

Summary of Options Outstanding <sup>1</sup> : Thejo ESOP 2015					
As at 31/3/2022			As at 31/3/2021		
No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life	No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life
0	NA	NA	52,146	153.75	2 Months
1,99,721	141.00	26 Months	76,036	423.00	38 Months

Diluted EPS as per Ind-AS 33	Diluted EPS (Per Equity Share of face value of ₹ 10/- each fully paid) – (Consolidated) ₹ 34.92/-
Price of underlying shares in Market at the time of grant of option <sup>1</sup>	Lot 1 (Granted in FY 15-16): ₹ 205/- per Equity Share Lot 2 (Granted in FY 19-20): ₹ 188/- per Equity Share

Note: 1. Where needed, the numbers have been adjusted for change in exercise/market price and/or number of outstanding options on account of issue of bonus shares.

**Note 28.10 Payment to Auditors**
**₹ in Lakhs**

Particulars	2021-22	2020-21
For Audit	12.50	12.50
For Tax Audit	2.00	2.00
For Certification and other services	27.90	13.93
<b>Total</b>	<b>42.40</b>	<b>28.43</b>

## THEJO ENGINEERING LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### Note 28.11 Leases

The Group has taken land and commercial premises under leases.

The Movement of Lease liabilities during the year is as follows:

₹ in Lakhs

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening Balance of Lease Liabilities	774.95	869.35
Addition during the year	1,629.17	0.00
Interest Expense for the year	101.01	82.70
Lease payment during the year	201.04	177.10
Other Adjustments (including for lease foreclosed)	(155.55)	0.00
Closing Balance	2,148.54	774.95

Maturing analysis of Lease liabilities (Carrying Value)

₹ in Lakhs

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Less than 1 year	52.71	111.42
More than 1 year up to 5 years	280.60	432.76
More than 5 years	1,815.23	230.77
<b>Total</b>	<b>2,148.54</b>	<b>774.95</b>

Refer Note 2.6.3 for accounting policy on lease.

### Note 28.12 Reconciliation of Tax Rate

Particulars	2021-22	2020-21
Statutory Income-tax rate of Parent Company	25.17%	25.17%
Adjustment for Tax Incentives & expenses not allowable (Parent Company)	(0.02%)	0.10%
Adjustment for differential tax rates of overseas subsidiaries	(0.69%)	2.07%
Effective Rate of Income-tax	24.46%	27.34%

### Note 28.13 Details of security provided for Borrowings

#### Parent Company

Loans repayable on demand from bank represents cash credit facility enjoyed by the Company from its working capital bankers and is secured by *pari passu* charge on the current assets of the Company with collateral security comprising immovable properties of the Company, second charge on plant & machinery purchased out of subsisting term loan, first charge on other plant & machinery and lien on Bank Deposit to an extent of ₹ 1.72 crores. The security coverage also extends to non-fund based facilities extended by the working capital bankers. The cash credit facility carry interest rate linked to benchmark lending rates. The facilities are also secured by personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John.

Term loan from bank comprise of working capital term loan (WCTL) under Emergency Credit Line Guarantee Scheme secured by second charge on the security offered for cash credit. The repayment term for the WCTL is 36 monthly instalments of Rs. 2 lakh (plus interest) after a principal moratorium for 12 months from the date of first drawdown. Term loan from bank as at previous year end included loan to procure fixed assets, which were secured by charge on assets purchased out of term loan and collateral security on the immovable properties on *pari passu* basis. The said loan were repayable in 60 monthly instalments of ₹ 5 lakhs (plus interest) after a principal moratorium of six months from the date of first drawdown. The term loan (other than WCTL) was also secured by personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John.

Term loan from financial institution comprise of facilities availed for purchase of vehicle and is secured by vehicle purchased and personal guarantee of Mr. Thomas John. The loans are repayable in 35 to 60 Equated Monthly Instalments.

## THEJO ENGINEERING LIMITED

### Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

*Thejo Australia Pty Ltd (Subsidiary)*

The term loans taken for purchase of equipment and vehicles are secured by the assets purchased utilising the loan. These loans are repayable in 36 to 60 monthly instalments.

The term loan taken for working capital and settlement of a SBLC backed loan is guaranteed by Federal Government of Australia and is repayable in 120 monthly instalments.

#### Note 28.14 Age-wise details of Capital Work-in-Progress

₹ in lakhs

<i>Ageing of Projects in Progress</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
< 1 year	60.33	84.79
1-2 years	12.98	0.45
2-3 years	0.00	0.00
> 3 years	0.00	0.00
<b>Total</b>	<b>73.31</b>	<b>85.24</b>

#### Note 28.15 Age-wise details of Trade Receivables

*Unsecured, Undisputed and Considered Good*

₹ in lakhs

<i>Ageing from due date</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Unbilled Revenue	712.85	455.22
Less than six months*	9,509.06	8,610.44
6 months – 1 Year	297.04	109.06
1-2 Years	167.29	101.16
2-3 Years	14.28	37.45
More than 3 Years	109.40	148.68
<b>Total</b>	<b>10,809.92</b>	<b>9,462.01</b>
Less: Provision for Expected Credit Loss	145.93	190.57
<b>Total after Provision for Expected Credit Loss</b>	<b>10,663.99</b>	<b>9,271.44</b>

\* - includes outstanding that are not due.

Disputed receivables - Nil

#### Note 28.16 Age-wise details of Trade Payables

*Payable to Others (i.e. other than MSMEs)*

₹ in lakhs

<i>Ageing from due date</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Less than one year*	3,446.33	3,888.40
1-2 Years	8.81	21.13
2-3 Years	0.49	15.12
More than 3 Years	0.73	63.78
<b>Total</b>	<b>3,456.36</b>	<b>3,988.43</b>

\* - includes outstanding that are not due.

Dues to MSMEs and disputed dues - Nil

**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**Note 28.17 Other Components of equity**

Securities Premium: This comprises of the amount received in excess of the face value of equity shares on issue of shares and difference between the fair value of shares on the grant date and the issue price in respect of shares allotted under Employee Stock Option Plan. During the year, as approved by the Members of the Parent Company, Bonus Equity Shares (of face value of ₹ 10/- each fully paid) in the ratio of 2:1 was issued by utilizing the Securities Premium. The movement in Securities Premium during the year is as follows:

₹ in lakhs		
<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	2,017.75	1,897.57
Add: Addition on issue of shares under ESOP	115.15	120.18
Less: Utilization for issue of bonus shares	(709.47)	(0.00)
Balance as at the end of the year	1,423.43	2,017.75

Employees Stock Options Outstanding Account (ESOP Outstanding): The amount charged to the Consolidated Statement of Profit and Loss comprising the fair value of Employee stock options is credited to ESOP Outstanding Account. The movement in ESOP outstanding during the year is as follows:

₹ in lakhs		
<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	186.47	152.10
Add: Fair value of ESOP charged to Consolidated Statement of Profit and Loss during the year	36.55	67.95
Less: Issue of shares under ESOP	(39.00)	(33.58)
Less: Transfer to General Reserve on stock options lapsed	(14.34)	(0.00)
Balance at the end of the year	169.68	186.47

General Reserve: The amount transferred by the Parent Company from net profit before declaring dividend under the then extant provisions of the Companies Act, 1956 is accumulated under General Reserve. The balance in ESOP outstanding in respect of options that lapsed on expiry of the options are also transferred to General Reserve. There is no statutory requirement for mandatory transfer to General Reserve under the Companies Act, 2013. The movement in General Reserve during the year is as follows:

₹ in lakhs		
<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	621.71	621.71
Add: Transfer from ESOP outstanding on stock options lapsed	14.34	0.00
Balance at the end of the year	642.05	621.71

Retained Earnings: The amount of profits retained by the Group till date after transfers to General Reserve, Statutory Reserve, dividends, other distributions made to the Shareholders, etc is accumulated under Retained Earnings. The movement in Retained Earnings during the year is as follows:

₹ in lakhs		
<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	9,317.36	6,886.87
Add: Profit during the year	3,763.03	2,645.41
Less: Transfer to Statutory Reserve	(76.27)	(41.53)
Less: Dividend distributed	(212.61)	(173.40)
Balance at the end of the year	12,791.50	9,317.36

## THEJO ENGINEERING LIMITED

### Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

Statutory Reserve: The amount of profits retained by the Group from its consolidated profits statutorily to a separate reserve as mandated by the law is accumulated in Statutory Reserve. The movement in Statutory Reserve during the year is as follows:

	₹ in lakhs	
<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	139.40	97.87
Add: Transfer from the Consolidated Statement of Profit and Loss during the year	76.27	41.53
Balance at the end of the year	215.67	139.40

#### *Items of Other Comprehensive Income*

Foreign Currency Translation Reserve: The amount of difference arising on account of conversion of the various balances of foreign subsidiaries at different exchange rates are routed through Other Comprehensive Income and accumulated under Foreign Currency Translation Reserve. The movement in Foreign Currency Translation Reserve during the year is as follows:

	₹ in lakhs	
<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	167.79	(54.13)
Foreign Currency Translation Reserve during the year	46.04	221.92
Balance at the end of the year	213.83	167.79

Re-measurement of Net Defined Benefit Plans: The changes in liability arising on account of change in actuarial assumptions, experience adjustments, etc and difference between interest income on plan assets and actual interest earned thereon are recognized in Other Comprehensive Income and accumulated under this head under Other Equity. The movement in Re-measurement of Net Defined Benefit Plans during the year is as follows:

	₹ in lakhs	
<i>Particulars</i>	<i>As at 31<sup>st</sup> March, 2022</i>	<i>As at 31<sup>st</sup> March, 2021</i>
Balance at the beginning of the year	52.28	0.00
Add: Transfer from Other Comprehensive Income during the year	(74.03)	52.28
Balance at the end of the year	(21.75)	52.28

#### **Note 28.18 Other Disclosures**

**28.18.1** As the estimated recoverable amounts of the assets/cash generating units of the Group and its subsidiaries are higher than their carrying amount, no impairment of assets has been recognized in the consolidated accounts of the Group in line with relevant Ind-AS.

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



**THEJO ENGINEERING LIMITED**
**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**Amount ₹ In Lakhs**

Name of the Enterprise	Net Assets i.e. Total assets minus total liabilities		Share in Consolidated profit or (loss)		Share in Consolidated Other Comprehensive Income (OCI)		Share in Consolidated Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of TCI	Amount
Parent								
Thejo Engineering Limited	82.88%	15,391.10	68.80%	2,924.70	(490.60%)	(74.03)	66.82%	2,850.67
Subsidiaries								
Foreign								
1. Thejo Hatcon Industrial Services Company	7.48%	1,389.22	9.28%	394.35	233.51%	35.24	10.07%	429.58
2. Thejo Australia Pty Ltd	11.26%	2,090.38	7.31%	310.86	174.06%	26.27	7.90%	337.12
3. Thejo Brasil Comercio E Servicos Ltda	0.37%	68.40	2.33%	98.95	5.07%	0.77	2.34%	99.72
4. Thejo Engineering LatinoAmerica SpA	0.78%	144.77	1.61%	68.32	(107.55%)	(16.23)	1.22%	52.10
Non-controlling Interest	11.14%	2,069.20	11.48%	488.10	285.51%	43.08	12.45%	531.18
Inter-company eliminations	(13.91%)	(2,583.75)	(0.80%)	(34.16)	0.00%	0.00	(0.80%)	(34.16)
<b>Total</b>	<b>100.00%</b>	<b>18,569.32</b>	<b>100.00%</b>	<b>4,251.13</b>	<b>100.00%</b>	<b>15.09</b>	<b>100.00%</b>	<b>4,266.22</b>

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

**28.18.4** The Parent Company did not have any transaction with companies struck off under the provisions of the Companies Act.

**28.18.5** Other income for the year ended 31<sup>st</sup> March, 2021 includes an amount of ₹ 94.80 lakhs (AUD 1.84 lakhs) received by Perth Branch as Jobkeeper Subsidy and ATO (Australian Tax Office) Cash Booster and ₹ 50.84 lakhs (AUD 1 lakh) received by Thejo Australia Pty Ltd as ATO Cash Booster as part of the stimulus/relief package extended by the Australian/West Australian Government to support the business entities to overcome the adverse impact of COVID-19.

**28.18.6** 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 29 Previous Year Figures**

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

As per our report of even date  
For BRAHMAYYA & CO.  
Chartered Accountants  
(ICAI Registration No. 000511S)  
P. BABU  
Partner  
Membership No. 203358  
Place : Chennai  
Date : 26<sup>th</sup> May, 2022

For and on behalf of the Board of Directors

V A GEORGE  
Executive Chairman  
DIN 01493737

THOMAS JOHN  
Vice Chairman  
DIN 00435035

MANOJ JOSEPH  
Managing Director  
DIN 00434579

M D RAVIKANTH  
Chief Financial Officer  
and Secretary

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 <sup>st</sup> April, '21 to 31 <sup>st</sup> March, '22	1 SAR = ₹ 20.1994	654.35	1905.90	3,392.54	3,392.54	-	2,303.55	983.71	210.48	773.23	-	51.00
2	Thejo Australia Pty Ltd	01 <sup>st</sup> April, '21 to 31 <sup>st</sup> March, '22	1 AUD = ₹ 56.6705	1,624.94	900.55	5,723.84	5,723.84	-	12,472.33	599.66	179.58	420.08	-	74.00
3	Thejo Brasil Comercio E Servicos Ltda	01 <sup>st</sup> April, '21 to 31 <sup>st</sup> March, '22	1 BRL = ₹ 15.8716	98.62	(37.47)	108.65	108.65	-	305.18	103.17	4.21	98.96	-	99.99
4	Thejo Engineering LatinoAmerica SpA	01 <sup>st</sup> April, '21 to 31 <sup>st</sup> March, '22	1 USD = ₹ 75.7479	696.42	(453.28)	881.60	881.60	-	997.67	68.32	0	68.32	-	99.86

\*Following exchange rates have been adopted for converting Reporting currency to INR:

- Share Capital is disclosed based on average rate of investment.
- Reserves and Surplus is computed based on:
  - Opening Balance : INR of previous year of respective balance sheet and
  - Current year Profit at Average rate of FY 2021-22 .
- Assets and liabilities are disclosed based on closing rate as on 31<sup>st</sup> March, 2022.
- Turnover and Profit and Loss are disclosed based on average rate for the FY 2021-22.
- The rates given in the table are exchange rates as on 31<sup>st</sup> March, 2022.

For BRAHMAYYA & CO.

Chartered Accountants

ICAI Registration No. 000511S

P. BABU

Partner

Membership No. 203358

UDIN: 22203358AJUCPS9958

V.A. GEORGE

Executive Chairman

DIN 01493737

THOMAS JOHN

Vice Chairman

DIN 00435035

MANOJ JOSEPH

Managing Director

DIN 00434579

M.D. RAVIKANTH

CFO & Secretary

For and on behalf of the Board of Directors

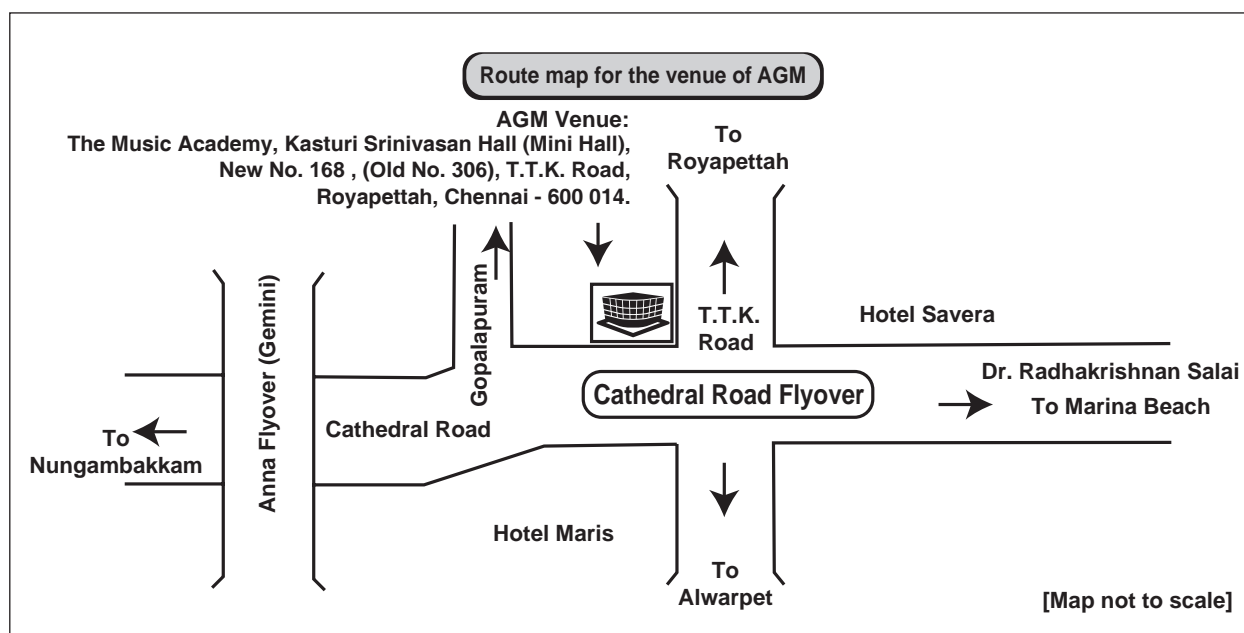
Place : Chennai

Date : 26<sup>th</sup> May, 2022



## THEJO ENGINEERING LIMITED

Resolutions	For	Against
1. Consider and adopt: a) the Audited Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2022, the Reports of the Board of Directors and Auditors thereon b) the Audited Consolidated Financial Statements of the Company together with Report of Auditors thereon for the Financial Year ended 31 <sup>st</sup> March, 2022		
2. Declaration of Dividend on Equity Shares for the Financial Year ended 31 <sup>st</sup> March, 2022		
3. Re-appointment of Mr. Manoj Joseph (DIN 00434579) as a Director.		
4. Re-appointment of Mr. Rajesh John (DIN 05161087) as a Director.		
5. Re-appointment of Statutory Auditors.		
6. Appointment of Mr. Sridhar Ganesh (DIN 01681018) as an Independent Director .		









Thejo's stall at the 9<sup>th</sup> International Mining, Equipment, Minerals & Metals Exhibition, Kolkata  
(Inset: Trophy for Best Design & Concept – Medium Stall – Second Prize)



Team Thejo in front of our stall



**Thejo Engineering Limited**

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Tamilnadu, India.

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Email: [investor@thejo-engg.com](mailto:investor@thejo-engg.com)

Website: [www.thejo-engg.com](http://www.thejo-engg.com)