

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 31st March, 2022. Your Company has voluntarily adopted Ind-AS during the financial year 2021-22 (FY22) with 1st 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 31st March, 2022 are given below:

₹ in lakhs

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

* 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.

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 31st 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 31st March, 2022 (previous year: 60%). Based on the equity shares outstanding as on 31st 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 1st April, 2020 and the Company is required to deduct tax at source ("TDS") from dividend payable to the Members at the rates prescribed in the Income-tax Act, 1961. The dividend payment is subject to the approval of the Members at the ensuing Annual General Meeting.

EMPLOYEES' STOCK OPTION SCHEME

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

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

During the year under review, there were no material changes in the Employee Stock Option Scheme, 2015 of the Company and the Scheme is in compliance with the SEBI Regulations on ESOPs. 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.

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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 st April, 2021	Opening Balance		35,16,427
3 rd May, 2021	Allotment under ESOP	4,755	35,21,182
8 th June, 2021	Allotment under ESOP	21,731	35,42,913
31 st July, 2021	Allotment under ESOP	626	35,43,539
13 th September, 2021	Allotment under ESOP	3,839	35,47,378
15 th October, 2021	Allotment of Bonus Shares	70,94,756	1,06,42,134
14 th December, 2021	Allotment under ESOP	6,742	1,06,48,876
29 th January, 2022	Allotment under ESOP	6,750	1,06,55,626
10 th 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.

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

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.

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.

BOARD'S REPORT

The domestic product business is prone to cyclicity in the economy, especially the core sector. The competition from the unorganized sector is a challenge for the services business of the Company. In Operation & Maintenance, there is intense competition with manpower-based contracts being bagged by 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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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 31st 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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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, 1st April, 2021 to 31st 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, 1st April, 2021 to 31st 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, 1st April, 2021 to 31st 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, 1st April, 2021 to 31st 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).

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 31st 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 31st March, 2022 and of the profit of the Company for the year ended on that date;

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- 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 31st 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 31st Annual General Meeting of the Company held on 16th August, 2017 to hold office up to the conclusion of the 36th Annual General Meeting of the Company.

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 41st 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 31st 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 ¹	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 12th November, 2021.

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

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 15th 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 14th November, 2026 *vide* Item 6 of the Notice dated 26th 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 22nd 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 23rd 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 15th July, 2021, by the Board at its meeting held on 22nd June, 2021 based on the recommendation of the Compensation/Nomination and Remuneration Committee. The appointment was approved by the Members at their 35th Annual General Meeting held on 30th August, 2021.

Mr. Manesh Joseph (DIN 07599476) was appointed as an Additional Director with effect from 23rd June, 2021 by the Board at its meeting held on 22nd 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 23rd June, 2021. The Members at their 35th Annual General Meeting held on 30th August, 2021 approved the appointment of Mr. Manesh Joseph as a Director and a Whole-time Director.

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 15th July, 2021, by the Board at its meeting held on 22nd June, 2021 based on the recommendation of the Compensation/Nomination and Remuneration Committee. The appointment was approved by the Members at their 35th Annual General Meeting held on 30th 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 16th January, 2022, by the Board at its meeting held on 22nd June, 2021 based on the recommendation of the Compensation / Nomination and Remuneration Committee. The re-appointment was approved by the Members at their 35th Annual General Meeting held on 30th August, 2021.

Mr. N. Ganga Ram (DIN 00001246), who was serving as an Independent Director on the Board, passed away on 6th 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

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 th 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

Particulars	2021-22
Capital	17.67
Revenue (excluding depreciation)	154.55
Total	172.22
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
Total	940.38	674.37

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
Total	1,064.60	598.52

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
Total	4,808.49	3,344.37

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 Brahmurishi 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

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 : 26th May, 2022

V.A. GEORGE
Executive Chairman
DIN 01493737

V.K. SRIVASTAVA
Chairman of CSR Committee
DIN 00611678

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.

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.

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

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

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 31st 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 st 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 31st 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
26th 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 ¹	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 ²	30.72	NA	9.20	NA
Mr. N. Ganga Ram ³	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 ⁴	1.00	NA	0.30	NA
Mr. M. D. Ravikanth ⁵	32.00	17.73	NA	27.18

Notes:

- 1) Mr. K.J. Joseph resigned from the Board on 22nd June, 2021.
- 2) Mr. Manesh Joseph was appointed as a Director with effect from 23rd June, 2021. Remuneration excludes remuneration drawn in his capacity as Sr Vice President (Services and Operations & Maintenance) for the period 1st April, 2021 till 22nd June, 2021.
- 3) Mr. 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.
- 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.

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 31st 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 23rd 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.

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 31st 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
Promoter & Non-Executive Director	Mr. Thomas John, Vice Chairman	00435035
Executive Directors	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
Independent Directors	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 31st 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 31st 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 14th June, 2021, 22nd June, 2021, 30th August, 2021, 12th November, 2021 and 10th 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 th 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 ¹	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 ²	5	1	NA
*	Mr. K.J. Joseph*	5	2	Yes
^	Mr. N. Ganga Ram [^]	5	3	Yes

Notes:

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

III. COMMITTEES

i) Audit Committee

The Audit Committee of the Board of Directors was constituted on 16th 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 6th October, 2021

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 14th June, 2021, 30th August, 2021, 12th November, 2021 and 10th 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.
-

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 30th August, 2021.

ii) Compensation / Nomination and Remuneration Committee

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

S.No.	Name of the Member	Status	No. of Meetings held	No. of Meetings attended
1	Mrs. Sujatha Jayarajan	Independent Director, Chairperson (Chairperson since 10 th 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 th October, 2021)	3	1

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

^ Mr. N. Ganga Ram passed away on 6th 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 22nd June, 2021, 10th November, 2021 and 10th March, 2022.

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 ¹	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 ²	-	30.72	6.35	-	37.07
Independent Directors					
Mr. N. Ganga Ram ³	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 ⁴	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 th July, 2021 to 14 th July, 2026	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Manoj Joseph	15 th July, 2021 to 14 th July, 2026	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Rajesh John	16 th January, 2022 to 15 th January, 2027	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Manesh Joseph	23 rd June, 2021 to 22 nd June, 2026	Not Applicable	Commission of up to 2% of annual profit	Nil

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

The Corporate Social Responsibility Committee of the Board was formed on 20th May, 2014. Currently, the Committee consists of four Directors. The status of the Directors and their attendance at the Meetings were as follows:

S.No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Mr. V.K. Srivastava	Independent Director, Chairman	1	1
2	Mr. 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 30th August, 2021

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

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Corporate Social Responsibility Committee was held on 22nd 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 16th January, 2012. It was re-designated as Stakeholders' Relationship Committee with effect from 12th 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 30th August, 2021

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

ANNEXURE TO BOARD'S REPORT

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Committee were held on 14th June, 2021, 30th August, 2021, 12th November, 2021 and 10th 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 31st March, 2022.

v) Allotment Committee

The Allotment Committee of the Board was formed on 3rd 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 22nd 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 10th 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 th 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 th 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 th 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 30th August, 2021 for issue of Bonus Equity shares, which was duly passed on 3rd October, 2021 (last date for e-voting) and the results of which were announced on 4th 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.

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.

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 20th May, 2014. The status of the Directors and their attendance at the meetings were as follows:

S.No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Mr. V.K. Srivastava	Independent Director, Chairman	1	1
2	Mr. 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 30th August, 2021

[^] Mr. K.J. Joseph was member of the Committee until 22nd 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 22nd 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 10th 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

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" immediately after its submission to the Stock Exchange.

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

Saturday, 27th 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, 21st August, 2022 to Saturday, 27th August, 2022 (both days inclusive) for payment of dividend and Saturday, 20th 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 15th 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

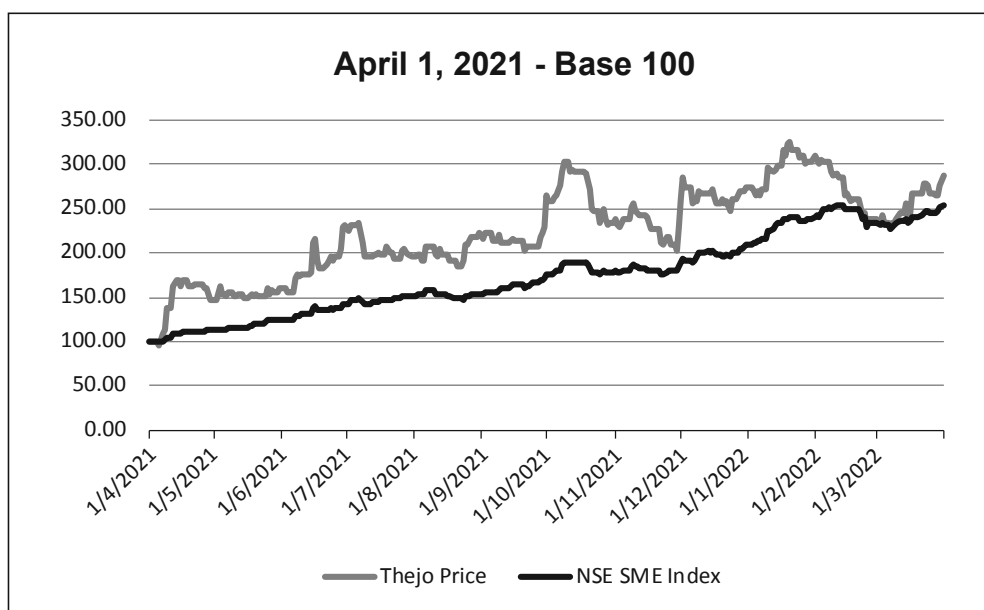
Market Price Data:

(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 11th 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 11th 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 31st 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
Total		1037	100.00	10,65,71,260	100.00

Shareholding Pattern as on 31st 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
	Total	1,06,57,126	100.00

ANNEXURE TO BOARD'S REPORT
Dematerialisation of Shares and Liquidity as on 31st 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	-	-
	Total	1,06,57,126	100.00

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

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

Plant Locations and Research & Development Centre

- | | |
|---|---|
| <p>1 Unit – I
situated at Survey No.176/3,
181/5 & 181/6A, Jagannathapuram Road,
Irulipattu Village, Alingivakkam Post,
Ponneri Taluk, Chennai – 600 067.</p> <p>3 Unit – III
situated at, Survey No. 100/5,
Athipedu Village, Jagannathapuram Road,
Ponneri Taluk, Chennai – 600 067.</p> <p>5 Research & Development Centre
situated at, Survey No. 179/3B,
Jagannathapuram Road, Irulipattu Village,
Ponneri Taluk, Chennai – 600 067.</p> | <p>2 Unit II (PU Division)
situated at, Survey No. 179/3B,
Jagannathapuram Road, Irulipattu Village,
Alingivakkam Post, Ponneri Taluk,
Chennai – 600 067.</p> <p>4 Lining Division
situated at, Survey No. 234/2C
Jaganathapuram-II, Ponneri Taulk,
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 rd Floor, VDS House, No.41, Cathedral Road, Chennai- 600 086.
5	Corporate address	3 rd Floor, VDS House, No.41, Cathedral Road, Chennai- 600 086.
6	E-mail	investor@thejo-engg.com
7	Telephone	044-42221900
8	Website	www.thejo-engg.com
9	Financial year for which reporting is being done	1 st April, 2021 to 31 st 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: investor@thejo-engg.com
13	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain only to Thejo Engineering Limited.

II. Products/services14. 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: 31st March, 2022

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	481	458	95.22	23	4.78
2.	Other than Permanent (E)	21	18	85.71	3	14.29
3.	Total employees (D + E)	502	476	94.82	26	5.18
WORKERS						
4.	Permanent (F)	855	849	99.30	6	0.70
5.	Other than Permanent (G)	699	696	99.57	3	0.43
6.	Total workers (F + G)	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)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	NA	0	NA
2.	Other than Permanent (E)	0	0	NA	0	NA
3.	Total differently abled employees (D + E)	0	0	NA	0	NA
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	4	4	100.00	0	0.00
5.	Other than permanent (G)	0	0	NA	0	NA
6.	Total differently abled workers (F + G)	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
Permanent Employees	16.59%	17.39%	16.63%	9.55%	4.55%	9.31%	8.53%	8.70%	8.53%
Permanent Workers	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
Permanent Employees	76	4	80	42	1	43	37	2	39
Permanent Workers	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
Policy and management processes											
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									
Governance, leadership and oversight																			
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:																		
	Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other – please specify)								
		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

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)
Permanent employees											
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
Total	481	133	27.65	481	100.00	23	100.00	0	0.00	0	0.00
Other than Permanent employees											
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
Total	21	0	0.00	20	95.24	3	100.00	0	0.00	0	0.00

- 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)
Permanent workers											
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
Total	855	0	0.00	855	100.00	6	100.00	0	0.00	0	0.00
Other than Permanent workers											
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
Total	699	0	0.00	48	6.87	3	100.00	0	0.00	0	0.00

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)
Employees										
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
Total	481	4	0.82	291	60.50	462	4	0.87	116	25.11
Workers										
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
Total	855	183	21.40	191	22.34	831	191	22.98	63	7.58

- 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)
Employees						
Male	458	458	100.00	440	440	100.00
Female	23	23	100.00	22	22	100.00
Total	481	481	100.00	462	462	100.00
Workers						
Male	849	849	100.00	824	824	100.00
Female	6	6	100.00	7	7	100.00
Total	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:

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
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:

	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
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
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

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
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)
Employees						
Permanent	481	10	2.08	462	5	1.08
Other than permanent	21	0	0.00	14	0	0.00
Total Employees	502	10	1.99	476	5	1.05
Workers						
Permanent	855	0	0.00	831	0	0.00
Other than permanent	699	0	0.00	631	0	0.00
Total Workers	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	%
Employees										
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
Workers										
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 ³	1	6.67	0	NA
(c) Non-Executive Independent Directors ³	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 31st March, 2022.
- 2) Remuneration/Salary/Wage represents salary/wages per annum based on fixed gross salary/wages per month as on 31st 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
Total energy consumption (A+B+C)	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
Water withdrawal by source (in kilolitres)		
(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
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	24477	19012
Total volume of water consumption (in kilolitres)	24477	19012
Water intensity per rupee of turnover (Water consumed / turnover)	0.0179 litres	0.0186 litres
Water 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 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:

Parameter	Unit	FY 2021-22	FY 2020-21
NOx	µg/m ³	29.5	18
SOx	µg/m ³	14.2	9.0
Particulate matter (PM):			
PM10	µg/m ³	78.8	79
PM2.5	µg/m ³	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:

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	NA	NA
Total Scope 1 and Scope 2 emissions per rupee of turnover		NA	NA
Total Scope 1 and Scope 2 emission 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

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

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/flashes 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
-

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:

	FY 2021-22	FY 2020-21
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:

	As a % of Total Turnover
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.

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 : 26th May, 2022

V.A. GEORGE
Executive Chairman
DIN 01493737

CEO AND CFO CERTIFICATION

The Board of Directors,
Thejo Engineering Limited,
Chennai.

Dear Members of the Board,

We have reviewed the Financial Statements and the Cash Flow Statement of Thejo Engineering Limited for the year ended 31st March, 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 : 26th May, 2022

M.D. RAVIKANTH
CFO & Secretary

V.A. GEORGE
Executive Chairman
DIN 01493737

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