

## BOARD'S REPORT

The Board of Directors are pleased to present the Thirty Fifth Annual Report of the Company and its audited financial statements (standalone and consolidated) for the Financial Year ended 31<sup>st</sup> March, 2021. The summarised financial results for the year ended 31<sup>st</sup> March, 2021 are given below:

₹ in lakhs

	Standalone		Consolidated	
	Year Ended 31 <sup>st</sup> March, 2021	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2021	Year Ended 31 <sup>st</sup> March, 2020
Profit before Exceptional Items, Interest, Depreciation and Tax	<b>3,606.46</b>	2,671.43	<b>5,171.97</b>	4,934.50
Less: Exceptional Item	-	-	-	-
Profit before Interest, Depreciation and Tax	<b>3,606.46</b>	2,671.43	<b>5,171.97</b>	4,934.50
Less: Interest	<b>170.63</b>	339.13	<b>286.58</b>	459.29
Profit before Depreciation and Tax	<b>3,435.83</b>	2,332.30	<b>4,885.39</b>	4,475.21
Less: Depreciation	<b>447.16</b>	456.48	<b>715.87</b>	633.19
Net Profit before Taxes	<b>2,988.67</b>	1,875.82	<b>4,169.52</b>	3,842.02
Less: Taxation (Including Deferred Tax)	<b>747.07</b>	501.53	<b>1,129.32</b>	805.70
Net Profit After Tax before Transfer to Minority Interest	<b>2,241.60</b>	1,374.29	<b>3,040.20</b>	3,036.32
Less: Transfer to Minority Interest	-	-	<b>299.22</b>	522.66
Net Profit After Tax and Transfer to Minority Interest	<b>2,241.60</b>	1,374.29	<b>2,740.98</b>	2,513.66
Add: Brought forward from previous year	<b>7,646.33</b>	6,479.68	<b>7,105.77</b>	4,845.23
Balance Available for Appropriations	<b>9,887.93</b>	7,853.97	<b>9,846.75</b>	7,358.89
Appropriations:				
Transfer to General Reserve	-	-	-	-
Dividend	<b>173.40*</b>	172.24	<b>173.40</b>	172.24
Dividend Distribution Tax	-	35.40	-	35.40
Transfer to Statutory Reserve	-	-	<b>41.53</b>	45.48
Balance Carried over to Balance Sheet	<b>9,714.53</b>	7,646.33	<b>9,631.82</b>	7,105.77

\* Dividend pertains to the Financial Year 2019-20. No appropriation for dividend has been made in the Accounts for the dividend recommended for the Financial Year 2020-21, pending approval by the Members at the ensuing Annual General Meeting, in line with Accounting Standard (AS) 4.

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

During the year under review, in the wake of business impact caused by COVID-19, your company focussed on profitable operations at site level in respect of Service and Operation and Maintenance division. The Company continued to focus on value-added products under 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:

## BOARD'S REPORT

### STANDALONE

Your Company recorded revenue (from operations) of ₹ 21,372.36 lakhs for the year ended 31<sup>st</sup> March, 2021 as against ₹ 20,169.16 lakhs in the previous year. It achieved an EBITDA of ₹ 3,606.46 lakhs (previous year ₹ 2,671.43 lakhs), resulting in a net profit of ₹ 2,241.60 lakhs as against ₹ 1,374.29 lakhs in 2019-20, registering a growth of 35% in terms of EBITDA and a growth of 63% in terms of net profit.

### CONSOLIDATED

The Consolidated Financial Statements of the Company have been prepared as per Accounting Standard 21 issued by the Institute of Chartered Accountants of India. The Company's consolidated revenue from operations in the year under review aggregated ₹ 32,707.23 lakhs (previous year ₹ 30,389.76 lakhs) on which it made EBITDA of ₹ 5,171.97 lakhs (previous year ₹ 4,934.50 lakhs) and net profit (after transfer to Minority Interest) of ₹ 2,740.98 lakhs as against ₹ 2,513.66 lakhs in 2019-20, registering a growth of 5% and 9% in terms of EBITDA and net profit (after transfer to Minority Interest), respectively.

### DIVIDEND

The Board of Directors are pleased to recommend payment of dividend of 60% i.e. ₹ 6/- per equity share of ₹ 10/- each for the Financial Year ended 31<sup>st</sup> March, 2021 (previous year: 50%). Based on the equity shares outstanding as on 31<sup>st</sup> March, 2021, the dividend would absorb an amount of ₹ 210.99 lakhs (previous year - ₹ 173.40 lakhs). Dividend Distribution Tax has now been abolished. Pursuant to the Finance Act, 2020, the dividend income will be taxable in the hands of the shareholders with effect from 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source ("TDS") from dividend payable to the Members at the rates prescribed in the Income-tax Act, 1961. The dividend payment is subject to the approval of the Members at the ensuing Annual General Meeting.

### EMPLOYEES STOCK OPTION SCHEME

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

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

During the year under review, there were no material changes in the Employee Stock Option Scheme, 2015 of the Company and the Scheme is in compliance with the SEBI Regulations on ESOPs. Information in respect of options granted under the Thejo Employee Stock Option Plan 2015 is given in Note 24.10 forming part of the Financial Statements. As per Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular dated 16<sup>th</sup> June, 2015, the details of the ESOPs are uploaded on the Company's website <https://www.thejo-engg.com/sites/ESOPs2021.pdf>

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

Date	Details	No. of equity shares Allotted	No. of equity shares (Cumulative)
1 <sup>st</sup> April, 2020	Opening Balance		34,60,352
10 <sup>th</sup> July, 2020	Allotment under ESOP	7,600	34,67,952
3 <sup>rd</sup> September, 2020	Allotment under ESOP	12,900	34,80,852
20 <sup>th</sup> October, 2020	Allotment under ESOP	15,048	34,95,900
11 <sup>th</sup> November, 2020	Allotment under ESOP	1,600	34,97,500
10 <sup>th</sup> December, 2020	Allotment under ESOP	2,628	35,00,128
21 <sup>st</sup> January, 2021	Allotment under ESOP	7,700	35,07,828
9 <sup>th</sup> March, 2021	Allotment under ESOP	8,599	35,16,427

---

**BOARD'S REPORT**

A Certificate from the Auditors of the Company as required under Regulation 13 of Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, is attached to the Board's Report.

**CREDIT RATING**

During the Financial Year 2020-21, CRISIL has upgraded the long-term credit rating on the bank facilities of the Company from CRISIL BBB+/Positive to CRISIL A-/Stable and short term-rating from CRISIL A2 to CRISIL A2+.

**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS****ENVIRONMENT**

During the current Financial Year (FY 2020-21), the outbreak of COVID-19 had severely impacted the economies and affected the business environment around the globe. The output of eight core sector industries shrank by 23.4 per cent in May 2020 due to the coronavirus-induced lockdown. However, after the lockdown was relaxed, improvement was witnessed in several sectors of the economy. Cumulative growth of core industries during April 2020 to January 2021 stood at (-) 8.8%. Steel sector, one of the major sectors catered by the Company, which suffered during the initial part of the financial year made a strong comeback towards the end of the financial year aided by steep rise in the prices globally.

Revenue for the Mining division 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 to new mining projects and expansions early over the period. This helped our subsidiary in Australia to strongly establish its business and continue its profitable operations. The economy of Saudi Arabia was badly hit due to Covid pandemic impacting its primary sectors viz., petroleum. However, with established business and clientele, Thejo Hatcon Industrial Services Company ended the year with a marginal dip in its profitability. Brazil had a rough ride in 2020 with the pandemic deeply impacting public health and economic activity. The economy contracted by 4.1% in 2020, affecting the modest recovery that had started to take shape in 2017. The operations of our subsidiary in Brazil remained steady during the year with marginal loss. Though the GDP of Chile contracted by 6% during 2020, its mining exports registered a growth of about 4% during the year. On the back of steady establishment of our products and our brand in the market, the operations of our subsidiary in Chile remained steady and continued to be profitable during the year. Subject to the economic shock generated by COVID-19, the subsidiaries are expected to grow in the medium term.

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

Crude steel production in India fell by 10.60% during CY2020 due to more stringent lockdown in the country. The domestic steel industry has witnessed significant improvement in the production levels in the last quarters of the financial year.

The Government has announced several stimulus packages to tackle the economic impact of COVID-19 and several reform measures to give impetus to the economic growth. The policy decision to open up mining to the private sector is one such reform. The implementation of these reforms in right earnest will be crucial for the medium term economic growth.

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

---

**BOARD'S REPORT****COMPANY PERFORMANCE AND KEY DEVELOPMENTS**

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

The outbreak of COVID-19 pandemic has affected the business/economic activities globally. In India, the Central and State Governments imposed lockdown/restrictions from the last week of March 2020 to tackle the pandemic. As a result, the manufacturing activities of the Company were temporarily closed for a short period of time from the last week of March 2020. As many of the customers of the services and operation and maintenance divisions of the Company fell under essential products/services/continuous operation plants, the Company continued to serve them in line with their requirement and operation levels. The restrictions were slowly relaxed and by the second half of the financial year, the business momentum was regained. The Company started to regain the business momentum from the second quarter of the financial year and gathered momentum in the second half of the financial year. The Company is currently carrying its operations following all statutory guidelines and complying with necessary safety and sanitary norms. A brief outlook on the expected impact of COVID-19 is given under "Future Outlook" section of this Report. Members may also refer to Note 24.13.6 forming part of the Financial Statements.

**RESEARCH AND DEVELOPMENT**

The R&D Centre is focussing on developing new and innovative products as well as bringing about continuous improvement of existing products so as to meet the needs of the customers and to tap new markets. The sustained efforts of the Research and Development Team have helped the Company to develop diverse product ranges, capable of withstanding some of the hardest working conditions in core sector industries.

During the financial year, the in-house R&D Centre of the Company won the CII Industrial Innovation Awards 2020 under "Manufacturing – Medium Enterprise" Category and was also selected as one of the Top 25 Innovative Companies.

During the year under review, the Company had applied for patent in respect of several products/inventions. As at the end of the financial year, the Company had applied for 26 patents, of which eight patents have been awarded and the balance are in process.

**SAFETY**

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

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

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

Recently, the Central Government have taken various initiatives under the Atmanirbhar Abhiyan to enhance the domestic production of steel such as inclusion of 'Speciality Steel' incorporating four different product

---

**BOARD'S REPORT**

categories for incentives under the Production Linked Incentive (PLI) scheme, measures to provide preference to domestically produced iron and steel in government procurement, protecting the industry from unfair trade through appropriate remedial measures including imposition of anti-dumping duty and countervailing duty, etc. Further, various measures announced in the union budget for infrastructure-led economic revival, disinvestment along with increased Capex spending and increase in number of projects under National Infrastructure Pipeline are expected to boost sectors that the Company caters to. These measures are a positive sign towards growth in Core Industries and provides 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 cyclicalities experienced by its customers. It also helps the Company to tap the business opportunity during expansion as well as during operations.

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

The Company has managed to maintain its exports despite the pandemic and the resultant impact on logistics posing challenge to international trade. With the domestic growth expected to be tepid, the Company considers exports as the area of opportunity. The Company is taking various measures to establish its products in the overseas markets. The Company believes that there will be good growth and returns from exports in the medium to long term.

**THREATS**

The economic impact of COVID-19 has been a major threat and almost all countries faced a slowdown in economic growth amidst rising trade tensions and policy uncertainties. Containing the second and subsequent waves of COVID-19 poses serious global challenge. This had a bearing on various industries and sectors. Although the manufacturing sector is expected to stage a relatively quick recovery, supply chain disruptions are likely to continue. Though steel sector made handsome recovery in the last quarter of FY2020-21, the ability to sustain the same will depend on the ability of key steel-consuming sectors bouncing back. The private sector demand in infrastructure, construction, and real estate sectors were subdued due to the lockdown. Further, the demand from automobile, white goods, and capital goods sectors may reduce with consumers deferring discretionary spends in the near term. Effective government stimulus and return of consumer confidence is likely to be the key driver for a gradual recovery over the FY2021-22.

The domestic product business is prone to cyclicalities in the economy, especially the core sector. The competition from the unorganized sector is a challenge for the services business of the Company. In Operation & Maintenance, there is intense competition with manpower-based contracts being bagged by competition at lower prices, especially during times of economic downturn.

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

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

The prices of most of the raw materials used by the Company are volatile. The impact of COVID-19 also plays a role in the price of raw materials. The Company is doing its best to address this risk by framing appropriate procurement and pricing policies.

---

**BOARD'S REPORT****FUTURE OUTLOOK**

The business and economic impact of COVID-19 along with the effects of the second wave of COVID is expected to be felt during FY21-22. The Central Government have announced a slew of policy, liquidity and fiscal measures as part of the “Atma Nirbhar Bharat” Scheme and as part of Union Budget 2021. Implementation of these policies and schemes would play a crucial role in the economic growth in the medium term. While FY22 may witness overall growth on the back of fall in the GDP during FY21, the pace and extent of recovery shall depend on the implementation of various policy measures. Under these circumstances, the future outlook remains one of guarded optimism.

**FINANCIAL PERFORMANCE**

The financial performance of the Company in the year under review has shown reasonable growth. The turnover from Manufacturing Division has increased marginally with reasonable increase in profitability. The Services Division saw a better performance with increase in turnover and profitability. Exports have shown a dip of about 11% 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 1,162 tonnes during 2020-21, registering a growth of 13% over the previous year (1,029 tonnes). The production of adhesives during the year under review was 323 tonnes, showing a dip of 4% over the previous year (338 tonnes).

**SEGMENT WISE PERFORMANCE**

Your Company has 3 segments of revenue – Manufacturing Units, Service Units and Others. Audited financial results of these segments are furnished in Note 24.4, forming part of the Financial Statements.

**RISKS AND CONCERNS**

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

However, impact of COVID-19 and its second/subsequent waves, volatility in commodity prices, fluctuations in forex, and constraints in infrastructure are causes for concern in the near/medium future.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

**DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS**

The Company continues to look at, identify, create and execute 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.

During the year, the spread of COVID-19 and associated moral and psychological stress of the employees, especially those serving in remote locations, were combatted through the support extended to them and their families.

## BOARD'S REPORT

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 2020-21, 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 second half of the financial year, the Company could successfully increase its turnover, profitability, receivable position and consequently reduce working capital utilization and interest outflow. The Company registered a profitability of ₹ 2,241.60 lakhs against ₹ 1,374.29 lakhs in the previous year with a reasonable growth in sales.

As a result of the above factors, the company could considerably improve the key financial ratios as given below:

Particulars	Financial Year 2020-21	Financial Year 2019-20
Operating Profit Margin	14.83%	11.05%
Net Profit Margin	10.52%	6.86%
Return on Net Worth	19.13%	13.75%
Debt Equity Ratio (Times)	0.45	0.62
Interest Coverage Ratio (Times)	18.52	6.53

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.

---

**BOARD'S REPORT****PERFORMANCE OF SUBSIDIARY COMPANIES**

Thejo Hatcon Industrial Services Company (Thejo Hatcon) is engaged primarily in rubber lining and related industrial services activities. During the period, 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021, Thejo Hatcon achieved a turnover of SAR 8.20 million (₹ 1,626.18 lakhs) on which it made net profit of SAR 1.67 million (₹ 322.87 lakhs).

Thejo Australia Pty Ltd (Thejo Australia) is a servicing Company, primarily engaged in belt splicing, belt jointing, maintenance and related activities. During the period, 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021, Thejo Australia achieved a turnover of AUD 19.39 million (₹ 9,856.05 lakhs) with a profit of AUD 0.95 million (₹ 542.35 lakhs).

Thejo Brasil Comercio E Servicos Ltda (Thejo Brasil) is mainly engaged in selling materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. During the period, 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021, Thejo Brasil achieved a turnover of BRL 0.78 million (₹ 105.85 lakhs) and incurred a loss of BRL 0.22 million (₹ 30.32 lakhs).

Thejo Engineering LatinoAmerica SpA (Thejo Chile) is primarily engaged in selling materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. During the period, 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021, Thejo Chile achieved a turnover of USD 1.21 million (₹ 897.88 lakhs) with a profit of USD 0.02 million (₹ 1.69 lakhs).

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

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

The Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) 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 2020-21, the Company was required to incur CSR expenditure of ₹ 33.70 lakhs being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company spent ₹ 34 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 2020-21 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 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>

---



---

**BOARD'S REPORT****NUMBER OF MEETINGS OF BOARD**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

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

**AUDITORS' REPORT**

The Auditors' Report for the year ended 31<sup>st</sup> March, 2021 does not contain any qualification. During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Companies Act, 2013.

**AUDITORS**

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

**SECRETARIAL AUDIT**

The Board appointed Mrs. Sindhuja Porselvam, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2020-21 to fill the casual vacancy caused by the demise of the earlier Secretarial Auditor, Mr. G. Porselvam, Practising Company Secretary, who passed away on 23<sup>rd</sup> May, 2021. 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.

**BOARD'S REPORT**

**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.

**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, Shareholders' and Investors' Grievance Committee and Allotment Committee. The terms of reference of the Committees are provided in the Corporate Governance Report, forming part of the Boards' Report. The composition of the Committees is as follows:

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

---

**BOARD'S REPORT**

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

**VIGIL MECHANISM**

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Thomas John (DIN 00435035), Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

Mr. V.A. George (DIN 01493737), Managing Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

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

Mr. V.A. George (DIN 01493737) was appointed as Managing Director up to 14<sup>th</sup> July, 2021 at the 32<sup>nd</sup> Annual General Meeting held on 20<sup>th</sup> August, 2018. The Board of Directors on the recommendation of the Compensation / Nomination and Remuneration Committee have appointed Mr. V.A. George as Whole-time Director designated as Executive Chairman with the general powers of management of the affairs of the Company, for a period of 5 years with effect from 15<sup>th</sup> July, 2021, subject to the approval of the Members.

Mr. Manesh Joseph (DIN 07599476) was appointed as an Additional Director with effect from 23<sup>rd</sup> June, 2021 by the Board at its meeting held on 22<sup>nd</sup> June, 2021 based on the recommendation of the Compensation/ Nomination and Remuneration Committee. He holds office as Additional Director up to the date of this Annual General Meeting. On the recommendation of the Compensation/Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Manesh Joseph as Whole-time Director of the Company for a period of five years with effect from 23<sup>rd</sup> June, 2021, subject to the approval of the Members.

Mr. Manoj Joseph (DIN 00434579) was appointed as Whole-time Director of the Company, designated as Deputy Managing Director and Chief Operating Officer, for a period of 3 years with effect from 20<sup>th</sup> June, 2020 at the 34<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> August, 2020. On the recommendation of the Compensation / Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Manoj Joseph as Managing Director of the Company for a period of 5 years with effect from 15<sup>th</sup> July, 2021, subject to the approval of the Members.

Mr. Rajesh John (DIN 05161087) was appointed as Whole-time Director of the Company for a period of 5 years up to 15<sup>th</sup> January, 2022, at the 30<sup>th</sup> Annual General Meeting held on 3<sup>rd</sup> August, 2016. On the recommendation of the Compensation/Nomination and Remuneration Committee, the Board of Directors have re-appointed Mr. Rajesh John as Whole-time Director of the Company for a period of 5 years with effect from 16<sup>th</sup> January, 2022, subject to the approval of the Members.

---

## **BOARD'S REPORT**

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

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

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

### **BOARD EVALUATION**

A formal annual evaluation is required to be made by the Board of its own performance and that of its Committees and individual Directors. Section 178(2) of the Companies Act, 2013 requires the Compensation/ Nomination and Remuneration Committee to carry out evaluation of every Director's performance. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent Directors is to be done by the entire Board of Directors, excluding the Director being evaluated.

Accordingly, the Board of Directors carried out annual performance evaluation of the Board, Board Committees, Individual Directors and Chairperson during the year under review. The Compensation/ Nomination and Remuneration Committee duly carried out evaluation of every Director's performance. Similarly, the performance of the Non-Independent Directors and of the Board as a whole was evaluated by the Independent Directors at a separate Meeting held by them. The evaluation of all the Directors made was on the basis of the criteria and framework adopted by the Compensation/Nomination and Remuneration Committee.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

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

---

**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.

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

K. J. JOSEPH  
Chairman  
DIN 00434410

THOMAS JOHN  
Vice Chairman  
DIN 00435035

V.A. GEORGE  
Managing Director  
DIN 01493737

---

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

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

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

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

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

- Improved efficiency by use of diesel generators in case of emergency and as stand-by.

**iii. Capital Investments on energy conservation equipment**

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

**B) TECHNOLOGY ABSORPTION**

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

**b) Specific areas in which R&D carried out by the Company**

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

**c) Benefits derived as a result of R&D**

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

**d) Expenditure on R&D**

₹ in lakhs

Particulars	2020-21
Capital	0.37
Revenue (excluding depreciation)	128.41
<b>Total</b>	<b>128.78</b>
Total R&D expenditure as a % of total turnover	0.60%

## ANNEXURE TO BOARD'S REPORT

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO

## a) Payments in foreign currency towards Imports ₹ in lakhs

Imports at CIF Value	2020-21	2019-20
Raw Materials and Traded Goods	635.79	747.30
Capital Goods	38.58	16.01
<b>Total</b>	<b>674.37</b>	<b>763.31</b>

## b) Payments in foreign currency towards Expenditure ₹ in lakhs

Expenditure in Foreign currency	2020-21	2019-20
Professional and consultation fees	15.47	15.73
Seminar, Training & Development	41.37	34.85
Foreign Tour	0.00	7.82
Salaries & Incentives of Perth Branch	358.12	398.63
Other Expenditure of Perth Branch	177.73	314.49
Others	5.83	17.94
<b>Total</b>	<b>598.52</b>	<b>789.46</b>

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

Earnings in foreign exchange	2020-21	2019-20
Exports – Products	3,344.37	3,774.04
Exports – Services	0.00	0.00
<b>Total</b>	<b>3,344.37</b>	<b>3,774.04</b>

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

Description	2020-21	2019-20
Profit/(Loss) on Foreign Currency Translation	51.81	41.74

## ANNEXURE 2 TO BOARD'S REPORT

## Annual Report on CSR activities for the Financial Year 2020-21

[Pursuant to Section 135 of the Companies Act, 2013 read with 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 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://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	Number of meetings of CSR Committee held	Number of meetings of CSR Committee attended
1	Mr. V.K. Srivastava	Independent Director, Chairman	1	1
2	Mr. K.J. Joseph	Promoter & Non- Executive Non-Independent Director, Member	1	1
3	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	1	1
4	Mr. V.A. George	Managing Director, Member	1	1

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://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://thejo-engg.com/invest/CSR%20Policy.pdf>
- The Board, based on the recommendation of the CSR committee, at its meeting held on June 22, 2021, has approved the annual action plan / projects for the financial year 2021-22, the details of which are available on our website, at <https://thejo-engg.com/invest/CSRProjectsFY21.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 crore.

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) : ₹ 1,684.92 lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5) : ₹ 33.70 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) : ₹ 33.70 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.
₹ 34.00 lakhs	Nil	-	-	-	-



**ANNEXURE TO BOARD'S REPORT**

(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:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹ In Lakhs)	(7) Mode of implementation-Direct (Yes/No)	(8) Mode of implementation-Through implementing agency	
				State	District			Name	CSR registration number
1.	The Akshaya Patra Foundation	Malnutrition and hunger eradication	No	Tamilnadu	Chennai	7.50	Yes	-	-
2.	PM CARES Fund	Contribution to PM CARES Fund	No	Delhi	Delhi	6.23	Yes	-	-
3.	Marina-CAS Skill Development & Vocational Training Centre of Rotary Club of Madras Marina	Promoting Education	No	Tamilnadu	Chennai	5.00	Yes	-	-
4.	Sri Brahmishi Ashram	Malnutrition and hunger eradication	No	Tamilnadu	Chennai	1.00	Yes	-	-
5.	Dean Foundation	Preventive Health Care	No	Tamilnadu	Chennai	5.00	Yes	-	-
6.	HOPE Foundation	Preventive Health Care	No	Tamilnadu	Chennai	5.00	Yes	-	-
7.	Little Sisters of the Poor	Eradication of Poverty and Setting up of Old age Homes	No	Tamilnadu	Chennai	1.67	Yes	-	-
8.	Relief / Rehabilitation during COVID Pandemic	Disaster Management	Yes	Tamilnadu	Chennai	2.60	Yes	-	-
<b>TOTAL</b>						<b>34.00</b>			

- (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) ₹ 34.00 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)	33.70 lakhs
(ii)	Total amount spent for the Financial Year	34.00 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.30 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)]	0.30 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. : NIL  
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NIL  
(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 : 22<sup>nd</sup> June, 2021

V.A. GEORGE  
Managing Director  
DIN 01493737

V.K. SRIVASTAVA  
Chairman of CSR Committee  
DIN 00611678

---

ANNEXURE TO BOARD'S REPORT

ANNEXURE 3 TO BOARD'S REPORT

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2021

*[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 31/03/2021 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 31/03/2021 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)Regulations, 2014;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
  - (e) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

---

**ANNEXURE TO BOARD'S REPORT**

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

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

1. Factories Act, 1948
2. Industrial dispute Act, 1947
3. 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. Payment of Wages Act, 1936
15. The Minimum Wages Act, 1948
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. There is no change in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that during the audit period there were no specific events/ actions in pursuance of the above referred Laws, Rules, Regulation, Guidelines, etc, having a major bearing on the companies affairs.

Place : Chennai  
Date : 21/06/2021  
UDIN : A044831C000491112

SINDHUJA PORSELVAM  
Company Secretary in Practice  
C. P. 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.

Place : Chennai  
Date : 21/06/2021  
UDIN : A044831C000491112

SINDHUJA PORSELVAM  
Company Secretary in Practice  
C. P. 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, INVESTMENT MADE OR GUARANTEE GIVEN OR SECURITY PROVIDED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013**

The particulars of loans given as at 31<sup>st</sup> March, 2021: Nil

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

Name of the Company and Country	During FY 20-21	As at 31 <sup>st</sup> March, 2021
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	204.13	695.39

The details of guarantee given as at 31<sup>st</sup> March, 2021: 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 2020-21, 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 2020-21 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 24.5 forming part of the Financial Statements, disclosing the transactions with the related parties pursuant to the applicable Accounting Standard.

For and on behalf of the Board

Place: Chennai	K. J. JOSEPH Chairman DIN 00434410	THOMAS JOHN Vice Chairman DIN 00435035	V.A. GEORGE Managing Director DIN 01493737
Date: 22 <sup>nd</sup> June, 2021			

---

## 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 2020-21, 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 2020-21 are as follows:

Name of the Director / KMP	Remuneration of Director / KMP for the F.Y 2020-21 (₹ in lakhs)	% increase in Remuneration in the F.Y. 2020-21	Ratio of Remuneration of each director to median remuneration of employees	Remuneration of Director / KMP for the F.Y. 2019-20 (₹ in lakhs)
Mr. K. J. Joseph	3.75	114.28	1.27	1.75
Mr. Thomas John	3.75	7.14	1.27	3.50
Mr. V. A. George	92.25	9.82	31.17	84.00
Mr. Manoj Joseph	47.25	(7.78)	15.96	51.24
Mr. Rajesh John	29.61	(33.67)	10.00	44.64
Mr. N. Ganga Ram	4.75	-	1.60	4.75
Mr. V. K. Srivastava	4.00	-	1.35	4.00
Mr. A. Satyaseelan	4.75	5.55	1.60	4.50
Mr. M. P. Vijay Kumar	4.75	-	1.60	4.75
Dr. C. N. Ramchand	3.25	-	1.10	3.25
Mrs. Sujatha Jayarajan	4.75	-	1.60	4.75
Mr. M. D. Ravikanth	54.32	47.93	Not Applicable	36.72

- ii. The median remuneration of employees of the Company for the Financial Year was ₹ 2.96 lakhs.
- iii. There was an increase of 3.65% in the median remuneration of employees in the Financial Year.
- iv. There were 1,293 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2021.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year i.e. 2020-21 was 1.29% whereas the managerial remuneration increased by 2.55% (from ₹ 179.88 lakhs in 2019-20 to ₹ 184.48 lakhs in 2020-21), which is more or less in line with the marginal increase in average salaries during the year.
- vi. It is hereby affirmed that the remuneration paid is as per the Company's Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

---

**ANNEXURE TO BOARD'S REPORT**
**ANNEXURE 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 good corporate governance system. The Audit Committee and the Compensation/Nomination and Remuneration Committee of the Board consist wholly of Independent Directors.

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

The Company has adopted various codes and policies which include Code for Board of Directors and Senior Managers, Code of Conduct to regulate, monitor and report trading by Designated Persons, Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information, Policies and Procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, Dividend Distribution Policy, Whistle Blower Policy, Policy on Prevention of Sexual Harassment in the Workplace, Corporate Social Responsibility Policy and Risk Management Policy.

**II. BOARD OF DIRECTORS**

The Board of Directors of the Company consists of optimum combination of Executive and Non-Executive Directors. As at 31<sup>st</sup> March, 2021, the Company's Board had 11 Directors, of which three were Executive Directors, two were Non-Executive Non-independent Directors and six Independent Directors. The composition of the Board and category of Directors were as follows:

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



### ANNEXURE TO BOARD'S REPORT

The details of Directorship held in other Companies/Board Committees by each Member of the Board of Directors of the Company as on 31<sup>st</sup> March, 2021 were as under –

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

**Notes:**

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

**Relationship between Directors**

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

**Shareholding of Directors**

None of the Directors has any shareholding in our Company as on 31<sup>st</sup> March, 2021 except as disclosed below:

S.No.	Name of the Director	No. of Shares	% of Equity Share Capital
1	Mr. K.J. Joseph	2,48,500	7.07
2	Mr. Thomas John	2,16,868	6.17
3	Mr. V.A. George	50,000	1.42
4	Mr. Manoj Joseph	1,65,860	4.72
5	Mr. Rajesh John	2,16,866	6.17

---

**ANNEXURE TO BOARD'S REPORT**
**Meetings and Attendance****Attendance of Directors at Board Meetings and Annual General Meeting (AGM)**

During the year, the Board met 4 times. The Meetings of the Board of Directors were held on 18<sup>th</sup> June, 2020, 29<sup>th</sup> August, 2020, 11<sup>th</sup> November, 2020 and 3<sup>rd</sup> March, 2021. 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 29 <sup>th</sup> August, 2020
1	Mr. K.J. Joseph	4	4	Yes
2	Mr. Thomas John	4	4	Yes
3	Mr. V.A. George	4	4	Yes
4	Mr. Manoj Joseph	4	4	Yes
5	Mr. Rajesh John	4	4	Yes
6	Mr. N. Ganga Ram	4	4	Yes
7	Mr. V.K. Srivastava	4	4	Yes
8	Mr. A. Satyaseelan	4	4	Yes
9	Mr. M.P. Vijay Kumar	4	4	Yes
10	Dr. C.N. Ramchand	4	4	Yes
11	Mrs. Sujatha Jayarajan	4	4	Yes

**III. COMMITTEES****i) Audit Committee**

The Audit Committee of the Board of Directors was constituted on 16<sup>th</sup> January, 2012. Currently, the Committee consists of four Independent Directors. The status of the Independent Directors and attendance at the Meetings were as follows:

S.No.	Name of the Member	Status	No. of Meetings held	No. of Meetings attended
1	Mr. M.P. Vijay Kumar	Independent Director, Chairman	4	4
2	Mr. N. Ganga Ram	Independent Director, Member	4	4
3	Mr. A. Satyaseelan	Independent Director, Member	4	4
4	Mrs. Sujatha Jayarajan	Independent Director, Member	4	4

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Audit Committee of the Board were held on 18<sup>th</sup> June, 2020, 29<sup>th</sup> August, 2020, 11<sup>th</sup> November, 2020 and 3<sup>rd</sup> March, 2021.

---

---

## ANNEXURE TO BOARD'S REPORT

### Terms of Reference

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

1. Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
  3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
  4. Reviewing, with the Management, the annual Financial Statements before submission to the Board for approval, with particular reference to:
    - a. Director's Responsibility Statement to be included in the Board's Report in terms of Section 134 of the Companies Act, 2013.
    - b. Changes, if any, in accounting policies and practices and reasons for the same.
    - c. Major accounting entries involving estimates based on the exercise of judgment by management.
    - d. Significant adjustments made in the Financial Statements arising out of audit findings, compliance with listing and other legal requirements relating to Financial Statements.
    - e. Disclosure of any related party transactions.
    - f. Qualifications in the draft Audit Report.
  5. Reviewing, with the Management, the half-yearly Financial Statements before submission to the Board for approval.
  6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
  7. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
  8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  9. Discussion with Internal Auditors any significant findings and follow-up thereon.
  10. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  11. Discussion with Statutory Auditors before the commencement of audit, the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  13. To review the functioning of the Whistle Blower mechanism.
  14. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
-

### ANNEXURE TO BOARD'S REPORT

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

#### Other information

Executives from Accounts, Finance and Secretarial Departments and representatives of Statutory and Internal Auditors attend Audit Committee Meetings.

The Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 29<sup>th</sup> August, 2020.

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

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

S.No.	Name of the Member	Status	No. of Meetings held	No. of Meetings attended
1	Mr. N. Ganga Ram	Independent Director, Chairman	2	2
2	Mr. V.K. Srivastava	Independent Director, Member	2	2
3	Mr. M.P. Vijay Kumar	Independent Director, Member	2	2
4	Mrs. Sujatha Jayarajan	Independent Director, Member	2	2

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Compensation / Nomination and Remuneration Committee of the Board were held on 17<sup>th</sup> June, 2020 and 3<sup>rd</sup> March, 2021.

#### Terms of Reference

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

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

---

### ANNEXURE TO BOARD'S REPORT

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

#### **Directors' Appointment Criteria / Policy**

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

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

#### **Remuneration Policy**

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

## ANNEXURE TO BOARD'S REPORT

Details of the remuneration paid to the Directors during the Financial Year 2020-21 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	3.75	-	-	-	3.75
Mr. Thomas John	3.75	-	-	-	3.75
Executive Directors					
Mr. V.A. George	-	92.25	-	-	92.25
Mr. Manoj Joseph	-	47.25	9.46	-	56.71
Mr. Rajesh John	-	29.61	5.91	-	35.52
Independent Directors					
Mr. N. Ganga Ram	4.75	-	-	-	4.75
Mr. V.K. Srivastava	4.00	-	-	-	4.00
Mr. A. Satyaseelan	4.75	-	-	-	4.75
Mr. M.P. Vijay Kumar	4.75	-	-	-	4.75
Dr. C.N. Ramchand	3.25	-	-	-	3.25
Mrs. Sujatha Jayarajan	4.75	-	-	-	4.75

*Note: Sitting Fees exclude GST Paid on Sitting Fees under Reverse Charge by the Company.*

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

## Directors' Tenure details

Executive Directors	Tenure of Office	Notice Period	Performance Linked Incentive	Severance Fees
Mr. V.A. George <sup>(1)</sup>	15 <sup>th</sup> July, 2018 to 14 <sup>th</sup> July, 2021	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Manoj Joseph <sup>(2)</sup>	20 <sup>th</sup> June, 2020 to 19 <sup>th</sup> June, 2023	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Rajesh John <sup>(3)</sup>	16 <sup>th</sup> January, 2017 to 15 <sup>th</sup> January, 2022	Not Applicable	Commission of up to 2% of annual profit	Nil

*Note:*

- (1) The Board of Directors at their Meeting held on 22<sup>nd</sup> June, 2021, appointed Mr. V.A. George as Whole-time Director, designated as Executive Chairman, with effect from 15<sup>th</sup> July, 2021 for a period of five years, subject to the approval of the Members.
- (2) The Board of Directors at their Meeting held on 22<sup>nd</sup> June, 2021, appointed Mr. Manoj Joseph as Managing Director, with effect from 15<sup>th</sup> July, 2021 for a period of five years, subject to the approval of the Members.

### ANNEXURE TO BOARD'S REPORT

- (3) *The Board of Directors at their Meeting held on 22<sup>nd</sup> June, 2021, re-appointed Mr. Rajesh John as Whole-time Director with effect from 16<sup>th</sup> January, 2022 for a period of five years, subject to the approval of the Members.*
- (4) *The Board of Directors at their Meeting held on 22<sup>nd</sup> June, 2021, appointed Mr. Manesh Joseph as an Additional Director with effect from 23<sup>rd</sup> June, 2021. The Board has also appointed Mr. Manesh as Whole-time Director, with effect from 23<sup>rd</sup> June, 2021 for a period of five years, subject to the approval of the Members.*

#### iii) Corporate Social Responsibility Committee

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

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

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Corporate Social Responsibility Committee was held on 18<sup>th</sup> June, 2020.

#### 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) Shareholders' and Investors' Grievance Committee

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

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

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Shareholders' and Investors' Grievance Committee were held on 18<sup>th</sup> June, 2020, 29<sup>th</sup> August, 2020, 11<sup>th</sup> November, 2020 and 3<sup>rd</sup> March, 2021.

## ANNEXURE TO BOARD'S REPORT

### Terms of Reference

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

### Name and designation of Compliance Officer

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

### Investor Grievance Redressal:

During the Financial Year 2020-21, the Company has not received any complaints from the Members. There were no complaints outstanding as on 31<sup>st</sup> March, 2021.

### v) Allotment Committee

The Allotment Committee of the Board was formed on 3<sup>rd</sup> August, 2016. The status of the Directors and their attendance at the Meetings were as follows:

S.No.	Name of the Member	Status	No. of Meetings held	No. of Meetings attended
1	Mr. A. Satyaseelan	Independent Director, Chairman	2	2
2	Mr. K.J. Joseph	Promoter & Non-Executive Non-Independent Director, Member	2	2
3	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	2	2
4	Mr. V.A. George	Managing Director, Member	2	2
5	Mr. Manoj Joseph	Deputy Managing Director & Chief Operating Officer, Member	2	2
6	Mr. Rajesh John	Director – Sales, Member	2	2

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Allotment Committee of the Board of Directors were held on 11<sup>th</sup> November, 2020 and 3<sup>rd</sup> March, 2021.

### Terms of Reference

The terms of reference of the Allotment Committee is to allot shares and decide all the matters relating thereto on exercise of options by employees under Thejo Employee Stock Option Plan, 2015.

## 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
2019-20	29 <sup>th</sup> August, 2020	11.00 AM	Through Video Conferencing / Other Audio Visual Means (VC/OAVM) Facility	a) Adoption of new set of Articles of Association pursuant to the Companies Act, 2013
2018-19	19 <sup>th</sup> August, 2019	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 600 014.	a) Re-appointment of Mrs. Sujatha Jayarajan as an Independent Director.



---

**ANNEXURE TO BOARD'S REPORT**

Year	Date	Time	Location	Special Resolutions Passed
2017-18	20 <sup>th</sup> August, 2018	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 600 014.	a) Re-appointment of Mr. V.A. George as Managing Director for a period of three years. b) Re-appointment of Mr. N. Ganga Ram as an Independent Director c) Re-appointment of Mr. V.K. Srivastava as an Independent Director d) Re-appointment of Mr. A. Satyaseelan as an Independent Director e) Re-appointment of Mr. M.P. Vijay Kumar as an Independent Director f) Re-appointment of Dr. C.N. Ramchand as an Independent Director.

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

The Company did not pass any special resolution through Postal Ballot during the Financial Year 2020-21.

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

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

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

None of the related party transactions was in potential conflict with the interest of the Company at large. Shareholders can refer to the details of Related Party Transactions as set out in Note 24.5 of the Financial Statements.

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

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

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

The Company has adopted the Whistle Blower Mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of law and it provides for a mechanism for employees to report to the designated Committee. Accordingly, the Company has formulated and implemented the Whistle Blower Policy ("the Policy") and the Policy has been disseminated to all the employees through display on Notice Board and website.

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

Employees may also report to the Chairman of the Audit Committee. It is further affirmed that during the year, no personnel has been denied access to the Audit Committee.

---

## ANNEXURE TO BOARD'S REPORT

### Compensation / Nomination and Remuneration Committee

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

### Corporate Social Responsibility Committee

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

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

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Corporate Social Responsibility Committee of the Board of Directors was held on 18<sup>th</sup> June, 2020.

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 3<sup>rd</sup> March, 2021 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 2020-21 are unqualified.

### Training of Board Members

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

### Designated Exclusive email-id

The Company has designated exclusive email-id for investor servicing, viz., [investor@thejo-engg.com](mailto:investor@thejo-engg.com)

## ANNEXURE TO BOARD'S REPORT

## VI. MEANS OF COMMUNICATION

## (i) Half-yearly Results

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

## (ii) Dissemination of information through Website

The results of the Company are also displayed on the Company's website "[www.thejo-engg.com](http://www.thejo-engg.com)" immediately after its submission to the Stock Exchange.

## VII. GENERAL SHAREHOLDER INFORMATION

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

Monday, 30<sup>th</sup> August, 2021 at 10.15 AM, through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

**Financial Year:** April to March

**Date of Book Closure:** Tuesday, 24<sup>th</sup> August, 2021 to Monday, 30<sup>th</sup> August, 2021 (both days inclusive) for payment of dividend and Monday, 23<sup>rd</sup> August, 2021 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 18<sup>th</sup> September, 2021.

## Listing on Stock Exchanges &amp; 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.*

## Market Price Data:

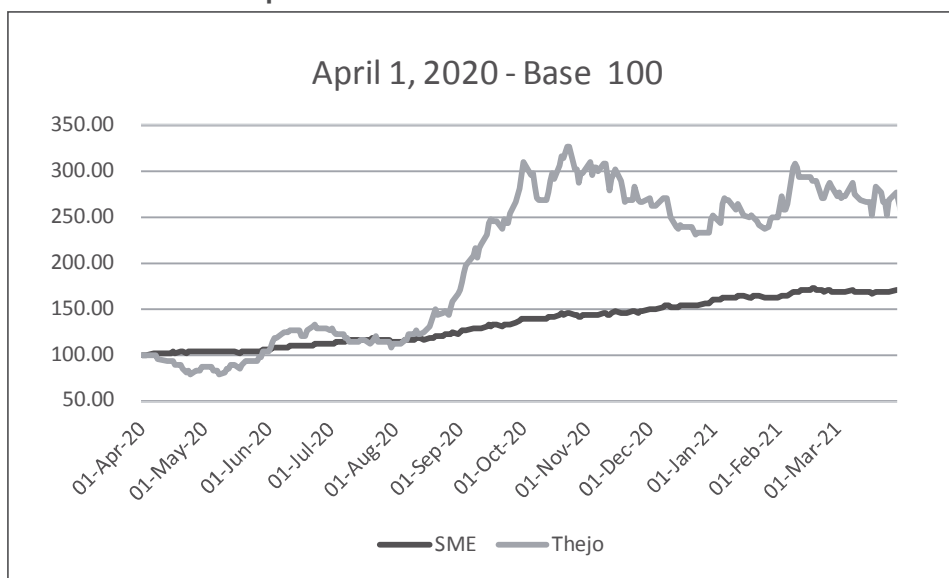
(in ₹ per share)

Month	National Stock Exchange of India Limited - SME Platform (NSE Emerge)	
	Month's High Price*	Month's Low Price*
April 2020	452.00	359.75
May 2020	467.80	354.70
June 2020	600.00	491.00
July 2020	579.90	490.00
August 2020	753.55	505.00
September 2020	1,332.00	772.65
October 2020	1,480.00	1,210.00
November 2020	1,403.00	1,204.75
December 2020	1,225.00	1,048.00
January 2021	1,221.00	1,070.00
February 2021	1,399.00	1,125.00
March 2021	1,299.00	1,135.00

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

ANNEXURE TO BOARD'S REPORT

Performance in comparison to the NSE SME index:



**Registrar and Transfer Agents :**

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

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

**Distribution of Shareholding as on 31<sup>st</sup> March, 2021:**

Nominal Value of Shares (in ₹)		Number of Holders	% of Total Holders	Total Face Value (in ₹)	% of Total Face Value
From	To				
10	5,000	319	52.47	7,35,000	2.09
5,001	10,000	150	24.67	10,18,000	2.89
10,001	20,000	53	8.72	8,23,370	2.34
20,001	30,000	19	3.13	4,85,890	1.38
30,001	40,000	10	1.64	3,57,210	1.02
40,001	50,000	4	0.66	1,88,000	0.53
50,001	1,00,000	17	2.80	12,21,000	3.47
1,00,001	Above	36	5.91	3,03,35,800	86.28
<b>Total</b>		<b>608</b>	<b>100.00</b>	<b>3,51,64,270</b>	<b>100.00</b>

## ANNEXURE TO BOARD'S REPORT

Shareholding Pattern as on 31<sup>st</sup> March, 2021:

Sl. No.	Category	No. of Shares	As a percentage of (A+B)
A	Promoters' & Promoter Group Holding		
	Individuals	19,45,440	55.32
B	Non-Promoters' Holding		
	Venture Capital Funds	-	-
	Bodies Corporate	1,51,000	4.30
	Clearing Member	500	0.01
	Individuals	11,05,666	31.44
	Hindu Undivided Family	3,07,600	8.75
	Non-Resident Indians	6,221	0.18
	<b>Total</b>	<b>35,16,427</b>	<b>100.00</b>

Dematerialisation of Shares and Liquidity as on 31<sup>st</sup> March, 2021:

Sl. No.	Mode of Holding	No. of Shares	% to total equity shares
1	NSDL	22,98,140	65.35
2	CDSL	12,18,287	34.65
3	Physical	-	-
	<b>Total</b>	<b>35,16,427</b>	<b>100.00</b>

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

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

## Plant Locations and Research &amp; Development Centre

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

**Investor Contacts****Company Secretary and Compliance Officer**

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

**Registrar and Share Transfer Agents**

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

---

**ANNEXURE TO BOARD'S REPORT**

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

To The Members of THEJO ENIGNEERING LIMITED

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

For Thejo Engineering Limited

Place : Chennai  
Date : 14<sup>th</sup> June, 2021

V.A. GEORGE  
Managing Director  
DIN 01493737

---

**CEO AND CFO CERTIFICATION**

The Board of Directors,  
Thejo Engineering Limited,  
Chennai.

Dear Members of the Board,

We have reviewed the Financial Statements and the cash flow statement of Thejo Engineering Limited for the year ended 31<sup>st</sup> March, 2021 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 : 14<sup>th</sup> June, 2021

M.D. RAVIKANTH  
CFO & Secretary

V.A. GEORGE  
Managing Director  
DIN 01493737

---

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

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

1. No stock options were granted pursuant to the aforesaid scheme during the Financial Year 2020-21.
2. During the Financial Year 2020-21, 42,353 options were vested under the concerned scheme and 56,075 Options were exercised and shares were allotted to the respective employees.
3. The Scheme has been implemented in accordance with these Regulations and in accordance with the resolution of the Company in the general meeting.

For BRAHMAYYA & CO.  
Chartered Accountants  
(Firm regn. No.000511S)

P Babu  
Partner  
Membership No: 203358  
UDIN: 21203358AAAAKC8055

Place: Chennai  
Date: 14<sup>th</sup> June, 2021