

BOARD'S REPORT

The Board of Directors are pleased to present the Thirty Third Annual Report of the Company and its audited financial statements (standalone and consolidated) for the Financial Year ended March 31, 2019. The summarized financial results for the year ended March 31, 2019 are given below:

₹ in lakhs

	Standalone		Consolidated	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit before Exceptional Items, Interest, Depreciation and Tax	2,756.56	2,176.62	3,259.02	2,807.92
Less: Exceptional Item	-	-	-	-
Profit before Interest, Depreciation and Tax	2,756.56	2,176.62	3,259.02	2,807.92
Less: Interest	396.80	538.03	452.59	559.42
Profit before Depreciation and Tax	2,359.76	1,638.59	2,806.43	2,248.50
Less: Depreciation	444.12	375.29	646.80	541.77
Net Profit before Taxes	1,915.64	1,263.30	2,159.63	1,706.73
Less: Taxation (Including Deferred Tax)	558.50	392.54	676.90	396.64
Net Profit After Tax before Transfer to Minority Interest	1,357.14	870.76	1,482.73	1,310.09
Less: Transfer to Minority Interest	-	-	147.02	204.69
Net Profit After Tax and Transfer to Minority Interest	1,357.14	870.76	1,335.71	1,105.40
Add: Brought forward from previous year	5,288.11	4,561.99	3,706.27	2,766.72
Balance Available for Appropriations	6,645.25	5,432.75	5,041.98	3,872.12
Appropriations:				
Transfer to General Reserve	-	-	-	-
Dividend	137.34	120.18	137.34	120.18
Dividend Distribution Tax	28.23	24.46	28.23	24.46
Transfer to Statutory Reserve/FCTR	-	-	31.18	21.21
Balance Carried over to Balance Sheet	6,479.68	5,288.11	4,845.23	3,706.27

Note: Dividend and Dividend Distribution tax represent dividend declared at the 32nd AGM held on August 20, 2018. No appropriation for dividend and dividend distribution tax has been made in the Accounts for the dividend recommended for the Financial Year 2018-19, pending approval by the Members at the ensuing Annual General Meeting in line with Accounting Standard (AS) 4.

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

Your Company has continued to focus on profitability of operations by enhancing the share of value-added products and services which have contributed to significant increase in the profitability.

STANDALONE

Your Company recorded revenue (from operations) of ₹ 19,032.84 lakhs for the year ended March 31, 2019 as against ₹ 17,425.30 lakhs in the previous year. It achieved EBITDA of ₹ 2,756.56 lakhs (previous year ₹ 2,176.62 lakhs), resulting in net profit of ₹ 1,357.14 lakhs as against ₹ 870.76 lakhs in 2017-18, registering a growth of 27% and 56% in terms of EBITDA and net profit, respectively.

CONSOLIDATED

The Consolidated Financial Statements of the Company have been prepared as per Accounting Standard 21 of the Institute of Chartered Accountants of India. The Company's consolidated revenue from operations in the year under review aggregated ₹ 22,946.89 lakhs (previous year ₹ 22,094.30 lakhs) on which it made EBITDA of ₹ 3,259.02 lakhs (previous year ₹ 2,807.92 lakhs) and net profit (after transfer to Minority Interest) of ₹ 1,335.71 lakhs as against ₹ 1,105.40 lakhs in 2017-18, registering a growth of 16% and 21% 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 50% i.e. ₹ 5/- per equity share of ₹ 10/- each for the Financial Year ended March 31, 2019 (previous year – 40%). The dividend amount of ₹ 171.85 lakhs (previous year - ₹ 137.34 lakhs) together with dividend distribution tax of ₹ 34.98 lakhs (previous year – ₹ 27.95 lakhs) will absorb a sum of ₹ 206.83 lakhs (previous year – ₹ 165.29 lakhs) based on the number of shares outstanding as on March 31, 2019. The dividend payment is subject to the approval of the Members at the ensuing Annual General Meeting.

EMPLOYEES STOCK OPTION SCHEME

The Members of the Company at their 29th Annual General Meeting held on August 26, 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 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 June 16, 2015, the details of the ESOPs are uploaded on the Company's website http://www.thejo-engg.com/thejo-admin/upload/esop/esop_2018_19.pdf

During the year under review, the total shareholding of the Company changed due to the allotment made under ESOP 2015. The details of movement in shareholding are as follows:

Date	Details	No. of equity shares allotted	No. of equity shares after allotment
April 1, 2019	Opening Balance		34,33,552
September 7, 2018	Allotment under ESOP	1000	34,34,552
December 14, 2018	Allotment under ESOP	1000	34,35,552
February 4, 2019	Allotment under ESOP	1400	34,36,952

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

CRISIL Limited (CRISIL) has retained the Fundamental Grade of 5/5 and has assigned the Current Market Price Grade of 4/5 for the equity shares of the Company under SME IER (Independent Equity Research) vide its latest report dated January 14, 2019. The historical details of Grades assigned to the Company by CRISIL under SME IER are given in the table below:

Date	Nature of Report	Fundamental Grade	Current Market Price Grade (on the date of report)
January 14, 2019	Detailed Report	5/5	4/5
October 19, 2018	H2FY18 Result Update	5/5	3/5
January 2, 2018	H1FY18 Result Update	5/5	3/5
September 14, 2017	H2FY17 Result Update	5/5	2/5
January 11, 2017	H1FY17 Result Update	5/5	5/5
September 27, 2016	Detailed Report	5/5	4/5
January 5, 2016	H1FY16 Result Update	5/5	3/5
July 13, 2015	H2FY15 Result Update	5/5	3/5
December 8, 2014	Detailed Report	5/5	4/5
June 27, 2014	H2FY14 Result Update	5/5	3/5
May 9, 2014	Detailed Report	5/5	3/5

Fundamentals Grading: 5/5 – Excellent Fundamentals

Valuation Grading: 4/5 – CMP has upside

During the Financial Year 2018-19, CRISIL has upgraded the long-term rating on the bank facilities of the Company from CRISIL BBB/Positive to CRISIL BBB+/Stable and short-term rating from CRISIL A3+ to CRISIL A2.

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS**ENVIRONMENT**

During the current Financial Year (FY 2018-19), core sector industries grew by 4.3% against 4.8% in the previous year. Steel sector, one of the key sectors catered by the Company, fared well during FY 2018-19 aided by good performance during H1 FY19. This helped the Company to get continuous orders from the major companies in the sector which assisted the Domestic Services and Products Division considerably. Some of the key steel sector assets like Essar Steel and Bhushan Steel have been taken over by successful bidders under the Insolvency and Bankruptcy Code, 2016 (IBC). We expect the sector to continue to perform well in the short to medium term, though there will be constant pressure on account of commodity prices.

Internationally, the mining industry in Western Australia has stabilized. This has helped our subsidiary in Australia to continue its profitable operations. We expect the trend to continue into FY 20. The oil prices have also increased and remained at reasonable levels during FY19. This has assisted the industries in Saudi Arabia to some extent, which in turn has enabled Thejo Hatcon to increase its turnover and profitability. The Brazilian economy grew by about 1% during 2018 and remained steady. The growth of the Chile economy

BOARD'S REPORT

was fluctuating during the year and there was some rebound in the Mining industry. The operations of Brazil and Chile remained steady and poised for growth in the medium term.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The core sector industries to which the Company caters, registered reasonable growth during the year under review. Steel sector continued its good performance during the year despite some drag during H2 FY19 on account of price pressure. The power sector showed moderate growth. During the year, banks have initiated corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 in a number of cases. The impact of such cases and their ultimate outcome will have an overall bearing on the business environment and conduct and it would be known in the medium term.

The Company has focussed its attention on value-added products and on increasing services business. This has resulted in increase in the Company's overall margins during the year. The Company continues to develop its overseas markets and focus on exports as the domestic growth is expected to be average with cyclical pressures.

COMPANY PERFORMANCE AND KEY DEVELOPMENTS

As the Members are aware, the Company is engaged in rubber and polyurethane-based engineered products manufacturing, 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.

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.

SAFETY

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

OPPORTUNITIES AND THREATS**OPPORTUNITIES**

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

With steel sector showing positive momentum despite price pressures and other core sector industries registering reasonable uptrend, the prospects of the core sector industries are expected to be bright in the medium term. Moreover, the Company has a balanced portfolio of products and services, which helps to moderate the impact of cyclicity experienced by its customers.

In the long run, Operation and Maintenance (O&M) contracts would become key for the Company's domestic business with services and products being supplied to customers as part of such contract. Currently, the

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O&M sector continues to border on manpower supply and is viewed as a commodity with consequent price pressures. There are only a few projects where O&M contracts are being given purely based on performance parameters. The Company consciously decided to stay away from O&M contracts in the nature of manpower supply. As a result, the Division did not bag any substantial orders during FY19 as the major potential customers were looking more for manpower supply oriented O&M contracts at low rates which carried low value addition and were not remunerative and commensurate with the ever increasing manpower cost. We expect good potential in O&M in the long term as the market matures.

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

THREATS

There are only limited number of organized players in the service segment in which the Company operates. However, competition from the unorganized sector is a challenge for the services business of the Company. In Operation & Maintenance, there is intense competition with manpower-based contracts being bagged by competition at lower prices, especially during times of cyclical downturn.

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

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

Outcome of IBC proceedings against key players of core sector industries and reference of many companies for resolution under IBC will have an impact if the process is delayed by legal battles, resulting in potential buyers losing interest in acquiring some of these assets.

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

FUTURE OUTLOOK

The outgoing Central Government has returned to power with an absolute majority in the General Elections held in 2019. This will ensure a stable Government with continuity in the existing policies and further building upon them. The renewed mandate will facilitate the new Government to bring in key industrial reforms in labour, land acquisition, etc as well as to create conducive environment for economic growth and ease of doing business. Moreover, the expected focus on infrastructure and power will assist the core sector industries in the medium term.

FINANCIAL PERFORMANCE

The financial performance of the Company in the year under review has shown continued growth momentum. The Manufacturing Division has recorded an increase in turnover and profitability on account of increase in exports and focus on high margin products. The Services Division saw a better performance with increase in turnover and profitability, partially off-set by lower growth of Operation and Maintenance. Exports have shown a growth of about 19% compared to the previous year. Your Company is expanding its business in the overseas markets through its subsidiaries and branch, which is expected to improve the export turnover further.

The production of moulded and extruded rubber products was 1057 tonnes during 2018-19, registering a growth of 3% over the previous year (1028 tonnes). The production of adhesives during the year under review was 356 tonnes, showing a growth of 13% over the previous year (316 tonnes).

BOARD'S REPORT
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.

RISK AND CONCERNS

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

However, volatility in commodity prices, fluctuations in forex, cases pending under the Insolvency and Bankruptcy Code relating to core sector players 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

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

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

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

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

During the Financial Year 2018-19, continued focus on value-added products enabled the Company to increase its net profit to ₹ 1357.14 lakhs from ₹ 870.76 lakhs in the previous year. Similarly, the efforts taken in respect of receivables management helped the Company to reduce the utilization of fund based working capital during the year, resulting in substantial reduction in finance cost. These factors contributed to significant change in the key financial ratios and return on net worth as contained in the table below:

Ratio	FY 2018-19	FY 2017-18
Interest Coverage Ratio (Times)	5.83	3.35
Net Profit Margin (%)	7.17	4.97
Return on Net worth (%)	15.49	11.19

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

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

INTERNAL FINANCIAL CONTROL SYSTEM

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

SUBSIDIARY COMPANIES

As on the date of this Report, the Company has four subsidiaries, namely, Thejo Hatcon Industrial Services Company, Kingdom of Saudi Arabia (Thejo Hatcon) with 51% shareholding, Thejo Australia Pty Ltd., Australia (Thejo Australia) with 74% shareholding, Thejo Brasil Comercio E Servicos Ltda, Brazil (Thejo Brasil) with 99.99% shareholding and Thejo Engineering LatinoAmerica SpA, Chile (Thejo Chile) with 99.80% shareholding.

PERFORMANCE OF SUBSIDIARY COMPANIES

Thejo Hatcon Industrial Services Company (Thejo Hatcon) is engaged primarily in rubber lining and related industrial services activities. During the period, April 1, 2018 to March 31, 2019, Thejo Hatcon achieved a turnover of SAR 8.11 million (₹ 1,453.31 lakhs) on which it made a net profit of SAR 1.40 million (₹ 264.63 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, April 1, 2018 to March 31, 2019, Thejo Australia achieved a turnover of AUD 6.02 million (₹ 2,985.29 lakhs) with a profit of AUD 0.17 million (₹ 69.69 lakhs).

Thejo Brasil Comercio E Servicos Ltda (Thejo Brasil) is mainly engaged in selling of materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. During the period, April 1, 2018 to March 31, 2019, Thejo Brasil achieved a turnover of BRL 0.53 million (₹ 98.11 lakhs) and incurred a loss of BRL 0.02 million (₹ 5.21 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, April 1, 2018 to March 31, 2019, Thejo Chile achieved a turnover of USD 0.73 million (₹ 487.37 lakhs) and had incurred a loss of USD 0.15 million (₹ 83.75 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.

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

During the year 2018-19, the Company was required to incur CSR expenditure of ₹ 19.32 lakhs being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company spent ₹ 19.50 lakhs on eligible projects approved by the Board on the recommendation of the CSR Committee, thus fully meeting the CSR target for the year under review. Brief particulars of the CSR projects undertaken are given in Annexure 2, forming part of the Board's Report.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is attached as Annexure 3, forming part of the Board's Report and the extract is uploaded on the Company's website http://www.thejo-engg.com/thejo-admin/upload/allstatutory/mgt9_fy1819.pdf

NUMBER OF MEETINGS OF BOARD

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2019, 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 March 31, 2019 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 March 31, 2019 does not contain any qualification.

AUDITORS

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

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SECRETARIAL AUDIT

The Board appointed Mr. G. Porselvam, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2018-19. The Secretarial Audit Report of Mr. G. Porselvam for the Financial Year is attached as Annexure 4 to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

COMMITTEES OF THE BOARD

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

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

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

BOARD'S REPORT**VIGIL MECHANISM**

The Company has put in place Whistle Blower Policy and has 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 Premjith – 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. V A George (DIN 01493737), Managing Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

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

Mrs. Sujatha Jayarajan (DIN 00633989), Non-Executive Independent Director was appointed as an Independent Director under Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, for a term up to March 31, 2020 ("first term"), at the 29th Annual General Meeting of the Company. The Board of Directors on the recommendation of the Compensation / Nomination and Remuneration Committee have recommended the re-appointment of Mrs. Sujatha Jayarajan as an Independent Director of the Company for a second term of 5 (five) consecutive years.

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 Director. 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 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

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

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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 also attached as Annexure 7b to the Board's Report.

CORPORATE GOVERNANCE

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

GENERAL

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

1. Deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. 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 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
28th May, 2019

K J JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

V.A. GEORGE
Managing Director
DIN 01493737