

Thejo Engineering Limited

41 Cathedral Road,  
Chennai - 600 086.  
India

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F +91 44 42221910  
thejo@thejo-engg.com  
www.thejo-engg.com



June 18, 2020

The Manager,  
Listing Department,  
The National Stock Exchange of India Limited,  
Exchange Plaza,  
Bandra Kurla Complex (Bandra East),  
Mumbai – 400 051.

Dear Sir,

Sub: Financial Results for the half year and year ended March 31, 2020  
Scrip Code: Thejo – EQ (SM)

Pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015, we are enclosing herewith the Audited Financial Results (Standalone and Consolidated) of the Company for the half-year and year ended March 31, 2020 as reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held today. The Auditor's Report for Financial Results (Standalone and Consolidated) for the half-year and year ended March 31, 2020 and the declaration with respect to unmodified opinion in the Audit Report are also enclosed herewith.

The Board has also recommended a dividend of 50% i.e., Rs. 5.00/- per equity share (of face value of Rs. 10/- each) for the year ended March 31, 2020, subject to the approval of the Members at the forthcoming Annual General Meeting.

The Board Meeting concluded at 2:30 PM

Kindly acknowledge receipt.

Yours faithfully,  
For THEJO ENGINEERING LIMITED

V.A. GEORGE  
MANAGING DIRECTOR  
DIN 01493737

Thejo Engineering Limited

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June 18, 2020

National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai 400051.

Dear Sir/Madam,

Sub: Declaration with respect to the Audited Financial Results  
(Standalone and Consolidated) for the year ended March 31, 2020 – Reg  
Ref: Our Scrip Code THEJO – EQ (SM)

Pursuant to Regulation 33 (3) (d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any modifications thereof), we hereby declare that the statutory auditors have given unmodified opinion (s) in their Audit Reports with respect of the Financial Results (Standalone and Consolidated) for the half year and year ended March 31, 2020, which has been approved by the Board of Directors at their Meeting held today i.e., June 18, 2020.

Kindly acknowledge receipt.

With thanks,  
Yours truly,  
For Thejo Engineering Limited,

V. A GEORGE  
MANAGING DIRECTOR  
DIN: 01493737

Thejo Engineering Limited											
Regd Off: No.41, Cathedral Road, Chennai 600 086											
CIN: L27209TN1866PLC012633 Ph:044-42221900 Fax:044-42221910 Email:investor@thejo-engg.com Website:www.thejo-engg.com											
Standalone and Consolidated Financial Results for the half-year and year ended 31 <sup>st</sup> March, 2020											
Particulars	Six Months ended 31-03-2020	Previous Six Months ended 30-09-2019	Corresponding Six Months in the previous year ended 31-03-2019	Current year ended 31-03-2020	Previous Six Months ended 30-09-2019	Corresponding Six Months in the previous year ended 31-03-2019	Current year ended 31-03-2020	Previous Six Months ended 30-09-2019	Corresponding Six Months in the previous year ended 31-03-2019	Current year ended 31-03-2020	Rs. In Lakhs
	Standalone Audited	Standalone Audited	Standalone Audited	Standalone Audited	Standalone Audited	Standalone Audited	Standalone Audited	Standalone Audited	Standalone Unaudited	Standalone Audited	
I Revenue from Operations	10710.49	9458.67	9505.52	20169.16	19032.84	16120.51	490.51	14269.25	11245.39	30389.76	22946.89
II Other Income	67.53	25.61	-56.27	93.14	128.30	27.56	-122.54	27.56	-44.82	59.28	112.30
III Total Revenue (I+II)	10778.02	9484.28	9449.25	20262.30	19161.14	16152.23	367.97	14296.81	11200.57	30449.04	23059.19
IV Expenses											
a. Cost of Materials consumed	2196.52	2001.16	1886.46	4197.68	3958.00	3214.58	48.65	2767.52	2474.89	5982.10	5293.13
b. Purchase of stock-in-trade	48.65	44.37	158.79	93.02	633.84	44.37	490.51	44.37	158.79	93.02	633.84
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	-129.10	-63.19	-62.31	-192.29	-414.16	-122.54	490.51	44.37	158.79	93.02	633.84
d. Employee benefits expense	3922.34	3522.68	3396.85	7445.02	5783.63	4707.72	490.51	14269.25	11245.39	30389.76	22946.89
e. Finance Cost	167.81	171.32	193.37	339.13	396.80	241.47	217.82	217.82	215.03	459.29	452.59
f. Depreciation and amortisation expense	245.91	210.57	239.46	456.48	444.12	330.96	302.23	302.23	633.19	646.80	643.07
g. Other expenses	3312.46	2734.98	2747.10	6047.44	5329.96	4928.18	3651.92	3651.92	3389.93	8580.10	6443.07
Total Expenses	9764.59	8621.89	8559.72	18386.48	17245.50	14424.93	12182.09	12182.09	10231.26	26607.02	20899.56
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)	1013.43	862.39	889.53	1875.82	1915.64	1727.30	214.72	214.72	969.31	3842.02	2159.63
VI Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VII Profit/(Loss) before extraordinary items and tax (V-VI)	1013.43	862.39	889.53	1875.82	1915.64	1727.30	214.72	214.72	969.31	3842.02	2159.63
VIII Extraordinary items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IX Profit before tax (VII-VIII)	1013.43	862.39	889.53	1875.82	1915.64	1727.30	214.72	214.72	969.31	3842.02	2159.63
X. Tax expenses	247.27	254.28	193.55	501.53	558.50	491.32	314.38	314.38	261.14	805.70	676.90
(a) Current Tax	273.70	265.79	204.32	539.49	570.90	517.75	325.91	325.91	271.89	843.66	689.30
(b) Deferred Tax	-26.43	-11.53	-10.77	-37.96	-12.40	-26.43	-11.53	-11.53	-10.75	-37.96	-12.40
XI Profit/(Loss) for the period from continuing operations (IX-X)	766.16	608.13	695.98	1374.29	1357.14	1235.98	1800.34	1800.34	708.17	3036.32	1482.73
XII Profit/(Loss) from discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XIII Tax expense on discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XIV Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XV Profit/(Loss) for the period (XI+XIV)	766.16	608.13	695.98	1374.29	1357.14	1235.98	1800.34	1800.34	708.17	3036.32	1482.73
XVI Share of Profit/(Loss) of associates	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
XVII Transfer to Minority Interest	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
XVIII Consolidated Net Profit/(Loss) for the period (XV+XVI-XVII)	766.16	608.13	695.98	1374.29	1357.14	1235.98	1800.34	1800.34	708.17	3036.32	1482.73
XIX Paid-up equity share capital (Face Value of Rs.10/- each)	346.04	344.48	343.70	346.04	343.70	346.04	346.04	346.04	343.70	346.04	343.70
XX Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year											
XXI Earnings Per Equity Share (EPS) of face value of Rs. 10/- each fully paid (before and after extraordinary item) (not annualised):											
(a) Basic	22.19	17.67	20.25	39.86	39.51	30.11	42.80	42.80	18.81	72.91	38.89
(b) Diluted	21.97	17.51	20.25	39.48	39.51	29.79	42.41	42.41	18.81	72.20	38.89



## Notes

## 1. Statement of Assets and Liabilities

	As at 30-09-2019	As at 31-03-2020	As at 31-03-2019	As at 30-09-2019	As at 31-03-2020	As at 31-03-2019
	Standalone Audited	Standalone Audited	Standalone Audited	Consolidated Unaudited	Consolidated Audited	Consolidated Audited
<b>A. EQUITY AND LIABILITIES</b>						
1 Shareholders' funds						
(a) Share capital	344.48	346.04	343.70	344.48	345.04	343.70
(b) Reserves and surplus	9456.55	10275.29	9022.09	8697.44	9776.44	7403.59
(c) Money received against share warrants	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total - Shareholders' funds	9801.03	10621.33	9365.79	9041.92	10124.48	7747.29
2 Share application money pending allotment	0.00	0.00	0.00	0.00	0.00	0.00
3 Minority Interest	0.00	0.00	0.00	956.66	1160.42	621.04
4 Non-current liabilities						
(a) Long-term borrowings	106.95	53.24	175.42	612.35	1147.86	756.04
(b) Deferred tax liabilities (net)	0.00	0.00	0.00	0.00	0.00	0.00
(c) Other long-term liabilities	0.00	0.00	0.00	61.89	78.27	49.82
(d) Long-term provisions	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total - Non-current liabilities	106.95	53.24	175.42	674.24	1226.13	805.86
5 Current liabilities						
(a) Short-term borrowings	1816.80	1458.97	1991.65	2414.23	1803.82	2070.58
(b) Trade payables	0.00	0.00	0.00	0.00	0.00	0.00
(i) Total outstanding dues of micro enterprises and small enterprises	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1491.17	2027.47	1878.79	2400.66	2770.46	2517.65
(c) Other current liabilities	2326.33	2599.07	1936.72	3143.02	3511.40	2419.99
(d) Short-term provisions	559.53	471.13	450.45	692.19	857.25	497.59
Sub-total - Current liabilities	6193.83	6556.64	6257.62	6690.10	8942.93	7505.81
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>16101.81</b>	<b>17231.21</b>	<b>15798.82</b>	<b>19362.92</b>	<b>21473.96</b>	<b>16680.00</b>
<b>B. ASSETS</b>						
1 Non-current assets						
(a) Property, Plant and Equipment						
(i) Tangible Assets	2342.73	2296.79	2355.85	3360.65	3154.40	3328.86
(ii) Intangible Assets	32.07	22.90	21.72	42.18	22.92	32.18
(iii) Capital Work in Progress	18.85	14.26	22.61	18.85	14.26	22.61
(iv) Intangible Assets under development	0.00	0.00	0.00	0.00	0.00	0.00
(b) Non-current investments	2126.05	2126.05	2126.05	0.00	0.00	0.00
(c) Deferred tax assets (net)	63.68	90.11	52.15	63.67	90.11	52.15
(d) Long-term loans and advances	476.74	451.78	458.65	521.54	491.72	480.41
(e) Other non-current assets	0.00	0.00	0.00	1792.80	0.00	0.00
Sub-total - Non-current assets	5060.12	5007.89	5037.03	5799.69	3773.41	3976.21
2 Current assets						
(a) Current investments	0.00	0.00	0.00	0.00	0.00	0.00
(b) Inventories	2331.21	2540.85	2210.38	3191.56	3394.64	3624.43
(c) Trade receivables	6526.49	7256.30	6048.82	7357.95	10117.59	6389.92
(d) Cash and cash equivalents	915.70	1274.20	1125.89	1618.33	2823.16	1506.28
(e) Short-term loans and advances	1268.29	1157.97	1376.70	1395.39	1365.16	1243.16
(f) Other current assets	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total - Current assets	11041.69	12229.32	10761.79	13563.23	17700.55	12763.79
<b>TOTAL - ASSETS</b>	<b>16101.81</b>	<b>17231.21</b>	<b>15798.82</b>	<b>19362.92</b>	<b>21473.96</b>	<b>16680.00</b>





**2. Cash Flow Statement**

	Previous Six Months ended 30-09-2019	Current Year ended 31-03-2020	Previous year ended 31-03-2019	Six Months ended 30-09-2019	Current year ended 31-03-2020	Previous year ended 31-03-2019	Current year ended 31-03-2020	Previous year ended 31-03-2019
	Standalone Audited	Standalone Audited	Standalone Audited	Consolidated Unaudited	Standalone Audited	Consolidated Unaudited	Consolidated Audited	Consolidated Audited
Profit before tax as per Statement of Profit and Loss	862.39	1875.82	1915.64	2114.72	3842.02	2159.63		
Adjustment for:								
Depreciation	210.57	456.48	444.12	302.23	633.19	645.80		
Pre-operative Expenses written off	0.00	0.00	0.00	0.00	0.00	100.31		
Employee Stock Option Expense	22.75	52.90	11.75	22.74	52.90	11.75		
Loss/(Profit) on sale of asset	-0.65	-3.16	-8.65	-0.65	50.30	-8.65		
Interest Paid	171.32	339.13	396.80	217.82	459.29	452.59		
Unrealized foreign exchange (gain)/loss (net)	28.08	16.84	-8.14	8.19	34.48	17.14		
Interest Received	-24.62	-47.10	-52.04	-21.60	-43.83	-36.08		
Operating Profit before working capital changes	1269.84	2690.91	2699.48	2643.45	5028.35	3341.48		
Adjustment for:								
Trade and Other Receivables	-508.23	-1124.48	121.35	-2956.70	-3861.03	19.24		
Inventories	-120.83	-330.47	-545.35	432.86	229.78	-1068.78		
Trade Payables and Other Liabilities	149.06	945.26	99.46	835.41	1167.75	347.98		
Cash Generated from Operations	789.84	2181.22	2374.94	955.02	2564.85	2639.93		
Direct Taxes Paid	-298.74	-619.52	-530.88	-299.20	-622.02	-644.96		
Net Cash from Operating Activities (A)	491.10	1561.70	1844.06	655.82	1942.83	1994.97		
Cash flow from Investing Activities								
Purchase of Fixed Assets	-204.06	-391.04	-431.61	-344.49	-485.25	-677.28		
Sale of assets	0.66	3.96	21.36	0.66	3.96	21.36		
Investments disposed	0.00	0.00	0.50	0.00	0.00	0.00		
Investments Made	0.00	0.00	-171.98	0.00	0.00	0.50		
Repayment of loans/advance by subsidiaries	89.93	148.47	81.69	0.00	0.00	0.00		
Interest Received	31.65	49.89	45.16	27.14	44.02	25.16		
Net Cash used in Investing Activities (B)	-81.82	-188.72	-454.88	-316.69	-437.27	-630.26		
Cash Flow from Financing Activities								
Increase in Share Capital/Premium on account of issue of shares	11.99	35.98	5.23	11.99	35.98	5.23		
Increase/(Decrease) in short-term credit facilities/borrowings	-174.85	-532.67	179.50	343.65	-266.76	258.43		
Term Loan availed	9.00	9.00	60.56	9.00	1270.93	181.18		
Repayments of Term Loan	-80.42	-162.81	-560.33	-160.04	-534.50	-682.78		
Interest paid	-172.71	-340.83	-401.18	-219.22	-460.99	-456.97		
Dividend (including Dividend Distribution Tax) Paid	-207.64	-207.64	-165.57	-207.64	-207.64	-165.57		
Net Cash from/(used in) Financing Activities (C)	-614.63	-1198.97	-881.79	-222.26	-162.98	-860.48		
Exchange Difference on translation of cash and cash equivalents (D)	-4.84	-25.70	-11.83	-4.82	-25.70	-11.83		
Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	-210.19	148.31	495.56	112.05	1316.88	492.40		
Opening Cash & Cash Equivalents	1125.89	1125.89	630.33	1506.28	1506.28	1013.88		
Closing Cash & Cash Equivalents	915.70	1274.20	1125.89	1618.33	2823.16	1506.28		



### 3. Segment Results

	Six Months ended 31-03-2020	Previous Six Months ended 30-09-2019	Corresponding Six Months in the previous year ended 31-03-2019	Current year ended 31-03-2020	Previous year ended 31-03-2019	Six Months ended 31-03-2020	Six Months ended 30-09-2019	Corresponding Six Months in the previous year ended 31-03-2019	Current year ended 31-03-2020	Previous year ended 31-03-2019
	Standalone Audited	Standalone Audited	Standalone Audited	Standalone Audited	Standalone Audited	Consolidated Unaudited	Consolidated Unaudited	Consolidated Unaudited	Consolidated Audited	Consolidated Audited
Segment Revenue	5662.75	4641.39	5812.46	10304.14	10924.07	5662.75	4641.39	5812.46	10304.14	10924.07
a) Manufacturing Units	5745.95	5656.68	5064.61	11402.63	10253.67	11066.72	10850.08	7253.74	21956.80	14692.17
b) Service Units	986.56	542.21	627.21	1528.77	1632.47	1483.59	1041.86	959.44	2525.47	2217.96
c) Others	12393.26	10840.28	11504.28	23235.54	22810.11	18213.06	16573.35	14025.64	34786.41	27834.20
Total	1684.77	1381.61	1998.76	3066.38	3777.27	2092.55	2304.10	4396.65	4887.31	4887.31
Less: Inter-segment Revenue	10710.49	9458.67	9505.52	20169.16	19032.84	16120.51	14269.25	11245.39	30389.76	22946.89
Net Sales/Income from Operations										
Segment Results before Interest and tax										
a) Manufacturing Units	1184.93	773.04	1368.40	1957.97	2660.79	1184.93	773.04	1368.40	1957.97	2660.79
b) Service Units	738.71	1020.93	517.68	1759.64	1205.66	1528.84	1641.80	645.20	3832.90	1641.80
c) Others	124.13	20.98	-106.06	145.11	-125.28	121.92	39.74	-125.28	161.66	-211.23
Total	2047.77	1814.95	1780.02	3862.72	3777.64	2835.69	3116.84	1888.32	5952.53	4091.36
Less:										
i) Interest	167.81	171.32	193.37	339.13	396.80	241.47	217.82	216.03	459.29	452.59
ii) Other unallocable expenses (net of unallocable income)	866.53	781.24	697.12	1647.77	1465.20	866.92	784.30	702.98	1651.22	1479.14
Total Profit before tax	1013.43	862.39	889.53	1875.82	1915.64	1727.30	2114.72	969.31	3842.02	2159.63
Segment Assets										
a) Manufacturing Units		6743.78		6983.12	6446.69		6743.78		6983.12	6446.69
b) Service Units		5564.77		6399.37	5374.84		10326.54		13112.94	9221.66
c) Others		527.41		844.91	443.55		1171.19		1636.70	1032.08
d) Unallocated		3265.85		3003.81	3533.75		1121.41		-258.80	-20.43
Segment Liabilities										
a) Manufacturing Units		1616.01		1809.37	1623.37		1616.01		1809.37	1623.37
b) Service Units		1351.32		1699.20	1316.81		5348.71		5467.35	3778.75
c) Others		94.14		217.85	61.54		925.82		1230.71	838.10
d) Unallocated		3239.31		2883.46	3431.32		2430.46		2842.05	2692.49
Capital Employed										
a) Manufacturing Units		5127.77		5173.75	4823.32		5127.77		5173.75	4823.32
b) Service Units		4213.45		4700.17	4058.03		4977.83		7645.59	5442.91
c) Others		433.27		627.06	382.01		245.37		405.99	193.98
d) Unallocated		26.54		120.35	102.43		-1309.05		-3100.85	-2712.92
Total		9801.03		10621.33	9365.79		9041.92		10124.48	7747.29

4.	The Board of Directors have recommended a dividend of Rs. 5/- (Rupees Five only) per equity share of face value of Rs. 10/- each for the year ended 31st March, 2020 for the approval of the Members.
5.	The figures for the six months ended 31st March, 2020 have been arrived at by deducting the figures for the six months ended 30th September, 2019 from the figures of the year ended 31st March, 2020.
6.	The consolidated financial statements for the year ended 31st March, 2020 have been prepared based on the audited financial statements of the subsidiaries, Thejo Australia Pty Ltd, Thejo Brasil Comercio E Servicos Ltda and Thejo Engineering Latinoamerica SpA for the year ended 31st March, 2020.

7. The consolidated financial statements include the effect of initial supply of the products of the Company on deferred payment basis as part of a four year contract entered into by Thejo Australia Pty Ltd. for maintenance and inspection services for conveyor systems and supply of belt cleaning consumables.
8. The Company intends to opt for Section 115BAA of the Income-tax Act, 1961. The tax for the current year and deferred tax asset has been calculated accordingly.

9. Cash and Cash Equivalents as on 31st March, 2020, include ₹ 508.14 lakhs (as on 31st March, 2019: ₹ 373.63 lakhs) in Fixed Deposits with Banks held as Margin Money for BG & LC/Security.

10. The above financial results have been approved by the Board of Directors of the Company at their meeting held on 18th June, 2020, after review by the Audit Committee.

11. The standalone and consolidated financial results have been audited by M/s. Brahmayya & Co., Chartered Accountants, the Statutory Auditors of the Company.

12. Investor Complaints:	
Pending at the beginning of the half-year	Nil
Received during the half-year	Nil
Disposed during the half-year	Nil
Remaining unresolved at the end of the half-year	Nil

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

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

14. Figures for the previous periods have been regrouped/reclassified, where necessary, to conform to the classification of the current period

By Order of the Board

Place: Chennai  
Date: 18th June, 2020



To

**The Board of Directors  
Thejo Engineering Limited  
Chennai.**

We have audited the accompanying standalone statement of financial results of Thejo Engineering Limited ("the Company") for the half-year and year ended March 31, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other financial information for the half-year ended and year ended March 31, 2020.

#### **Basis of opinion**

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

#### **Emphasis of Matter**

We draw attention to Note No.13 of the Financial results, wherein the Company has disclosed its Assessment of the Covid-19 pandemic. As mentioned therein, the assessment of the Management does not indicate any material effect on the carrying value of its assets and liabilities of the Company on the reporting date or any adverse change in the ability of the Company to continue as a Going Concern. The assessment of the Management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation. Our opinion is not modified in respect of this matter.

#### **Management's Responsibilities for the Standalone Financial Results**

These half-yearly financial results as well as the year to date standalone financial results have been prepared on the basis of the audited financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate

accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

**Other Matter**

The statement includes the results for the half-year ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto six months ended September 30, 2019 which were audited by us.

Place: Chennai  
Date: 18<sup>th</sup> June, 2020



For Brahmayya & Co.,  
Chartered Accountants  
Firm Regn. No. 000511S

*P. Babu*  
P. Babu  
Partner  
Membership No. 203358  
UDIN:20203358AAAAKL6084

To

**The Board of Directors  
Thejo Engineering Limited  
Chennai**

We have audited the accompanying Statement of Consolidated Financial Results of Thejo Engineering Limited ("Holding Company") and its subsidiaries (holding Company and its subsidiaries together referred to as "the Group"), for the half-year and year ended March 31, 2020 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements of subsidiaries, the Statement:

- i. include the financial results of the following entities:

<b>HOLDING COMPANY</b>
Thejo Engineering Limited
<b>SUBSIDIARY COMPANIES</b>
Thejo Hatcon Industrial Services Company, Saudi Arabia
Thejo Australia Pty Ltd, Australia
Thejo Brasil Comercio E Servicos Ltda, Brasil
Thejo Engineering LatinoAmerica SpA, Chile

- ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- iii. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India, of the net profits and other financial information of the Group for the half year and year ended March 31, 2020.

### **Basis for Opinion**

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

### **Emphasis of Matter**

We draw attention to Note No.13 of the Financial results, wherein the Company has disclosed its Assessment of the Covid-19 pandemic. As mentioned therein, the assessment of the Management does not indicate any material effect on the carrying value of its assets and liabilities of the Company on the reporting date or any adverse change in the ability of the Company to continue as a Going Concern. The assessment of the Management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

Our opinion is not modified in respect of this matter.

### **Management's Responsibilities for the Consolidated Financial Results**

These half-yearly financial results as well as the year to date consolidated financial results have been prepared on the basis of the consolidated financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other financial information of the Group in accordance with the recognition and measurement principles laid down under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

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

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

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

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





- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



**Other Matters**

We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 7,856.72 lakhs as at March 31, 2020, total revenues of Rs. 11,622.95 lakhs and net cash inflow amounting to Rs.1,169 lakhs for the year ended as on date, as considered in the consolidated financial statements. These financial statements of the subsidiary companies have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of sub-sections (3) of 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated Financial Results is not modified in respect of matters stated above with respect to our reliance on the work done and the reports of the other auditors and the Financial Results / financial information certified by the Board of Directors.

The statement includes the results for the half-year ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto six months ended September 30, 2019 which were reviewed by us.

Place: Chennai  
Date: 18<sup>th</sup> June, 2020



For Brahmayya & Co.,  
Chartered Accountants  
Firm Regn. No. 000511S

P. Babu  
Partner  
Membership No. 203358  
UDIN:20203358AAAAKM1853