

Event is live, Sir. Now if you want you can proceed.

We have the requisite quorum present through video conference to conduct the proceedings of this meeting. Participation of Members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. The quorum being present, I call this meeting to order. We shall start the AGM with a silent prayer for few seconds.

Thank you.

It is my privilege and I take great pleasure in welcoming you to this 34th Annual Meeting of your Company. For our own safety and to comply with the social distancing norms, this meeting is being held through Video Conference in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. I'm participating in this meeting from the Registered Office of the Company in Chennai. Before we start the main proceedings of the meeting, I would now introduce our Directors and Company Secretary to you. First, I shall introduce those are participating in the AGM from the Registered Office of the Company.

To my immediate left is Mr. V A George, Managing Director. To his immediate left is Mr. Manoj Joseph, Deputy managing Director and Chief Operating Officer. To his immediate left is Mr. M.P. Vijay Kumar. He is a Member of the Central Council of the Institute of Chartered Accountants of India. He is an Independent Director on our Board and the Chairman of the Audit Committee, and also a Member of the Compensation and Nomination and Remuneration Committee. To his immediate left is Mr. M. D. Ravikanth, Chief Financial Officer and Secretary. To my immediate right is Mr. Thomas John, who is the Co-Promoter, and currently the Vice-Chairman of the Company. To his immediate right is Mr. Rajesh John, Director- Sales. To his immediate right is Mr. A. Satyaseelan. He is an advocate, participating in the High Court of Madras, specializing in corporate law. He's an Independent Director on our Board and a Member of the Audit Committee. To his immediate right is Dr. C.N. Ramchand. He is the CEO of Saksin Life Sciences Private Limited. He is an Independent Director on the Board and the Chairman of the Shareholders and Investors Grievance Committee. Now, I request the Directors participating through video conference to introduce themselves.

We'll start with Mr. N. Gangaram. Mr. Gangaram, please. Please introduce yourself. Unmute.

Are you able to hear me now?

Yeah. We are able to hear.

Good morning. I am Gangaram. I am participating in this meeting... I am a retired Banker. After serving a commercial bank for about 8 years I joined Reserve Bank of India and then IDBI, that is, Industrial Development Bank of India. I retired from IDBI as Executive

Director. I have been on the Boards of Companies as a Nominee Director of IDBI and as an Independent Director in Companies like L&T, i.e., Larsen & Toubro, ICICI Asset Management, TVS Motor and Sundaram Home. I joined the Board of Thejo Engineering eight years ago in January, 2012 as an Independent Director. I am Chairman of the Compensation/ Nomination and Remuneration Committee and a Member of the Audit Committee constituted by the Company's Board. I always look forward to attending the Board Meetings of Thejo Engineering. Thank you.

Mr. V K Srivastava. Please introduce yourself. Yes. So, I worked till 2010 in Bokaro Power and Steel Plant. During my work I was on the Board of the Company. I am an Independent Director on the Board of Thejo Engineering. I am the Chairman of the CSR Committee and Member of the Remuneration and Nomination Committee and Shareholders and Investor Grievance Committee.

Thank you, Mr. Srivastava. Now Mrs. Sujatha. Please introduce yourself.

Good morning to all. I'm Sujatha Jayarajan, an Independent Director on the Board of Thejo Engineering and also a Member of the Audit Committee and Nomination and Remuneration Committee. Today I'm participating through video conferencing from my residence, Palakkad, Kerala. I am an ex-banker having served with the State Bank group. Thank you.

Thank you, Mrs. Sujatha. Now, Mr. Ravi Shankar, Senior Partner and Mr. Babu, Partners of our Statutory Auditors, M/s. Brahmayya and Company are present through video conferencing. Mr. Chella K. Srinivasan, Partner of our Internal Auditors M/s. S. Vishwanathan LLP and our Secretarial Auditor, Mr. G. Porselvam have also joined the meeting through video conferencing. Members may note that this Annual General Meeting is being held through video conference in accordance with the Companies Act, 2013 and Circulars issued by the Ministry of Corporate Affairs and SEBI. Facility for joining this meeting through video conference or other audio-visual means is made available for the Members on a first come, first serve basis. The registers, documents, certificates and records that are to be made available during AGM for inspection are available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send their requests to investor@thejo-engg.com. As AGM is being held through video conference, the facility for appointment of proxies by the Members was not applicable and hence the proxy register for inspection is not available.

The Notice convening this meeting, the Board's Report and the audited accounts for the year 2019-20 have been with you for some time and with your permission I shall take them as read. The Independent Auditors have given an unqualified report for the year ended 31st March, 2020, and with your permission, we shall take it as read. The Secretarial Auditor have given an unqualified report for the year ended 31st March, 2020,

and with your permission we shall take it as read. In accordance with the instructions given in the Notice convening the AGM, the Company has received requests from a few Members to register them as speakers at the Meeting. Accordingly, the floor will be open for these Members to ask questions or to express their views during the course of the Meeting. Now, I shall proceed to deliver the Chairman 's speech.

Dear Members, the outbreak of COVID-19 pandemic has affected the business and economic activities globally. In India the Central and State Governments imposed lock down 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, we are manufacturing essential products, rendering essential services or operating conditions, operation plans, the Company continued to serve them in line with their requirement and operating levels. The restrictions have since been relaxed to various degrees. The Company is currently carrying on operations following all statutory guidelines and complying with the necessary safety and sanitary norms. During the financial year 2019-20, core sector industries grew by 0.4% against 4.4% in the previous year. The lockdown on account of COVID-19 resulted in a decline of core sector industries by 9% in March, 2020, resulting in the growth for the full year dropping to 0.4%. Steel sector, one of the major sectors catered by the Company registered lower growth of 3.4% during FY20, as against 5.1% in FY19. During the year, your Company continued to focus on high value add and high margin products with focus on receivable management on the domestic product front. On the services front, the Company could bag its share of increased business from the sector it caters to a registered growth. The exports also registered reasonable growth. On the operation and maintenance or O&M front, your Company took a conscious decision to not vie for contracts which were in the nature of manpower supply with low value addition and high working capital layout.

FINANCIAL PERFORMANCE AND DIVIDEND

As a result of the combination of factors stated above, the Company registered a reasonably satisfactory financial performance in terms of increased turnover and profitability, better liquidity management and reduced financial cost. On a stand-alone basis, the revenue from operations during the year was ₹201.69 crores with an EBITDA of ₹26.71 crore and a net profit of ₹13.74 crores. This represents a 6% growth over the previous year in terms of revenue from operations; a marginal dip of 3% in terms of EBITDA and marginal growth of 1% in terms of PAT. On a consolidated basis, the revenue from operations during the year was ₹303.89 crores with an EBITDA of ₹49.34 crores and a net profit after transfer to minority interest of ₹25.13 crore. This represents a growth over previous year of 33% in terms of revenue from operations; 51% in terms of EBITDA and 88% in terms of net profit after transfer to minority interest. The subsidiaries of the

Company contributed significantly in this growth. I shall deal with their performance separately. Your Directors have recommended a dividend of 50%, that is, ₹5 per equity share of ₹10 each for the financial year ended 31st March, 2020 as against 50% in the previous year.

Now, **PERFORMANCE OF SUBSIDIARY COMPANIES.**

As Members are aware the Company has 4 overseas subsidiaries in Saudi Arabia, Australia, Brazil and Chile. The Company decided to expand its overseas footprint by establishing its subsidiaries in key business geographies. The strategy was to expand the market presence beyond India as the growth potential in domestic business was tied to the fortunes of the core sector industries to a large extent and was prone to cyclical ups and downs. The subsidiaries have contributed significantly during the financial year 2019-20. Now, I shall give a small brief about each of our 4 subsidiaries.

The mining industry in Australia where our subsidiary Thejo Australia Private Limited is located was stable during the year 19-20. This helped our subsidiary in Australia to continue its profitable operations. Aided by the initial supply of products under a major order for maintenance and inspection services for conveyor systems and supply of belt cleaning consumables, Thejo Australia Private Limited registered sizable growth in turnover and profits. It achieved a turnover of Australian \$18.87 million, that is, ₹8974.02 Lakhs with the profit of Australian \$2.41 million, that is, ₹1170.84 Lakhs. Thejo Hatcon Industrial Services Company is our subsidiary located in Saudi Arabia. The economy of Saudi Arabia is estimated to have grown at 0.3% in the year 2019 as against the growth of 2.4% in the year 2018. Consequently, Thejo Hatcon Industrial Services registered a marginal growth in terms of turnover and profitability during the year. It achieved a turnover of Saudi Riyal 8.20 million that is ₹1580.14 Lakhs with a net profit of Saudi Riyal 2.36 million (₹478.82 Lakhs)

Now, Thejo Brazil Comercio E services limited is our subsidiary located in Brazil. The operations of our subsidiary in Brazil remains steady during the year with a marginal loss. It achieved a turnover of Brazilian Real 0.63 million, that is, ₹101.97 Lakhs with the loss of Brazilian Rial 0.12 million, that is, ₹22.28 Lakhs.

Thejo Engineering LatinoAmerica SpA is our subsidiary located in Chile. On the back of the consistent effort put forth by our subsidiary, we were able to steadily establish our brand and products in the market. This helped the subsidiary to register good growth and tend profitable during the financial year despite the Chilean economy growing by a modest 1.1% during 2019. Our subsidiary in the Chile achieved a turnover of US \$1.24 million, that is, ₹894.73 Lakhs with a profit of US \$0.2 million, that is ₹46.24 Lakhs. The combined good performance of all our subsidiaries has resulted in the considered growth achieved by the Company at the consolidated level.

CORPORATE SOCIAL RESPONSIBILITY

During the year 2019-20, your Company spent ₹27,00,000 towards various CSR activities in the areas of promotion of education, setting up and running up homes for women and orphans, hunger eradication, preventive health care, etc.

OPPORTUNITIES AND FUTURE OUTLOOK

The products as well as services offerings of the Company are intended for the core sector industries, especially to the steel, mining and power sector industries with the opportunities for the industry in which the Company operates go hand in hand with the opportunities for these core sector industries. With the steel sector consolidating to some extent and the central government announcing various policy measures in coal and mining sector, there is a possibility of new business opportunities. However, much will depend on the way the policy measures are implemented at the ground level.

The Company strives to maintain a balanced portfolio of products and services so as to moderate the impact of cyclicity experienced by its customers. The Company has shown reasonable growth in its exports. 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. The business and economic impact of COVID-19 is expected to be felt during FY21, with the possibility of the impact continuing to FY22. The central government has announced the slew of policy, liquidity and fiscal measures as part of the Atmanirbhar Bharat Scheme announced by the Honourable Prime Minister. The implementation of these policies and schemes will play a crucial role in the economic growth in the medium term. While FY21 is expected to be a year of economic turbulence, the pace and extent of recovery will depend on the implementation of various policy measures. Under these circumstances, the future outlook remains one of guarded optimism.

Before I conclude my Chairman's speech, I take this opportunity to thank all our stakeholders for the support extended to us and hope for their continued support in the future as well.

Now the Members who have registered themselves as speaker can ask their queries regarding the business items contained in the notice and other matters relating to the Company, if any. I shall announce the names of the Members who have registered themselves as speaker. The names will be announced in the order in which we have received their request. Once they announce a Member's name, they will be unmuted to ask their queries or register their views. The questions of all the speakers will be answered together at the end.

I will start with. Mr Amit Bagaria. Can you please unmute, Mr Amit Bagaria?

Mr Amit Bagaria can ask questions.

Hello. Hello. Am I audible I audible.

Yes, yes, Sir.

Mr Amit Bagaria. You can ask questions. You can ask questions.

Yes. Good morning. This is Amit Doshi not Amit Patel. Yeah. No, that's ok. Thank you. Thank you for taking my questions and I hope each and every one in Thejo is safe and healthy.

First of all, congratulations, Sir, on a well, robust performance despite pandemic that we have witnessed. And I congratulate the management for creating such a vibrant organization. Sir, I have few queries. One is, there is lot of liquidity that has been thrown by global central banks and also there are talks about mining reforms in India; a lot of infrastructure spend globally that may that may unfold. So, in light of all this, what kind of opportunity our Company sees in next few years. Because I think we are catering to the sector like infrastructure and mining. So, you can highlight on that. You have highlighted.. Second question is about the subsidiary. You have already highlighted some past performance, but when do you think, by when all these subsidiaries be equivalent to the business of it. You can give us some outlook on that. In our Directors Report, we have talked about our operations and maintenance, you know, segment to be the next key profile. So, if you can highlight the growth profile of this particular segment. We also have that very prestigious order from Roy Hills. Do you think we can get similar kind of orders in future, future years. So, what could be the the size of the Orders? If you can also talk about the products, some of the futuristic products like rhino liners, slurry pipes, vulcanising products, pipe conveyor where what are the prospects in there?

If you can highlight, the next question is about dividend policy. If you can highlight, what kind of dividend policy would you know have in the future? So, I end my questions. I also, you know, wish you all the best and hope that each and every member of your family is healthy and I support all the resolutions. Thank you very much for taking my questions.

Thank you, Mr Amit. Now the next speaker is Ms. Neha Subhash Idnani. Ms. Neha Subhash Idnani can ask questions.

Hello, can you hear me?

Yeah.

Yes, yes, yes you can ask.

So, we thank you for the opportunity. Here are the few questions that I wanted to ask. The first one being, how is the new Roy Hill project coming along? Are any new orders expected from the ongoing project? Over a period of time, what kind of revenues can we expect over the next 3 to 5 years, either from this project or we looking at adding more clients in Thejo Australia? My second question is why did the debtors increase? There

was a substantial increase in debtors. So, what was the reason for that? The 3rd question is why is the tax rate low in the consolidated entity and what kind of tax rates can we expect in the future? My 4th question is on revenue growth again. What kind of revenue growth can we expect over the next 3 years? And if it is exports lead, will it lead to a higher margin- overall for the Company? My fifth question is, is manpower supply. There is a segmental breakup of manpower supply. Is that equivalent to the operations and maintenance business? Because that had a good growth of 40% last year. And can we expect such a similar growth to continue? And you know, we've been talking about scaling the O&M business for a fairly long period of time, but we haven't seen much traction. So, what kind of growth can we expect in the O&M business? And currently who is managing the O&M vertical? My next question is on Thejo Hatcon. There were some visa issues because of which we couldn't supply manpower or you know we couldn't the the operations didn't take off. So, is the visa issues sorted? And also, the Coronavirus has hit Saudi Arabia pretty rapidly, and it's been quite severe. So, what kind of repercussions do we see on Thejo's business? And my last question is, you know, obviously a lot of companies have listed on the NSE Emerge and they have migrated pretty soon on the NSE Main Board. You know this is a question that we as shareholders have put forth to you, multiple times, let us know about that.

Its over?

Thank you, Ms. Neha. Now next speaker is Mr. Keshav Garg. Mr. Garg, you may ask your questions. Mr. Keshav Garg

Last year, our consolidated... Hello.

Yes

Sir. So last year, consolidated profits doubled. Sir, so, this year FY21 will we able to maintain the profit that we did around 25 crore consolidated profit after tax, Sir. Sir, do you think that we will be able to maintain it despite Corona? And Sir, if not then, Sir, Sir, what will basically be the impact on the profit of the Company as, trade receivables of 100 crore on sales of 300 crores, which means that we are broadly given 4 month of credit to our customers. So, which is pretty steep. So, can we get some factoring done? And Sir, can we reduce the receivables? Sir, also Sir, dividend outgo has actually been cut despite the profits doubling last year, Sir. Sir, the dividend payout was 1.73 crore, whereas in year before it was 2.07 crore. Sir, also wanted to understand that this Australian subsidiary, the very good performance of last year, Sir, it was mentioned in the notes that it is a one of item. So, Sir I mean, Sir, so, this year also, Sir, basically it again goes back to my first question, Sir, that, this year, will we be able to maintain our profits of last year? Sir, Sir, also, Sir, there have been some bad debts, although last year they were not significant, but year before they were around 3 crores of bad debts. So, so, so, also, I think it's a function of high receivables only. Sir, also wanted to understand that our products are

basically over 75% of our revenue is coming from services. Sir, so in COVID Sir, I understand that service sector has been more impacted. Sir, so are we then how are we able to manage our business? And Sir, also understand that basically we are providing services and inputs to the conveyor belt basically, Sir. So, conveyor belt is also being widely used in the manufacturing industry. But whereas you are mentioning that you are only focused on the core sector. Sir, so, I mean, don't we have opportunities in the in the basically manufacturing sector where conveyor belts are used and Sir, also, are there any plans to enter the market of United States? It is probably the largest market in the world and Sir, so, just I wanted to lastly to understand so, that is, so, so what's the USP of our Company, Sir, so, what are..? What unique basically proposition are we offering to our clients which our competitors are not able to match? Sir, thank you very much and best wishes.

Thank you, Mr. Keshav. Now, next is Mr. Satya Prakash Mittal. Mr. Mittal, you may ask your questions.

Thanks for the opportunity, Sir. Couple of questions from our end. First one is last year for the Company, it was an important year and we would like to congratulate the management on the successful implementation of Roy holding project and posting a good set of numbers and profitability. So, we would like to understand a bit more about this contract. So, we have 3 questions on this. Have we scaled up to full potential or is there further scope for growth from the same side that we are catering to? Secondly, what are the key insights and learnings from this project implementation and how did we add value to Roy holding and how did we as a Company mature through this contracts' implementation? And finally, do we expect more such contracts from Roy Holding and is there any efforts that they're putting in for the same?

Our second question, Sir, is on our JV with Bridgestone, which has scaled with the Roy holding contract? How are we seeing to optimally utilize this collaboration? And what are some new opportunities that might be arising out of this JV? When are we hopeful for getting another big contract like like the last one? And what steps are we taking towards it?

Finally, my last question is, what is the overall vision for the Company for next 5 years and what will be the key challenges that you see going ahead, given the covid disruption. And lastly, Sir, I would also like to pay my attention on the decision that the shareholders have been asking - shifting from NSE SME to Main Board. You should concentrate that, because that would be very helpful change for our Company. Thank you and best wishes.

Thank you, Mr. Satya Prakash. Now, Mr. Amit Bagaria. Mr. Amit Bagaria, you may ask your questions.

Hello.

Yeah, we can hear you, we can hear you.

Good morning, all. I am shareholder since IPO. And it has been a real pleasure being a shareholder for so long of Thejo Engineering. Most of the questions that I had, are already been asked by the other speakers. I just have one observation to make. Our dividend payout ratio of 5 - 5 Rupees on a 72 Rupees EPS is on a very low side. All the companies which are in decent and a good league like ours, they actually end up paying 20-25% of the profits as dividend every year. So, if we can start considering paying dividend as a percentage of the profit, so 72 Rupees EPS would mean say 15 Rs dividend. If we can start considering that, so, for long term shareholders like us, it will be nice. Thank you so much and keep doing the great work.

Now I request Mr. V.A. George, Managing director to answer the queries one by one.

Good morning. Apart from the questions those who have been asked directly now, we have also a set of questions from few of esteemed shareholders, who could not be accommodated because their request came after the stipulated time. They include Ankit Gupta, Hemant Bhatia, Deepak Sambath, and Sourav Jain. I will take their questions as well and I'll try to answer to all your queries to the best of my abilities. What I have done is I have consolidated because, and I am going to address questions which have been the maximum number of shareholders have asked question that I have ranked one and I am going to address, specific questions, I will address towards the end. And some general questions with that, I will close the reply. Question number one, which substantial number has asked and that has got a relevance for the resolution today. Why is there -is any resolution to increase the authorized capital from 10 crores to 15 crores, when our paid-up capital at present is only about 3 and a half crores That is the question number one, which most of you have asked. Question number 2, which most of you have asked, it's quite some time we are on the emerge platform of NSE, when will you migrate to Main Board. So, I think question number 2 answers question number 1. To go to the Main Board, the paid-up capital has to be in excess of 10 Crores. So, with 10 Crores authorised capital, you cannot go to the Main Board. So now I give you the answer, that journey we are taking one step further by increasing the share capital, so that Main Board migration as and when the Board decides to happen will be a seamless affair. So, I'm answering both those. Coming to the next one. When we will go to the Main Board. This is an idea, the decision the Board will take at the right time. We will look at which is best for the stakeholders. See, as far as we are concerned, as Mr. Bagaria mentioned, he is, they are seen from since from the IPO quite some time we have not moved in. And requests have come in because of the liquidity you think you will discover better price if you go to the Main Board. Board is considering this and they will take an appropriate decision the right time. I cannot say when, but we are seized of the matter and the authorized capital increase in one step towards that.

Now second question. Having answered, the third one is, a general, on the mining industry. I think about out of 9, about 5 have asked. The government has announced lot of statements in terms of opening up of mining, what will happen to us? Let me tell you this. As and when it happens, our business is closely related to mining business. If opening opportunities come through privatization, etc., we will be the one to grab it and that will give us a good boost in the domestic sector, which is more or less growing at a single digit at present. So, we will look at all opportunities coming in the mining sector. Not only in India, but globally also. Few of you asked about the pipe conveyor system coming in. Let us tell you, we have started; we are conscious about this, that this is going to be a good opportunity in the conveyor field. The reason is, because of the pollution and environmental issues government has stipulated that in future, whenever you transport materials like iron ore, coal etc., it should not be in open conveyors, but it has to be in pipe conveyors. So, there is going to be lot of replacement demand coming in and fresh conveyors will come in pipe conveyor area. So, we want to get into that business. And I'm very happy to tell you, with our continuous effort, last year we were able to get maintenance of pipe conveyor system with Andhra Pradesh Electricity Board (APGENCO). We completed that for 12 months contract and they have given us excellent certificate and they have renewed the contract. So, with this we will be trying for more contracts, we have also got letter of intent from JSW for their pipe conveyor, but order timing we do not know. So, this is the part of our plan. Pipe conveyor maintenance will be a focus area of the operation and maintenance comes in.

Next one. Few have asked the margin profile of services, I think Amit Joshi is the one, if my memory is right, services, products, and O&M. As of now it is between 15 and 20% for both services and products. Of course it depends on specific product, but I am talking about as a category- it's between 15 and 20. O&M as of today is a single digit because that division is just growing. We have made a shift as some of you have mentioned. Again, Neha has asked about manpower. See manpower supply is the lowest end of O&M. The risk there is when labour laws are undergoing drastic changes, if you have a huge manpower, it is going to be a very serious risk for us. So, we are very careful about this aspect and their value addition is relatively low, so we have decided strategically to how, how value adds in the O&M, like KPA based contracts and Thejo is in a unique position because we have both services and our own products. So, products will be supplied based on performance. For our own products will not be tender based. So, we will be able to have better price discovery in our products plus services. So, we will be striving for value adds contracts in O&M. So, we have consciously come out of some of the large manpower supply contracts. And now we have shifted to this. As of today, somebody asked the kind of our share we have about 30 crore turnover last year we did, in terms of O&M. But O&M will be our focus in the domestic market because that will help us both services and products to move up and we expect the margin to be in the range of 13-15% once that stabilizes. And two persons asked who are our competitors in the O&M

segment. Hofincons, Thyssenkrupp, McNally Bharat, Tata projects, etc., and Macmet in the pipe conveyer area are some of the competitors which comes to my mind immediately.

Next one, we will move to dividend policy. These are some of the speakers who mentioned and the query also asked. Let me state our dividend policy. We want to be a consistent dividend paying company. And possibly increase the dividends as we grow. Now having said that, as of today, we are looking at a dividend payout ratio in the range of not more than 15-20%. Then somebody may ask even that rate is not there in the 50% dividend. The dividend policy, being a professor, I have to come to the theory aspect of this. In a growth phase, dividend percentages will be low. Once the industry matures dividend will be more. Though our Company is relatively old, you can see our international operations are really growing now and we have to conserve our cash and also capital to earn better for you. And you are all experts, I have seen the depth of study you have done. I am amazed. I compliment. When we make the balance sheet, I wonder whether people will go through. The kind of questions you are sending, I am delighted to spend time to answer. I spend some time. So, dividend depends on the major source. Global operation, we are just growing. So, the growth phase, we should conserve cash. Having said this, 50% dividend for last years' performance is ok. We agree with you. But unfortunately, this Covid came in and then we felt we should be cautious and maintain the dividend and give you better. We always take a medium long term in all our actions; we never take short term views. Because we want, all of you are long term in mind except short term views are there coming in. I will come to that later. So, our dividend policy is very clear. As long as, the capital is not working. And if you look at the ratio, our return on our capital, your capital is really sweating in this Company. You know the kind of earnings you are getting it because we don't unnecessarily raise capital, we make it work harder. So, we would like to use resource and again with the dividend tax coming in from a theoretical perspective, a longtime investor should not look at dividend alone; capital appreciation plus dividend is what an investor gets. So, I request you to bear with us for some more time. COVID was the reason to maintain 50%. I, that, the main reason the Board felt we should maintain it. Because nobody knows what is going to happen, today, when we decided that and today things, we are little more confident because it was totally uncertain first time ever in the History. So, we are little cautious, but that money is earning better for you today; it is not wasted. So, your each moment -it is earning money for you. Ok, now, next one is again on subsidiaries. Specially I will start with Thejo Australia Private Limited. One person only wants to know about Roy Hill, Bridgestone, Joint venture etc., Let me explain to you. When we looked at our strategy about 8 years back, we found India, our growth is in single digits and highly cyclical. So, cyclicity, we addressed that by having a mix of services and products. It's around 50-50 as of now. It is both products and services and what happens in situation, in Indian condition when there is a recession like today, all clients would like to postpone capex and try to increase

maintenance. So, services will always get a preference during a recessionary time and just opposite during a boom. The people who can have them- conveyor one more year, we'll say let us replace it. So, Capex will improve. So, both together will average out the cyclicity, but the growth still was single digit. That's why we embrace globalization. We went to, as Chairman mentioned, we went to Saudi, we went to Australia, we went to South America because these are the most potential places. Initially, we face problem because all these countries face recession together, but we withstood those crises due to prudent financial management. And Thejo, when Australia, we went and started on our own. Bridgestone- someone is thinking Bridgestone is a competitor to us. No. Bridgestone manufacturers, they are known in India for tyres, but they manufacture huge conveyors, and they are one of the leading suppliers of conveyor belts in the mines of Australia. So, they are a manufacturing Company of conveyer. They approached us and said, "we would like to have an association with you because we want to have a service Company with us. So, together we can offer one stop solution to our clients." And they came to us. They asked us for 50-50 share. We said 50-50 Big Brother, you may swallow us. So, if synergy is what you look for, you can have 26% and we will hold 74. They agreed, that is how it's a Joint Venture. TAPL is a joint venture between Bridgestone and Thejo Engineering. Now, the objective has been achieved in the first contractor- Roy Hill, which has started earning for you last year. And this contract we got because of Bridgestone got the supply of belts to Roy Hill, one of the largest mines and they have given the service part to TAPL. So, we are working together. We have achieved the objective of setting up the subsidiary. Now, what are the takeaways benefits? Somebody asks what are the learning for us. We are a learning organization. What are the few things we will do is the best practices; global best practices we learn from whichever subsidiaries we have. We are closely integrated. We will develop that and bring it back to the remaining parts of our operation so that as a whole, our competitiveness and ability will enhance. There are many practices which are not practiced in India -in terms of safety, in terms of quality, in terms of training, which is practiced in Roy Hill and TAPL, which we have a unique opportunity to learn and also bring it back to Indian operations and also to Chile, Saudi, etc. So, that is second- learning.

3rd one- we are also learning project management in a much better way, in this tie up. And the second question, there the profit margins are better. Definitely overseas profit margins are better and someone was asking about the turnover issues and receivables. I'm linking all these together. Few of you have mentioned about receivables being slightly higher at the year end. Very good study. But let me tell you this year end numbers can be sometimes misleading. Two factors have contributed to it. You will all remember from March second half only COVID has come in and then you know we had lock-down before 31st -about 10 days. These 10 days are the ones really every corporate will be trying to collect maximum which we could not do. So, as a result those receivables which should have come into our system has not come in. Number one reason. Second one on the

receivable front is that Roy Hill Project, we have supplied products also. That's advantage. Thejo Engineering has supplied products to Roy Hill contracts by belt binders, vulcanising machines. All these- products supply, payments are delayed before the march, the payments have not come in because the process was going on. So as a result, that particular date there is a slight end of receivable. 3rd aspect I looked at -since you took so much time to raise the question, I thought I should spend time. And another reason was last year, our second half sales were much more than the first half. So, when your sales are bunched towards the end of the financial year, short term receivables will be high, and age wise analysis will give a much better picture. But I want to assure you collections has been very robust in the current -after April to this period. I will come towards it, towards the end. No need to worry about our receivables. These are the reasons for that. And, now, someone asked about Saudi Arabia. Saudi Arabia, also our subsidiary, is doing well. Chile, Saudi Arabia and Australia, they are joint ventures. We have a local partner, Hatcon Engineering in Saudi which holds 49%. We have controlling stake of 51. There also last year growth has been arranged in spite of the general growth being done. We see good potential there and considerable management time- myself, Deputy Managing Director and CEO, we all spend; Director Sales, spend time on subsidiaries' growth. Because we see huge potential. And, on the whole, subsidiaries are doing well.

Next one question is that when will; whether we will get more similar contracts in Australia and ramp up. See our dream and our deSire is that. That is the reason we have gone there, this Roy Hill as someone has, I think Amit again mentioned it beautifully, has enhanced our reputation in the market. And other big mines have shown interest for us to give service contract to us. Actually, I am the culprit for not taking those contracts. I said let us stabilize Roy Hill. Because one mistake, in our over eagerness to get more contracts, if we make one mistake, the name will get. So, we want to err on the side of caution. But in all likelihood, we are, we will get one or two such contracts in the near future as and when it comes in. I cannot say when it will happen, but when it happens, it brings in substantial growth numbers. You are so smart. I will not tell any number, but you can guess that the numbers how it will multiply. And, today I can talk about the achievement- 300 crores turnover, about 100 has come from our subsidiary. So, 1/3 has come from them. And if things go well and we get such big contracts, one or two, the consolidated subsidiary performance will overtake Indian operations in 2 to 3 years. It will not be a very ambitious statement, it's a realistic one to our mind, as of today. We are working towards that. Ok, I think, that answers on the subsidiary performance, Roy Hill Thejo Australia. One more interesting point to tell you, we have been trying to get to Australia to depute our technicians for the last 6-7 years. Last month, Thejo Australia got permission to take technicians from Thejo Engineering on deputation basis for 3 to 4 years to do the contracts. That's a big achievement for us. So, we will be therefore sending, deputing our technicians. Only thing, challenge is that, they should pass the

English skill examination. IELTS- they have to pass. Once the language test they pass, they will be sent there. 3-4, years, then they will come back. So, the integration of technicians will add substantial support to our dreams in Australia.

Ok. Now, some of the products that people wanted to know. I will consolidate little some were asking about the vision of our Company. Our vision is very simple, to maintain leadership position in domestic market as we are today. Whatever opportunities come we will look at it and whatever is good, we will, with all intensity, we will look at that market. So that we maintain the leadership in domestic market. How much the market grows - depends on the environmental condition, government regulation, privatization, etc. International operations will grow. That's what our target. And we would like to international operations, better profitability to be the fulcrum on the globe, for us to grow, all these- Australia, Chile, Saudi etc., will be our thing. And as of today, we have lot of focus on R&D. Because, we are a government recognised-Central Government recognized Research Centre, R&D Centre. So, products, we develop products for international standards. There were questions on air blasters, ceramic line sheets. All these products have tremendous potential. We are improving the quality, vulcanizing machine, we supplied to Australia. We found what more to be done to make it global standard that has been done. So, we will be able to market it in a substantial way. Winders- we are improving. So, it's a learning process. And we hope all our products will meet international standards. So, services and products globally, we will be able to. In short, we will become a truly global company. Someone was asking about going to US. We already supply to US products. And we are locating one more, DMD was telling me, we are locating one more agent there for supply of products. So, we look at all markets. We were even looking at Africa. But we do enter very cautiously within our abilities. Ok.

Now, few are asking what is your COVID strategy? Ok. So, I think COVID strategy everyone talks about. For us, it is very simple. Incidentally, I have to tell you research has been done, on the past crises like COVID. COVID is unique, but they studied, IMD Lausanne studied about 5 crises in the past 2 centuries and how corporates have responded to this crisis. Very interesting. What they find is that 17% of the corporates die after the crisis. Because they are not able to withstand that, they are not able to really survive that. 74% of the corporates survive the crisis. And 9% grows even in during bad times, though very marginal. And the 74% who survive takes about 3 years' time on an average to reach the original level before the recession start. So, they are pushed back 3 years back to in terms of your business volume and profitability. Out of this, they have found various strategies. Very broadly, many companies go for a Defence Focus Strategy. What is that cost cutting, employee reduction and you know cash is king. Let us conserve everything. Let us not do anything now because it is a risky kind of attitude. The other extreme. I am talking about the extremes -is offense focus. Let us use this opportunity to acquire more, let us expand and invest because you know it will be cheap relatively.

And their study found both these group, had very high risk in terms of their business after the crisis. But the ones who have been really been able to do is a hybrid model, what they looked at. What they have done is that, they look at operational efficiency; not employee cutting, not just cost cutting, but they were looking at reducing cost or optimizing by operational efficiency. See what all can be done to reduce our cost of operations. And simultaneously pursue market development, new markets, research & development and product development. These 3 things they were doing. And these companies, 75% of them- those winners were this. So, we looked at that and what are we doing. We are exactly following the same thing. Let me tell you very briefly. We have looked at our cost. The management decided this a crisis we do not know. So, what will we do? So, from the top management, we voluntarily decided that we will take a cut in our salary. Starting with the Managing Director 50%, next level 25%, next level 20. No compulsion. All said, "Let us withstand." So, we reduced. We renegotiated rent for our premises. We reduce the cost. We reduce travel. All where we can reduce, so we have done cost optimisation. Simultaneously, we have looked at where all we can continue our operations. Services have really done well. Product sales is happening. And after the factory lockdown happened, we went to the government and said because we supplied to power utility companies which are under essential service, we would like to function. They were kind enough to give permission for our factories to start. Our factory operation started, and so we are also, let me tell you, I want to compliment the DMD and team, the research department. They got 2 patents last week, the patents for our products. So, R&D is going quite strong, product development is happening. We are also investing certain amounts into balancing equipment etc., in the factory. So that you know, operational efficiency really comes in. Ok. And so, we are really doing this. And what is the result, you will ask. ok. You have done this. Let me tell you the first quarter end- what we have achieved is, we have as against 42 crores domestic turnover last year, we have achieved 39 crores in the first quarter. International operations last year, we have achieved about 15 crores exports, subsidiary performance. This year we have achieved 100% growth. We have done 30 crores. This is the first quarter results. But this can should not mislead you, because in the first quarter, this year, we have Roy Hill contract running which was not there in the last year first quarter. So, don't expect me to ask next year. Last year, first quarter in subsidiaries grew 100%; why it didn't do annually. Annually, it can happen if you get some more contracts. So let me conclude telling you that, we are very transparent. We have very enlightened Board, very seriously we look at your business. We try our best to make this Company give you the best rewards- not only to the shareholders long term, short term, but also for the entire community. Having said this in general, I think I should not miss anything. So, we have two interesting comments and I think I should talk about it. One is that, you know, it is, I think it has come from Hemant Bhatia. Hemant says. I appreciate Hemant - how minutely you have gone through the balance sheet. Hemant says on 18th August 2020, bulk deal transactions was reported on NSE Exchange, where 30,000 shares were sold by India Opportunity Fund. However,

in Annual Report their name is missing from the List of Top 10 Shareholders. Where on page 49 of annual report, it was mentioned that IDBI Capital Market was holding 26,000 shares. Please clarify. I appreciate. But let me tell you we have not missed anything. This is available on page 48, not on page 49. And it is SIDBI Trustee Company. We gave them some fund at the time of IPO, the shares. So, it is SIDBI Trustee Company India Opportunities Fund. So, we have given it that heading in Page 48. So, you can, but anyhow, I appreciate your effort to go through in such a detailed manner. Second one, your comment is that you know it is observed that Company employees are getting shares under ESOP. Immediately, they are selling the same on exchange thereby putting pressure on already illiquid counter. As we are in SME platform of NSE, so we feel it would be better, if the Company instead of ESOP gives direct finance incentives to the employees, averting the pressure on the secondary market.

Hemant, if I may say so, I think, employees are the soul of this Company. This Company is not run in one factory. They are in faraway places where it is very difficult to go and see them. There is no direct supervision. They have to work with passion and these are senior guys. None of the Directors, Managing Director, we don't get any take any ESOP. It's all given to senior management team, which is doing critical functioning. And ESOPs have been established, that it builds a bonding between the Company and the employee, number one. Second, it will be one of the best ways. See employees will use ESOPs only when the share prices, there is a good increase. To tell you frankly, initial few years, I had to compel our employees to take the shares. Now, when share price goes up, they may sell. They will get some incentive. Direct financial, it immediately impacts our Profit and Loss account immediately. But here, it's a deferred one. Its long term. But much more than the profitability or cost angle, they becoming a part of us. Owning a Company- that ownership is tremendous. They are doing a wonderful job. And 3rd point, the last, I was just looking at last 3 months. There are 3.23 lakhs shares were traded in the exchange and our employees sold some 25,000 shares in the stock option under that. So, it is not significant at all. Anyhow, thank you for your comments on this aspect. These are on the individual one. And another one; and with that, I will close. Please don't give any bonus shares. Ok, so, again, this is the conflict which we have to manage. If, when we don't need a big capital immediately. If you have to go to Main Board, we have to see what else we can do other than bonus shares. I hope you will appreciate our prediction. I hope, I have explained all your queries to the satisfaction in the time permitted. Thank you very much.

I thank Mr. George for answering all these questions. And I hope we have answered all your queries.

Now, in compliance with section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration Rules), 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your

Company had engaged M/s. Central Depository Services India Limited, that is, CDSL, as the authorized agency to provide remote e-voting facility to the Members, to cast their votes for all resolutions, as mentioned in the AGM Notice. Those Members holding shares either in physical form or in demat mode as on 22nd August 2020, were given an option to vote electronically using the remote e-voting facility. Members who have not cast their votes electronically using remote e-voting facility and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by CDSL. This facility is open now and Members can click on vote tab under the EVSN of the Company to cast their votes.

Mr. G. Porselvam, Practicing Company Secretary, has been appointed as a Scrutinizer for the e-voting process. He will submit his report to me. The results will..the results shall be declared within 48 hours of conclusion of AGM and the same shall be communicated to the Stock Exchange and will be uploaded on the Company's website. The e-voting on the CSDL platform will continue to be available for the next 15 minutes.

On behalf of the Board, I would like to convey my sincere thanks to all our stakeholders for their continued trust and confidence in the management of the Company. With this, the discussions are concluded. The meeting will stand closed at the end of 15 minutes provided for e-voting on the CDSL platform.

Thank you very much.