

AWARDS/RECOGNITIONS



BOARD OF DIRECTORS

Chairman	K.J. JOSEPH
Vice Chairman	THOMAS JOHN
Managing Director	V.A. GEORGE
Whole-time Directors	MANOJ JOSEPH RAJESH JOHN
Directors	N. GANGA RAM V.K. SRIVASTAVA A. SATYASEELAN M.P. VIJAY KUMAR C.N. RAMCHAND SUJATHA JAYARAJAN
Chief Financial Officer & Secretary	M.D. RAVIKANTH
Audit Committee	M.P. VIJAY KUMAR N. GANGA RAM A. SATYASEELAN SUJATHA JAYARAJAN
Shareholders' Grievance Committee	C.N. RAMCHAND V.K. SRIVASTAVA K.J. JOSEPH THOMAS JOHN
Auditors	M/s. BRAHMAYYA & CO. Chartered Accountants, Chennai.
Internal Auditors	M/s. S. VISWANATHANLLP Chartered Accountants, Chennai
Secretarial Auditor	SINDHUJA PORSELVAM Practising Company Secretary, Chennai
Registrar and Share Transfer Agents	M/s. Cameo Corporate Services Limited Subramanian Building, No. 1 Club House Road, Chennai - 600 002.
Main Bankers	State Bank of India, Commercial Branch, Chennai Axis Bank Limited, Chennai The South Indian Bank Limited, Chennai

REGISTERED OFFICE

3rd Floor, VDS House,
No. 41, Cathedral Road,
Chennai - 600 086.
CIN: L27209TN1986PLC012833
Phone : 044 - 42221900 Fax : 044 - 42221910
E-mail : investor@thejo-engg.com
Website: www.thejo-engg.com

FACTORIES

Unit – I:

Survey No.176/3, 181/5 & 181/6A,
Jagannathapuram Road,
Irulipattu Village, Alinjivakkam Post,
Ponneri Taluk, Chennai - 600 067.

Unit – II & III:

Survey No. 100/5, Jagannathapuram Road,
Athipedu Village, Ponneri Taluk,
Chennai - 600 067.

Polyurethane Division:

Survey No. 179/3B,
Jagannathapuram Road,
Irulipattu Village, Alinjivakkam Post,
Ponneri Taluk,
Chennai - 600 067.

Lining Division:

Survey No. 234/2C, Jaganathapuram-II,
Ponneri Taluk, Tiruvallur District,
Chennai - 600 067.

R&D CENTRE:

Survey No. 179 / 3B, Jagannathapuram Road,
Irulipattu Village, Ponneri Taluk,
Chennai - 600 067.

SUBSIDIARY COMPANIES

Thejo Hatcon Industrial Services Company,
Saudi Arabia
Thejo Australia Pty Ltd., Australia
Thejo Brasil Comercio E Servicos Ltda, Brazil
Thejo Engineering LatinoAmerica SpA, Chile

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FINANCIAL HIGHLIGHTS

₹ in lakhs unless specified otherwise

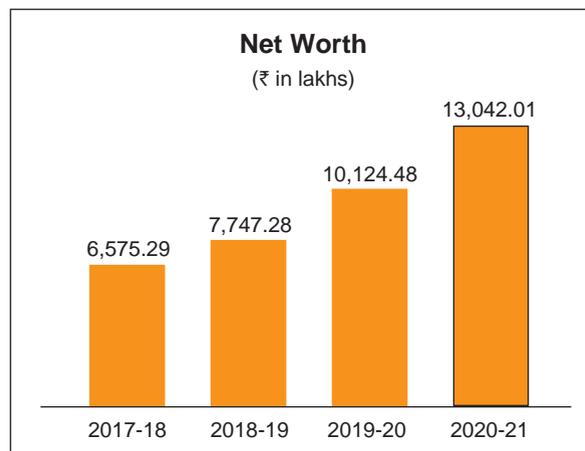
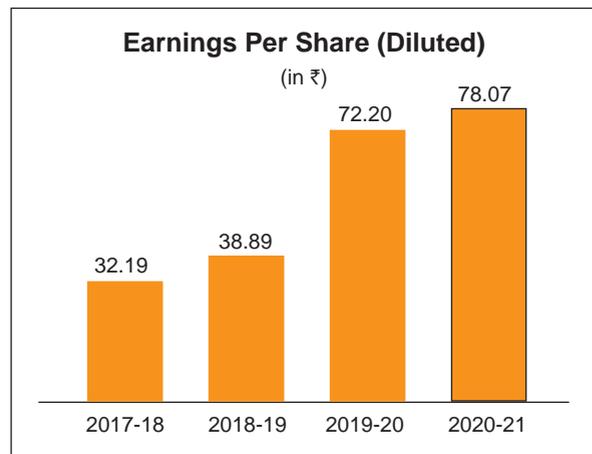
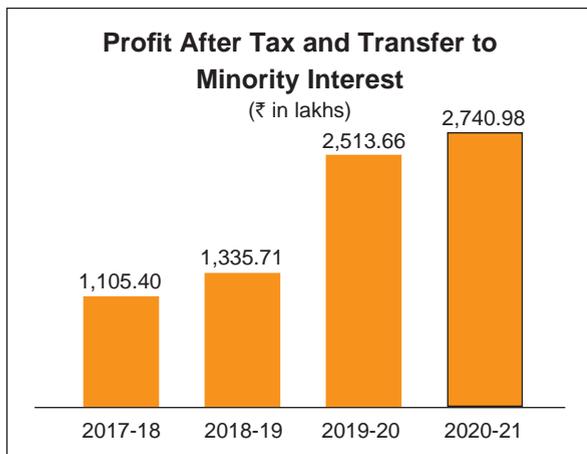
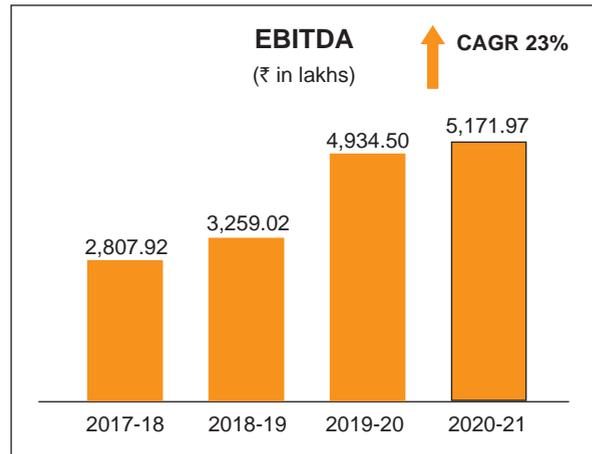
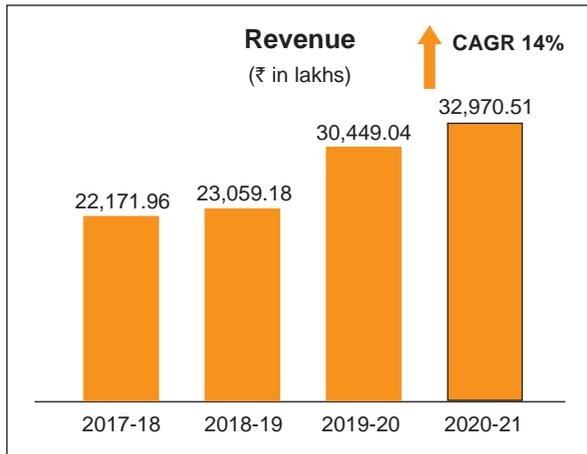
Details	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Sales ¹	21306.49	20047.06	18925.39	17404.09	14927.65	14449.23	15603.02	13868.65	12440.65	10899.42
Other Income	309.74	215.24	235.75	160.82	173.88	123.44	112.31	144.68	211.58	249.63
Total Income ¹	21616.23	20262.30	19161.14	17564.91	15101.53	14572.67	15715.33	14013.33	12652.23	11149.05
Profit before interest, depreciation, amortisation and tax ²	3606.46	2671.43	2756.56	2176.62	1777.04	1807.91	1774.59	2067.52	2020.66	1529.81
Profit before interest & tax ²	3159.30	2214.95	2312.44	1801.33	1385.05	1389.77	1322.00	1792.58	1817.79	1368.33
Profit before tax ²	2988.67	1875.82	1915.64	1263.30	822.75	812.01	805.32	1342.36	1437.63	1001.26
Profit after tax ²	2241.60	1374.29	1357.14	870.76	560.89	559.03	546.67	895.79	974.78	671.83
Net fixed assets	2490.12	2333.95	2400.18	2425.42	2068.21	2144.80	2239.75	2338.04	1504.89	1132.10
Share Capital	351.64	346.04	343.70	343.36	343.36	343.36	343.36	343.36	171.68	118.47
Reserves and Surplus	12465.77	10275.29	9022.09	7813.88	7065.30	6474.13	6059.73	5718.23	5159.45	2456.33
Networth	12817.41	10621.33	9365.79	8157.24	7408.66	6817.49	6403.09	6061.59	5331.13	2574.80
Total borrowings	359.38	1512.21	2167.07	2185.97	3707.87	3694.18	3515.91	3092.85	2582.83	2134.70
Basic Earnings per share ³ (in ₹)	64.35	39.86	39.51	25.36	16.34	16.28	15.92	25.37	32.93	28.35
Diluted Earnings per share ³ (in ₹)	63.85	39.48	39.51	25.36	16.34	16.28	15.92	25.37	32.93	28.35
Dividend per share (in ₹)	6.00	5.00	5.00	4.00	3.50	3.50	3.50	3.50	5.00	4.00
Book value per share ³ (in ₹)	364.50	306.94	272.50	237.57	215.77	198.55	186.48	176.54	155.27	108.67
EBITDA / Total Income (%)	16.68	13.18	14.39	12.39	11.77	12.41	11.29	14.75	15.97	13.72
Profit before tax / Total Income (%)	13.83	9.26	10.00	7.19	5.45	5.57	5.12	9.58	11.36	8.98
Return on capital employed (%)	23.98	18.25	20.05	17.42	12.46	13.22	13.33	19.58	22.97	29.05
Return on closing net worth (%)	17.49	12.94	14.49	10.67	7.57	8.20	8.54	14.78	18.28	26.09

Notes: 1 Net of excise duty and all other duties and taxes.

2 Excluding exceptional items.

3 During FY 2013-14, the Company has issued 17,16,776 equity shares as fully paid-up bonus shares (in the ratio of 1:1). Consequently, the EPS and book value for the prior periods has been adjusted for the bonus issue.

KEY PERFORMANCE INDICATORS
(Consolidated)



THEJO ENGINEERING LIMITED

Regd. Office : 3rd Floor, VDS House, 41, Cathedral Road, Chennai - 600 086.

CIN : L27209TN1986PLC012833

Phone : 044 - 42221900 Fax : 044 - 42221910

E-mail : investor@thejo-engg.com

Website : www.thejo-engg.com

NOTICE TO MEMBERS

NOTICE is hereby given that the 35th Annual General Meeting of the Members of Thejo Engineering Limited will be held on Monday, 30th August, 2021 at 10.15 a.m. Indian Standard Time (IST), through Video Conferencing / Other Audio Visual Means (VC/OAVM) Facility to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt (a) the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021 together with the Reports of the Board of Directors and the Auditors thereon and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2021 together with the Report of the Auditors thereon and, in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2021, together with the Reports of the Board of Directors and the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.

“**RESOLVED FURTHER THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2021, together with the Report of the Auditors thereon as circulated to the Members, be and are hereby considered and adopted.”

2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2021 and, in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT**, pursuant to the recommendation of the Board of Directors, dividend at the rate of ₹ 6 /- (Rupees Six Only) per Equity Share of the Company of the face value of ₹ 10/- (Rupees Ten Only) each fully paid-up be and is hereby declared for the Financial Year ended 31st March, 2021 and be paid out of the profits of the Company for the year 2020-21 to the Members whose names appear in the Register of Members of the Company or as beneficial owner in the records of the Depositories as on 23rd August, 2021.”

3. To appoint a Director in place of Mr. Thomas John (DIN 00435035), who retires by rotation and, being eligible, seeks re-appointment as a Director and in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Thomas John (DIN 00435035), who retires by rotation at this Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

4. To appoint a Director in place of Mr. V.A. George (DIN 01493737), who retires by rotation and, being eligible, seeks re-appointment as a Director and in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. V.A. George (DIN 01493737), who retires by rotation at this Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

NOTICE TO MEMBERS**SPECIAL BUSINESS:**

5. To appoint Mr. Manesh Joseph (DIN 07599476) as a Director of the Company and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014, including any statutory modification or re-enactment thereof, or any other law for the time being in force and subject to such other consent(s), approval(s) and permission(s) as may be required in this regard, Mr. Manesh Joseph (DIN 07599476) who was appointed as an Additional Director by the Board of Directors with effect from 23rd June, 2021 in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.

“RESOLVED FURTHER THAT the Directors and / or the Secretary of the Company be and are hereby severally authorised to file the necessary forms / returns with the Registrar of Companies, and to do all such acts, deeds and things as may be necessary in connection with the above.”

6. To appoint Mr. Manesh Joseph (DIN 07599476) as Whole-time Director of the Company and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof, or any other law for the time being in force and subject to such other consent(s), approval(s) and permission(s) as may be required in this regard, approval is hereby given for the appointment of Mr. Manesh Joseph (DIN 07599476) as Whole-time Director of the Company, for a period of five years, with effect from 23rd June, 2021, on the following terms and conditions:

Remuneration:

- a) **Basic Salary:** ₹ 1,70,000/- (Rupees One Lakh Seventy Thousand Only) per month in the scale of ₹ 1,70,000 – ₹ 10,000³ – ₹ 15,000² – ₹ 2,30,000 with annual increment to take effect from 1st April of the succeeding year, subject to the limits prescribed under Section 197 of the Companies Act, 2013.
- b) **Allowances:**
- Dearness Allowance: 30% of the basic salary per month
 - House Rent Allowance: 50% of the basic salary plus DA per month
- c) **Commission:**
As may be determined by the Board of Directors based on the recommendation of the Compensation/ Nomination and Remuneration Committee, subject to a ceiling of 2% of the annual profits of the Company, payable every year after the finalisation of the Annual Accounts of the Company.
- d) **Perquisites:**
In addition to the salary, the following perquisites shall be paid to Mr. Manesh Joseph, the value of perquisites to be evaluated as per the Income-tax Rules, 1962:
- Medical Expenses & Insurance:** Reimbursement of medical expenses including hospitalisation and surgical charges of self and family, or direct payment by the Company against actual medical bills, receipts and/or cash memos, up to a limit of 8.33% of basic annual salary and DA. Medical Insurance to self and spouse as per the Policy of the Company.

NOTICE TO MEMBERS

- ii. **Leave Travel Assistance:** Entitlement for Leave Travel Assistance for self and family, once in two years, equivalent to two months' Basic Salary and DA. Family means wife and dependent children and parents. Such entitlement may be accumulated as per the Policy of the Company.
 - iii. **Club Fees:** Entitlement for reimbursement of fees and expenses for membership of one club other than life membership fees.
 - iv. Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund as per the Schemes of the Company.
 - v. **Gratuity:** Entitlement to gratuity equivalent to half month's salary for each completed year of service as per the Gratuity Scheme in operation for the Management Group Personnel.
 - vi. Mr. Manesh Joseph shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in the ordinary course of business of the Company and travelling, hotel and other expenses incurred by him in India and abroad, exclusively for the business of the Company, as per the rules and regulations of the Company or as approved by the Board of Directors.
- e) **Amenities:**
- i. Provision of Car: The Company shall provide car with chauffeur for official use.
 - ii. Communication Facilities: Cell Phone, Laptop and Internet, with expenses to be borne by the Company.
- f) **Minimum Remuneration:** If in any Financial Year during the tenure of appointment, the Company has no profits or its profits are inadequate, salary and perquisites and other allowances stated herein shall be paid to Mr. Manesh Joseph as minimum remuneration for that Year, subject to the extent allowed under the relevant provisions of the Companies Act, 2013.
- g) **Other Terms and Conditions:** As long as Mr. Manesh Joseph functions as Whole-time Director of the Company, no sitting fees shall be paid to him for attending Meetings of the Board of Directors and/or any Committee thereof.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, alter and modify the terms and conditions of appointment including as to designation and remuneration / remuneration structure of Mr. Manesh Joseph within the limits prescribed under the provisions of the Companies Act, 2013 and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above Resolution.

“RESOLVED FURTHER THAT the Directors and / or the Secretary of the Company be and are hereby severally authorised to file the necessary forms / returns with the Registrar of Companies, and to do all such acts, deeds and things as may be necessary in connection with the above.”

7. To appoint Mr. V.A. George (DIN 01493737) as Whole-time Director designated as Executive Chairman and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof, or any other law for the time being in force and subject to such other consent(s), approval(s) and permission(s) as may be required in this regard, approval is hereby given for the appointment of Mr. V.A. George (DIN 01493737) as Whole-time Director designated as Executive Chairman with general powers of management of the affairs of the Company, for a period of five years, with effect from 15th July, 2021, on the following terms and conditions:

NOTICE TO MEMBERS**Remuneration:**

- a) **Basic Salary:** ₹ 9,00,000/- (Rupees Nine Lakhs Only) per month in the scale of ₹ 9,00,000 – ₹ 50,000⁵ – ₹ 11,50,000 with annual increment to take effect from 1st April of the succeeding year, subject to the limits prescribed under Section 197 of the Companies Act, 2013.
- b) **Commission:** As may be determined by the Board of Directors based on the recommendation of the Compensation/ Nomination and Remuneration Committee, subject to a ceiling of 2% of the annual profits of the Company, payable every year after the finalisation of the Annual Accounts of the Company.
- c) **Perquisites:** In addition to the salary, the following perquisites shall be paid to Mr. V.A. George, the value of perquisites to be evaluated as per the Income-tax Rules, 1962:
1. Medical reimbursement: Expenses incurred for self and family including premium payable for medical insurance in accordance with the Rules of the Company.
Explanation: "Family" means spouse, dependent children and dependent parents of the appointee.
 2. Personal Accident Insurance as per the Rules of the Company.
 3. Leave Travel Assistance for self and family once a year in accordance with the Rules of the Company.
 4. Reimbursement of fees and expenses for Membership of one club other than life membership fees.
 5. Reimbursement of entertainment expenses actually and properly incurred by the appointee in the course of the legitimate business of the Company and travelling, hotel and other expenses incurred by him in India and abroad, exclusively for the business of the Company, as per the Rules and Regulations of the Company or as approved by the Board of Directors.
 6. Provision of chauffeur-driven Company car for official use.
 7. Provision of cell phone, laptop, desktop, internet and landline phone at residence for official use, with expenses to be borne by the Company.
- d) **Other Terms and Conditions:** As long as Mr. V.A. George functions as Whole-time Director of the Company, no sitting fees shall be paid to him for attending Meetings of the Board of Directors and/or any Committee thereof.
- e) **Minimum Remuneration:** If in any Financial Year during the tenure of appointment, the Company has no profits or its profits are inadequate, salary and perquisites and other allowances stated herein shall be paid to Mr. V.A. George as minimum remuneration for that Year, subject to the extent allowed under the relevant provisions of the Companies Act, 2013.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, alter and modify the terms and conditions of appointment including as to designation and remuneration / remuneration structure of Mr. V.A. George within the limits prescribed under the provisions of the Companies Act, 2013 and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above Resolution.

"RESOLVED FURTHER THAT the Directors and / or the Secretary of the Company be and are hereby severally authorised to file the necessary forms / returns with the Registrar of Companies, and to do all such acts, deeds and things as may be necessary in connection with the above."

NOTICE TO MEMBERS

8. To appoint Mr. Manoj Joseph (DIN 00434579) as Managing Director and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof, or any other law for the time being in force and subject to such other consent(s), approval(s) and permission(s) as may be required in this regard, approval is hereby given for the appointment of Mr. Manoj Joseph (DIN 00434579) as Managing Director of the Company, for a period of five years, with effect from 15th July, 2021, on the following terms and conditions:

Remuneration:

- a) **Basic Salary:** ₹ 2,60,000/- (Rupees Two Lakhs Sixty Thousand Only) per month in the scale of ₹ 2,60,000 – ₹ 10,000² – ₹ 15,000³ – ₹ 3,25,000 with annual increment to take effect from 1st April of the succeeding year, subject to the limits prescribed under Section 197 of the Companies Act, 2013.
- b) **Allowances:**
- Dearness Allowance: 30% of the basic salary per month
 - House Rent Allowance: 50% of the basic salary plus DA per month
- c) **Commission:** As may be determined by the Board of Directors based on the recommendation of the Compensation/Nomination and Remuneration Committee, subject to a ceiling of 2% of the annual profits of the Company, payable every year after the finalisation of the Annual Accounts of the Company.
- d) **Perquisites:**
- In addition to the salary, the following perquisites shall be paid to Mr. Manoj Joseph, the value of perquisites to be evaluated as per the Income-tax Rules, 1962:
- Medical Expenses & Insurance:** Reimbursement of medical expenses including hospitalisation and surgical charges of self and family, or direct payment by the Company against actual medical bills, receipts and/or cash memos, up to a limit of 8.33% of basic annual salary and DA. Medical Insurance to self and spouse as per the Policy of the Company.
 - Leave Travel Assistance:** Entitlement for Leave Travel Assistance for self and family, once in two years, equivalent to two months' Basic Salary and DA. Family means wife and dependent children and parents. Such entitlement may be accumulated as per the Policy of the Company.
 - Club Fees:** Entitlement for reimbursement of fees and expenses for membership of one club other than life membership fees.
 - Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund as per the Schemes of the Company.
 - Gratuity:** Entitlement to gratuity equivalent to half month's salary for each completed year of service as per the Gratuity Scheme in operation for the Management Group Personnel.
 - Mr. Manoj Joseph shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in the ordinary course of business of the Company and travelling, hotel and other expenses incurred by him in India and abroad, exclusively for the business of the Company, as per the rules and regulations of the Company or as approved by the Board of Directors.
- e) **Amenities:**
- Provision of Car: The Company shall provide car with chauffeur for official use.
 - Communication Facilities: Cell Phone, Laptop and Internet, with expenses to be borne by the Company.

NOTICE TO MEMBERS

- f) **Minimum Remuneration:** If in any Financial Year during the tenure of appointment, the Company has no profits or its profits are inadequate, salary and perquisites and other allowances stated herein shall be paid to Mr. Manoj Joseph as minimum remuneration for that Year, subject to the extent allowed under the relevant provisions of the Companies Act, 2013.
- g) **Other Terms and Conditions:** As long as Mr. Manoj Joseph functions as Managing Director of the Company, no sitting fees shall be paid to him for attending Meetings of the Board of Directors and/or any Committee thereof.

“**RESOLVED FURTHER THAT** upon Mr. Manoj Joseph becoming the Managing Director of the Company with effect from 15th July, 2021, the earlier resolution appointing him as Whole-time Director designated as Deputy Managing Director and Chief Operating Officer shall stand superseded.

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to vary, alter and modify the terms and conditions of appointment including as to designation and remuneration / remuneration structure of Mr. Manoj Joseph within the limits prescribed under the provisions of the Companies Act, 2013 and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above Resolution.

“**RESOLVED FURTHER THAT** the Directors and / or the Secretary of the Company be and are hereby severally authorised to file the necessary forms / returns with the Registrar of Companies, and to do all such acts, deeds and things as may be necessary in connection with the above.”

9. To re-appoint Mr. Rajesh John (DIN 05161087) as Whole-time Director and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof, or any other law for the time being in force and subject to such other consent(s), approval(s) and permission(s) as may be required in this regard, approval is hereby given for the re-appointment of Mr. Rajesh John (DIN 05161087) as Whole-time Director of the Company, for a period of five years, with effect from 16th January, 2022, on the following terms and conditions:

Remuneration:

- a) **Basic Salary:** ₹ 1,80,000/- (Rupees One Lakh Eighty Thousand Only) per month in the scale of ₹ 1,80,000 – ₹ 10,000³ – ₹ 15,000² – ₹ 2,40,000 with annual increment to take effect from 1st April of the succeeding year, subject to the limits prescribed under Section 197 of the Companies Act, 2013.
- b) **Allowances:**
- i. Dearness Allowance: 30% of the basic salary per month
 - ii. House Rent Allowance: 50% of the basic salary plus DA per month
- c) **Commission:** As may be determined by the Board of Directors based on the recommendation of the Compensation/Nomination and Remuneration Committee, subject to a ceiling of 2% of the annual profits of the Company, payable every year after the finalisation of the Annual Accounts of the Company.
- d) **Perquisites:**
- In addition to the salary, the following perquisites shall be paid to Mr. Rajesh John, the value of perquisites to be evaluated as per the Income-tax Rules, 1962:
- i. **Medical Expenses & Insurance:** Reimbursement of medical expenses including hospitalisation and surgical charges of self and family, or direct payment by the Company against actual medical bills, receipts and/or cash memos, up to a limit of 8.33% of basic annual salary and DA. Medical Insurance to self and spouse as per the Policy of the Company.
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NOTICE TO MEMBERS

- ii. **Leave Travel Assistance:** Entitlement for Leave Travel Assistance for self and family, once in two years, equivalent to two months' Basic Salary and DA. Family means wife and dependent children and parents. Such entitlement may be accumulated as per the Policy of the Company.
 - iii. **Club Fees:** Entitlement for reimbursement of fees and expenses for membership of one club other than life membership fees.
 - iv. Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund as per the Schemes of the Company.
 - v. **Gratuity:** Entitlement to gratuity equivalent to half month's salary for each completed year of service as per the Gratuity Scheme in operation for the Management Group Personnel.
 - vi. Mr. Rajesh John shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in the ordinary course of business of the Company and travelling, hotel and other expenses incurred by him in India and abroad, exclusively for the business of the Company, as per the rules and regulations of the Company or as approved by the Board of Directors.
- e) **Amenities:**
- i. Provision of Car: The Company shall provide car with chauffeur for official use.
 - ii. Communication Facilities: Cell Phone, Laptop and Internet, with expenses to be borne by the Company.
- f) **Minimum Remuneration:** If in any Financial Year during the tenure of appointment, the Company has no profits or its profits are inadequate, salary and perquisites and other allowances stated herein shall be paid to Mr. Rajesh John as minimum remuneration for that Year, subject to the extent allowed under the relevant provisions of the Companies Act, 2013.
- g) **Other Terms and Conditions:** As long as Mr. Rajesh John functions as Whole-time Director of the Company, no sitting fees shall be paid to him for attending Meetings of the Board of Directors and/or any Committee thereof.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, alter and modify the terms and conditions of appointment including as to designation and remuneration / remuneration structure of Mr. Rajesh John within the limits prescribed under the provisions of the Companies Act, 2013 and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above Resolution.

“RESOLVED FURTHER THAT the Directors and / or the Secretary of the Company be and are hereby severally authorised to file the necessary forms / returns with the Registrar of Companies, and to do all such acts, deeds and things as may be necessary in connection with the above.”

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 22nd June, 2021

M.D. RAVIKANTH
CFO & Secretary

NOTICE TO MEMBERS**NOTES:**

1. A Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 is annexed and it forms part of this Notice.
2. In view of the continuing restrictions that are in place to tackle COVID-19 and pursuant to General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020 and 02/2021 dated 13th January, 2021, issued by the Ministry of Corporate Affairs (“the MCA Circulars”) and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by the Securities and Exchange Board of India (“SEBI Circulars”) and in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), physical attendance of the Members to the AGM venue is not required and the 35th Annual General Meeting (AGM) will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the 35th AGM shall be the Registered Office of the Company.
3. Pursuant to the MCA Circulars, as the AGM is being conducted through VC/OAVM, the facility to appoint proxy to attend and cast vote for the Members is not available for this General Meeting. However, the Body Corporates are entitled to appoint authorised representatives to attend the 35th AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the 35th AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Shareholders and Investor Grievance Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Central Depositories Services (India) Limited (“CDSL”) will be providing the facility for voting through remote e-voting, participating in the 35th AGM through VC/OAVM and e-voting during the AGM.
6. The attendance of the Members at the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) Please refer to SI No.23 for instruction on remote e-voting facility.
8. In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.thejo-engg.com. The AGM Notice can also be accessed from the websites of the National Stock Exchange of India Limited at www.nseindia.com and the Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting facility during the AGM) i.e. www.evotingindia.com.
9. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with the MCA Circulars.
10. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.

NOTICE TO MEMBERS

11. The Register of Members and Share Transfer Books will remain closed from 24th August, 2021 to 30th August, 2021 (both days inclusive).
12. Additional information pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard on General Meetings (SS-2), in respect of the Directors seeking re-appointment and appointment of new Director at the AGM is annexed to this Notice.
13. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution, authorising their representatives to attend and vote on their behalf at the Meeting and/or at any adjournment thereof.
14. Members holding shares in electronic form are requested to intimate immediately any change in their e-mail ID / contact number/ address / bank mandates to the Depository Participants with whom they are maintaining their demat accounts.
15. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for the Financial Year 2020-21 are available on the Company's website www.thejo-engg.com.
16. Any person, who acquires the shares of the Company and becomes a Member after the Company emails the Notice of the 35th AGM and holds the shares as on the cut-off date of 23rd August, 2021 may follow the instructions given in SI No. 23 and 24 for participating in the AGM and casting their vote through remote e-Voting or through e-Voting during the AGM.
17. A person, whose name is recorded in the Register of Members or whose name appears as the beneficial owner in the records of the depositories as on the cut-off date alone can avail the facility of remote e-voting or cast vote through e-voting during the AGM.
18. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to investor@thejo-engg.com.
19. Members having any query or desiring any information pertaining to Annual Accounts are requested to write to the Company at investor@thejo-engg.com, at an early date to enable the Company to answer Members' queries at the Meeting.
20. The final dividend for the Financial Year ended 31st March, 2021, as declared at the AGM, will be paid within 30 days of declaration, to Members whose name appears in the Register of Members of the Company as on the record date, i.e. 23rd August, 2021. The Members holding shares in demat form, are requested to update the Electronic Bank Mandate through their Depository Participants. In case shares are held in physical form, the Members are requested to send the Bank mandate to the Company at investor@thejo-engg.com.
21. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means due to invalid / non-availability of bank mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member.
22. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at rates prescribed under the Income-tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN and Category as per the Income-tax Act, 1961 with their Depository.

NOTICE TO MEMBERS**23. Instruction for Remote e-Voting Facility:**

- a) The remote e-voting period commences on Friday, 27th August, 2021 (9 a.m.) and ends on Sunday, 29th August, 2021 (5 p.m.). The cut-off date for determining the eligibility of Members for the remote e-voting and poll is Monday, 23rd August, 2021.
- b) The remote e-voting module shall be disabled for voting after the end of the remote e-voting period.
- c) During the remote e-voting period, the Members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date of 23rd August, 2021, may cast their vote electronically. Once the vote on the resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- d) The Company has engaged CDSL to offer remote e-voting facility to all the Members to enable them to cast their vote electronically.
- e) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/Beneficial Owner (in case of shares held in dematerialised form) as on the cut-off date i.e., 23rd August, 2021. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories on the aforesaid cut-off date shall only be entitled to avail the facility of remote e-voting.
- f) Remote e-voting is optional for Members. Members who have voted electronically through remote e-voting shall not be allowed to vote at the Annual General Meeting.
- g) Members desiring to exercise their vote by using remote e-voting facility should follow carefully the instructions given below:
 - (i) The voting period begins on Friday, 27th August, 2021 (9 a.m.) and ends on Sunday, 29th August, 2021 (5 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd August, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the meeting venue.
 - (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed by SEBI that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided by SEBI to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

NOTICE TO MEMBERS

- (iv) In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode with CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service

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Type of shareholders	Login Method
	<p>provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of the Company on which you choose to vote.

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- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@thejo-engg.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

24. Instructions for Members for attending the 35th AGM through VC/OAVM and e-voting during meeting are as under:

- a) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- b) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- c) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

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- d) Shareholders are encouraged to join the Meeting through Laptops / Desktops for better experience.
 - e) Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - f) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - g) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least four days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@thejo-engg.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@thejo-engg.com. These queries will be replied to by the company suitably at the AGM/ by e-mail.
 - h) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
 - i) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
 - j) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
25. **Instruction for those Members whose e-mail ids/ mobile numbers are not registered with the Company / depositories**
- a) For Physical shareholders- please provide necessary details like Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@thejo-engg.com.
 - b) For Demat shareholders - Please update your e-mail id & mobile no. with your respective Depository Participant (DP)
 - c) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
26. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
27. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
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NOTICE TO MEMBERS

28. Pursuant to Section 107 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, there will not be any voting by show of hands on any of the Agenda items at the Meeting and the Company will conduct polling at the Meeting.
29. The Board of Directors have appointed Mrs. Sindhuja Porselvam, Practicing Company Secretary (ACS 44831, CP 23622) as Scrutinizer for conducting the remote electronic voting process in a fair and transparent manner.
30. The Scrutinizer shall submit her report to the Chairman of the Company, on the votes cast in favour or against, after scrutiny.
31. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company www.thejo-engg.com The results shall simultaneously be communicated to the Stock Exchange(s).

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 22nd June, 2021

M.D. RAVIKANTH
CFO & Secretary

NOTICE TO MEMBERS
EXPLANATORY STATEMENT ANNEXED TO NOTICE [PURSUANT TO PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013]
Item No. 5 and 6:

Mr. Manesh Joseph is serving the Company as Senior Vice President (Operations & Maintenance and Services). On the recommendation of the Compensation/Nomination and Remuneration Committee, the Board of Directors at their Meeting held on 22nd June, 2021 appointed Mr. Manesh Joseph as an Additional Director and as a Whole-time Director of the Company for a period of five years with effect from 23rd June, 2021, subject to the approval of the Members, considering his long experience in the Company.

In the light of the recommendation of the Compensation / Nomination and Remuneration Committee, the Board has also approved the remuneration and other terms and conditions as set out in the Ordinary Resolution under Item No.6, subject to the approval of the Members.

It is proposed to appoint him as a Director on the Board, subject to retirement by rotation under Item No. 5 and to approve his appointment as Whole-time Director for a period of five years with effect from 23rd June, 2021 under Item No. 6.

A brief profile along with other details of Mr. Manesh Joseph is as follows:

Name of the Director	Mr. Manesh Joseph
Age	46 years
Director Identification Number	07599476
Date of joining of the Board	23 rd June, 2021
Profile of the Director	Mr. Manesh Joseph is a Graduate in Commerce with a Post Graduate Diploma in Business Administration and has more than 20 years of experience in industrial services domain, including six years of overseas stint in senior managerial position handling marketing and general administration. He has worked in various departments of the Company such as purchases, services, manufacturing, and Operations and Maintenance. He is currently serving the Company as Senior Vice President – Operation & Maintenance and Services.
Terms and conditions of appointment	Mr. Manesh Joseph is proposed to be appointed as a Director on the Board, subject to retirement by rotation and as a Whole-time Director of the Company for a period of five years from 23 rd June, 2021. The terms and conditions of his appointment are as per resolution at Item No. 6.
Remuneration last drawn	₹ 46.67 lakhs during the Financial Year 2020-21.
Remuneration proposed to be paid	As per the resolution at Item No.6 of the Notice of AGM.
Number of Meetings of the Board attended during the year(FY20-21)	Not Applicable
No. of shares held in the Company	1,65,860 equity shares as on 31 st March, 2021
Directorships of other Boards as on 31 st March, 2021	1. Class Worldwide Private Limited

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Membership / Chairmanship of Committees of other Boards as on 31 st March, 2021	Nil
Relationship with other Directors / Key Managerial Personnel	Son of Mr. K.J. Joseph, Chairman and brother of Mr. Manoj Joseph, Deputy Managing Director and Chief Operating Officer and not related to any other Director / Key Managerial Personnel.

Other than Mr. Manesh Joseph and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the said Ordinary Resolution.

The Board recommends the Ordinary Resolutions set out in Item No. 5 and 6 of the accompanying Notice for approval by the Members.

This Explanatory Statement may also be regarded as disclosure under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard on General Meeting (SS-2).

Item No. 7:

The Members of the Company at the 32nd Annual General Meeting held on 20th August, 2018, approved the appointment of Mr. V.A. George as Managing Director of the Company for a period of three years with effect from 15th July, 2018.

Based on the recommendation of the Compensation / Nomination and Remuneration Committee, the Board of Directors at their Meeting held on 22nd June, 2021 appointed Mr. V.A. George as a Whole-time Director designated as Executive Chairman with the general powers of management of the affairs of the Company, for a period of five years with effect from 15th July, 2021, subject to the approval of the Members in the General Meeting, considering his long experience in the Company and his significant contribution to its growth.

In the light of the recommendation of the Compensation / Nomination and Remuneration Committee, the Board has also approved Mr. V.A. George's remuneration and other terms and conditions as set out in the Special Resolution under Item No.7, subject to the approval of the Members.

A brief profile along with other details of Mr. V.A. George is as follows:

Name of the Director	Mr. V.A. George
Age	71 years
Director Identification Number	01493737
Date of joining of the Board	15 th July, 2013
Profile of the Director	Mr. V.A. George is a Mechanical Engineer and holds a Post Graduate Diploma in Management. He holds a Board Director Diploma with distinction from the International Institute of Management Development, Switzerland and a Corporate Director Certificate from Harvard Business School, USA. He also holds a Certificate in Global Management apart from being a Certified Director in Corporate Governance from INSEAD, Paris. Out of his more than four decades of experience in the corporate world (both in public and private sector), more than 25 years have been in senior management positions. He is a fellow of All India Management Association and Institute of Directors.

NOTICE TO MEMBERS

Terms and conditions of appointment	Mr. V.A. George is proposed to be appointed as Whole-time Director designated as Executive Chairman for a period of five years with effect from 15 th July, 2021. The terms and conditions of his appointment are as per resolution at Item No. 7.
Remuneration last drawn	₹ 92.25 lakhs during the Financial Year 2020-21.
Remuneration proposed to be paid	As per the resolution at Item No.7 of the Notice of AGM.
Number of Meetings of the Board attended during the year(FY20-21)	4 (Four)
No. of shares held in the Company	50,000 equity shares as on 31 st March, 2021
Directorships of other Boards as on 31 st March, 2021	1. Muthoot Finance Limited 2. Belstar Microfinance Limited
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2021 ¹	1. Muthoot Finance Limited - Member, Audit Committee 2. Belstar Microfinance Limited - Member, Audit Committee
Relationship with other Directors / Key Managerial Personnel	Nil

Note: 1) Chairmanship / Membership of the Audit Committee and Stakeholders' Relationship Committee in Public Limited Companies alone has been considered.

Your Directors recommend the Special Resolution for the approval of the Members.

Other than Mr. V.A. George and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the said Special Resolution.

This Explanatory Statement may also be regarded as disclosure under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard on General Meeting (SS-2).

Item No. 8:

The Members of the Company at the 34th Annual General Meeting held on 29th August, 2020, approved the re-appointment of Mr. Manoj Joseph as Whole-time Director of the Company, designated as Deputy Managing Director and Chief Operating Officer, for a period of 3 years with effect from 20th June, 2020.

As part of succession planning, based on the recommendation of the Compensation/Nomination and Remuneration Committee, the Board of Directors at their Meeting held on 22nd June, 2021 appointed Mr. Manoj Joseph as Managing Director of the Company for a period of 5 years with effect from 15th July, 2021, subject to the approval of the Members, considering his long experience in the Company.

In the light of the recommendation of the Compensation / Nomination and Remuneration Committee, the Board has also approved the remuneration and other terms and conditions as set out in the Ordinary Resolution under Item No.8, subject to the approval of the Members.

NOTICE TO MEMBERS

A brief profile along with other details of Mr. Manoj Joseph is as follows:

Name of the Director	Mr. Manoj Joseph
Age	51 years
Director Identification Number	00434579
Date of joining of the Board	04 th October, 2001
Profile of the Director	Mr. Manoj Joseph is a Graduate in Electrical and Electronics Engineering with a Post Graduate Diploma in Business Administration. He joined Thejo Engineering Limited in 1991 and has worked in various Departments such as Materials, Planning, Manufacturing and Sales. He is currently serving the Company as Deputy Managing Director and Chief Operating Officer.
Terms and conditions of appointment	Mr. Manoj Joseph is proposed to be appointed as the Managing Director of the Company for a period of five years from 15 th July, 2021. The terms and conditions of his appointment are as per resolution at Item No. 8.
Remuneration last drawn	₹ 47.25 lakhs during the Financial Year 2020-21.
Remuneration proposed to be paid	As per the resolution at Item No.8 of the Notice of AGM.
Number of Meetings of the Board attended during the year (FY20-21)	4 (Four)
No. of shares held in the Company	1,65,860 equity shares as on 31 st March, 2021
Directorships of other Boards as on 31 st March, 2021	Nil
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2021	Nil
Relationship with other Directors / Key Managerial Personnel	Son of Mr. K.J. Joseph, Chairman and brother of Mr. Manesh Joseph ¹ and not related to any other Director / Key Managerial Personnel.

Note: 1) Mr. Manesh Joseph has been appointed as an Additional Director on the Board and as a Whole-time Director for a period of five years with effect from 23rd June, 2021 by the Board of Directors at their Meeting held on 22nd June, 2021.

Your Directors recommend the Ordinary Resolution for the approval of the Members.

Other than Mr. Manoj Joseph and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the said Ordinary Resolution.

This Explanatory Statement may also be regarded as disclosure under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard on General Meeting (SS-2).

NOTICE TO MEMBERS
Item No. 9:

The Members of the Company at the 30th Annual General Meeting held on 3rd August, 2016, approved the re-appointment of Mr. Rajesh John as Whole-time Director of the Company for a period of five years with effect from 16th January, 2017.

Based on the recommendation of the Compensation/Nomination and Remuneration Committee, the Board of Directors at their Meeting held on 22nd June, 2021 re-appointed Mr. Rajesh John as Whole-time Director of the Company for a period of 5 years with effect from 16th January, 2022, subject to the approval of the Members, considering his long experience in the Company.

In the light of the recommendation of the Compensation / Nomination and Remuneration Committee, the Board has also approved the remuneration and other terms and conditions as set out in the Ordinary Resolution under Item No.9, subject to the approval of the Members.

A brief profile along with other details of Mr. Rajesh John is as follows:

Name of the Director	Mr. Rajesh John
Age	45 years
Director Identification Number	05161087
Date of joining of the Board	16 th January, 2012
Profile of the Director	Mr. Rajesh John is currently a Whole-time Director of the Company. He is a Mechanical Engineer with a Post Graduate Diploma in Management. He started his career with TAFE Limited and later, worked with GE Capital International Services before joining Thejo Engineering Limited in 2002. He has worked in the Company's various Departments such as Purchase, Finance and Accounts and is, at present, in charge of Sales.
Terms and conditions of re-appointment	Mr. Rajesh John is proposed to be re-appointed as Whole-time Director. The terms and conditions of his appointment are as per resolution at Item No. 9.
Remuneration last drawn	₹ 29.61 lakhs during the Financial Year 2020-21
Remuneration proposed to be paid	As per the resolution at Item No. 9 of the Notice of AGM.
Number of Meetings of the Board attended during the year(FY20-21)	4 (Four)
No. of shares held in the Company	2,16,866 Equity Shares as on 31 st March, 2021
Directorships of other Boards as on 31 st March, 2021	Nil
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2021	Nil
Relationship with other Directors / Key Managerial Personnel	Son of Mr. Thomas John and not related to any other Director / Key Managerial Personnel.

Your Directors recommend the Ordinary Resolution for the approval of the Members.

Other than Mr. Rajesh John and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the said Ordinary Resolution.

NOTICE TO MEMBERS

This Explanatory Statement may also be regarded as disclosure under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard on General Meeting (SS-2).

Additional information on Directors recommended for re-appointment pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard on General Meeting (SS-2):

Information about Mr. Thomas John:

Name of the Director	Mr. Thomas John
Age	76 years
Director Identification Number	00435035
Date of joining of the Board	26 th March, 1986
Profile of the Director	Mr. Thomas John, Co-Promoter of Thejo Engineering Limited is currently Non – Executive Vice Chairman of the Company. After completing his PUC, he was associated with Pioneer Equipment Company, Phoenix Metals and Alloys Private Limited and FAME Private Limited in various capacities, before starting Thejo Engineering Services. He has experience of more than four decades in manufacturing / services areas.
Terms and conditions of re-appointment	Mr. Thomas John is proposed to be re-appointed as a Director, liable to retire by rotation
Remuneration last drawn	Sitting fees of ₹ 3.75 lakhs during the Financial Year 2020-21
Remuneration proposed to be paid	As per existing terms and conditions.
Number of Meetings of the Board attended during the year (FY20-21)	4 (Four)
No. of shares held in the Company	2,16,868 Equity Shares as on 31 st March, 2021
Directorships of other Boards as on 31 st March, 2021	Nil
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2021	Nil
Relationship with other Directors / Key Managerial Personnel	Mr. Thomas John, Vice Chairman, is the father of Mr. Rajesh John, Whole-time Director and not related to any other Director / Key Managerial Personnel.

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 22nd June, 2021

M.D. RAVIKANTH
CFO & Secretary

BOARD'S REPORT

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

₹ in lakhs

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

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

REVIEW OF FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

During the year under review, in the wake of business impact caused by COVID-19, your company focussed on profitable operations at site level in respect of Service and Operation and Maintenance division. The Company continued to focus on value-added products under manufacturing division. The Company also focussed closely on cost control and working capital management. This enabled the Company to increase its turnover and profitability. The financial performance of the Company at standalone and consolidated levels are given below:

BOARD'S REPORT

STANDALONE

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

CONSOLIDATED

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

DIVIDEND

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

EMPLOYEES STOCK OPTION SCHEME

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

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

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

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

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

BOARD'S REPORT

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

CREDIT RATING

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

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS**ENVIRONMENT**

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

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

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

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

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

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

RESEARCH AND DEVELOPMENT

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

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

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

SAFETY

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

OPPORTUNITIES AND THREATS**OPPORTUNITIES**

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

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

BOARD'S REPORT

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

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

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

THREATS

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

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

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

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

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

BOARD'S REPORT**FUTURE OUTLOOK**

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

FINANCIAL PERFORMANCE

The financial performance of the Company in the year under review has shown reasonable growth. The turnover from Manufacturing Division has increased marginally with reasonable increase in profitability. The Services Division saw a better performance with increase in turnover and profitability. Exports have shown a dip of about 11% compared to the previous year. Your Company is expanding its business in the overseas markets through its subsidiaries and branch, which is expected to improve the export turnover in future.

The production of moulded and extruded rubber products was 1,162 tonnes during 2020-21, registering a growth of 13% over the previous year (1,029 tonnes). The production of adhesives during the year under review was 323 tonnes, showing a dip of 4% over the previous year (338 tonnes).

SEGMENT WISE PERFORMANCE

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

RISKS AND CONCERNS

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

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

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

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

BOARD'S REPORT

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

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

During the Financial Year 2020-21, the Company focussed on profitable business, receivable and working capital management. With the support of employees across divisions and aided by the rebound witnessed during the second half of the financial year, the Company could successfully increase its turnover, profitability, receivable position and consequently reduce working capital utilization and interest outflow. The Company registered a profitability of ₹ 2,241.60 lakhs against ₹ 1,374.29 lakhs in the previous year with a reasonable growth in sales.

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

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

There were no significant changes in the other key financial ratios.

CAUTIONARY STATEMENT

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

INTERNAL FINANCIAL CONTROL SYSTEM

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

SUBSIDIARY COMPANIES

As on the date of this Report, the Company has four subsidiaries, namely, Thejo Hatcon Industrial Services Company, Kingdom of Saudi Arabia (Thejo Hatcon) with 51% shareholding, Thejo Australia Pty Ltd., Australia (Thejo Australia) with 74% shareholding, Thejo Brasil Comercio E Servicos Ltda, Brazil (Thejo Brasil) with 99.99% shareholding and Thejo Engineering LatinoAmerica SpA, Chile (Thejo Chile) with 99.86% shareholding.

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

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

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

During the year 2020-21, the Company was required to incur CSR expenditure of ₹ 33.70 lakhs being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company spent ₹ 34 lakhs on eligible projects approved by the Board on the recommendation of the CSR Committee, thus fully meeting the CSR target for the year under review. Annual Report on CSR Activities for the Financial Year 2020-21 is given in Annexure 2, forming part of the Board's Report. Brief particulars of the CSR projects undertaken forms part of the same.

DIVIDEND DISTRIBUTION POLICY

The Company has formulated a Dividend Distribution Policy in compliance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The same is uploaded on the Company's website at <https://www.thejo-engg.com/thejo-admin/upload/allstatutory/DivDisbPolicy.pdf>

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company is available on the Company's website at <https://www.thejo-engg.com/investors/AnnRet>

BOARD'S REPORT

NUMBER OF MEETINGS OF BOARD

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

AUDITORS' REPORT

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

AUDITORS

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

SECRETARIAL AUDIT

The Board appointed Mrs. Sindhuja Porselvam, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2020-21 to fill the casual vacancy caused by the demise of the earlier Secretarial Auditor, Mr. G. Porselvam, Practising Company Secretary, who passed away on 23rd May, 2021. The Secretarial Audit Report of Mrs. Sindhuja Porselvam for the Financial Year is attached as Annexure 3 to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

BOARD'S REPORT
SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

COST RECORDS

The Company is required to maintain cost records as specified by the Central Government under sub-section 1 of Section 148 of the Companies Act, 2013. The Company is accordingly making and maintaining such accounts and records.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties required to be given under Section 188 (2) of the Companies Act, 2013, in Form No. AOC-2, are set out in Annexure 5, forming part of the Board's Report.

COMMITTEES OF THE BOARD

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

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

BOARD'S REPORT

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

VIGIL MECHANISM

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

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

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

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

BOARD'S REPORT

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

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

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

BOARD EVALUATION

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as Annexure 6 to the Board's Report.

In terms of provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names of the employees drawing remuneration and other particulars, as prescribed in the said Rules forms part of this report. However, in terms of proviso to Section 136(1) of the Act and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Annual Report, excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member who is interested in obtaining these particulars may write to the Company Secretary of the Company. During the Financial Year, no employee received remuneration in excess of the limits prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CORPORATE GOVERNANCE

Your Company is committed to the well-being of the Environment, Society and upholding high standards of Governance. The Company has voluntarily complied with the requirements of Corporate Governance to a large extent. A report on Corporate Governance is attached as Annexure 7 to the Board's Report.

BOARD'S REPORT**GENERAL**

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

1. Deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Receipt of remuneration or commission by the Managing Director or the Whole-time Directors of the Company from any of its subsidiaries.
4. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that the Company has constituted an Internal Complaints Committee and during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

The Directors wish to thank the Company's Bankers for their continued support. The Directors also wish to thank the Company's customers and stakeholders for their patronage.

Your Directors place on record their appreciation of the good work done by the employees of the Company at all levels.

For and on behalf of the Board

Chennai
22nd June, 2021

K. J. JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

V.A. GEORGE
Managing Director
DIN 01493737

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

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

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

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

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

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

iii. Capital Investments on energy conservation equipment

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

B) TECHNOLOGY ABSORPTION

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

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

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

c) Benefits derived as a result of R&D

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

d) Expenditure on R&D

₹ in lakhs

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

ANNEXURE TO BOARD'S REPORT

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Payments in foreign currency towards Imports

₹ in lakhs

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

b) Payments in foreign currency towards Expenditure

₹ in lakhs

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

c) Earnings in foreign currency on Accrual basis

₹ in lakhs

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

d) Net Gain or Loss on Foreign Currency Translation

₹ in lakhs

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

ANNEXURE 2 TO BOARD'S REPORT

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

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. Brief outline of the Company's CSR Policy, projects and programmes undertaken with web-link:

Thejo in its continuous efforts to positively impact the society, especially in the areas around its factories and sites, has formulated CSR policy for social development based on the following guiding principles:

- ✓ To help enrich the quality of life of the community of the nearby areas.
- ✓ To create a positive impact by making sustainable developments in the society and promote good environmental practices.
- ✓ To be a responsible and responsive corporate citizen through endeavours to create a safe, harmonious and ecologically balanced environment for its members and the community at large.
- ✓ To maintain commitment to quality, health, education and safety in every aspect of the business and people.
- ✓ To promote equality of opportunity and diversity of workforce through its business operations.

Visit <https://thejo-engg.com/invest/CSR%20Policy.pdf> for more details related to our CSR Policy.

ANNEXURE TO BOARD'S REPORT

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held	Number of meetings of CSR Committee attended
1	Mr. V.K. Srivastava	Independent Director, Chairman	1	1
2	Mr. K.J. Joseph	Promoter & Non- Executive Non-Independent Director, Member	1	1
3	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	1	1
4	Mr. V.A. George	Managing Director, Member	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

- The composition of the CSR committee is available on our website, at <https://thejo-engg.com/invest/CSR%20Composition.pdf>
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at <https://thejo-engg.com/invest/CSR%20Policy.pdf>
- The Board, based on the recommendation of the CSR committee, at its meeting held on June 22, 2021, has approved the annual action plan / projects for the financial year 2021-22, the details of which are available on our website, at <https://thejo-engg.com/invest/CSRProjectsFY21.pdf>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable as the CSR obligation of the Company is less than ₹ 10 crore.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Nil

6. Average net profit of the Company as per Section 135(5) : ₹ 1,684.92 lakhs

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

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 33.70 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 34.00 lakhs	Nil	-	-	-	-

ANNEXURE TO BOARD'S REPORT

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

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

(d) Amount spent in Administrative Overheads Nil

(e) Amount spent on Impact Assessment, if applicable Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 34.00 lakhs

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	33.70 lakhs
(ii)	Total amount spent for the Financial Year	34.00 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.30 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.30 lakhs

ANNEXURE TO BOARD'S REPORT

9. (a) Details of Unspent CSR amount for the preceding three financial years : NIL
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : NIL
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)
- (a) Date of creation or acquisition of the capital asset(s) : NIL
(b) Amount of CSR spent for creation or acquisition of capital asset : NIL
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NIL
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NIL
(e) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) : Not Applicable

Place : Chennai
Date : 22nd June, 2021

V.A. GEORGE
Managing Director
DIN 01493737

V.K. SRIVASTAVA
Chairman of CSR Committee
DIN 00611678

ANNEXURE TO BOARD'S REPORT

ANNEXURE 3 TO BOARD'S REPORT

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
M/s. THEJO ENGINEERING LIMITED
Chennai.

I have conducted the Secretarial Audit of the compliance of applicable Statutory provisions and the adherence to good corporate practices by M/s.THEJO ENGINEERING LIMITED [CIN:L27209TN1986PLC012833] (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. THEJO ENGINEERING LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. THEJO ENGINEERING LIMITED for the financial year ended on 31/03/2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
The company has duly complied with the procedure laid under The Companies Act, 2013 and forms, returns in this connection have been duly filed, and there are no adverse remarks or qualification in this aspect.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 - (e) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ANNEXURE TO BOARD'S REPORT

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

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

1. Factories Act, 1948
2. Industrial dispute Act, 1947
3. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
4. Employees' State Insurance Act, 1948
5. Shop & Establishment Act, 1948
6. The Payment of Gratuity Act, 1972
7. The Contract Labour (Regulation and Abolition) Act, 1970
8. The Maternity benefit Act, 1961
9. The Child Labour Prohibition and Regulation Act, 1986
10. The Industrial Employment (Standing Order) Act, 1946
11. The Employee Compensation Act, 1923
12. The Apprentices Act, 1961
13. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
14. Payment of Wages Act, 1936
15. The Minimum Wages Act, 1948
16. Equal Remuneration Act, 1976
17. The Payment of Bonus Act, 1965

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including One Woman Director. There is no change in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

SINDHUJA PORSELVAM
Company Secretary in Practice
C. P. No. : 23622

ANNEXURE TO BOARD'S REPORT

ANNEXURE TO SECRETARIAL AUDIT REPORT

To

The Members,
M/s. THEJO ENGINEERING LIMITED,
Chennai.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

SINDHUJA PORSELVAM
Company Secretary in Practice
C. P. No. : 23622

ANNEXURE TO BOARD'S REPORT
ANNEXURE 4 TO BOARD'S REPORT

[Pursuant to Section 186 of the Companies Act, 2013]

DETAILS OF LOANS GIVEN, INVESTMENT MADE OR GUARANTEE GIVEN OR SECURITY PROVIDED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

The particulars of loans given as at 31st March, 2021: Nil

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

Name of the Company and Country	During FY 20-21	As at 31 st March, 2021
Thejo Hatcon Industrial Services Company, Saudi Arabia	-	333.72
Thejo Australia Pty Ltd, Australia	-	1,202.45
Thejo Brasil Comercio E Servicos Ltda, Brazil	-	98.62
Thejo Engineering LatinoAmerica SpA, Chile	204.13	695.39

The details of guarantee given as at 31st March, 2021: Nil

ANNEXURE 5 TO BOARD'S REPORT

[Pursuant to Clause (h) of Sub-section (3) of Section 134 and Section 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014]

The particulars of Contracts or arrangements entered into by the Company with related parties under Section 188 of the Companies Act, 2013, are as follows:

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements entered into by the Company with the related parties during the Financial Year 2020-21, which were not at arm's length.

2. Details of material contracts or arrangements or transactions at arm's length basis:

The contracts/arrangements/ transactions entered into by the Company during the Financial Year 2020-21 with the related parties were not material in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Members may refer to Note 24.5 forming part of the Financial Statements, disclosing the transactions with the related parties pursuant to the applicable Accounting Standard.

For and on behalf of the Board

Place: Chennai
Date: 22nd June, 2021

K. J. JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

V.A. GEORGE
Managing Director
DIN 01493737

ANNEXURE TO BOARD'S REPORT
ANNEXURE 6 TO BOARD'S REPORT

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i. The details of remuneration of each Director and KMP during the Financial Year 2020-21, the percentage increase in remuneration of each Director and KMP and ratio of the remuneration of each Director to the median remuneration of the employees for the Financial Year 2020-21 are as follows:

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

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

ANNEXURE TO BOARD'S REPORT
ANNEXURE 7 TO BOARD'S REPORT
CORPORATE GOVERNANCE REPORT
I. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's Code of Corporate Governance permeates in all aspects of its working and towards maximising the Shareholders' value. The Company believes that good corporate governance system enables it to retain the trust of the Members.

The Code lays strong emphasis on transparency, accountability, community engagement and quick business decisions.

The Company has taken several initiatives towards maintaining good corporate governance system. The Audit Committee and the Compensation/Nomination and Remuneration Committee of the Board consist wholly of Independent Directors.

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

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

II. BOARD OF DIRECTORS

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

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

ANNEXURE TO BOARD'S REPORT

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

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

Notes:

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

Relationship between Directors

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

Shareholding of Directors

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

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

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

During the year, the Board met 4 times. The Meetings of the Board of Directors were held on 18th June, 2020, 29th August, 2020, 11th November, 2020 and 3rd March, 2021. The attendance of each Director at the Board Meetings and at the last Annual General Meeting was as under:

S.No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 29 th August, 2020
1	Mr. K.J. Joseph	4	4	Yes
2	Mr. Thomas John	4	4	Yes
3	Mr. V.A. George	4	4	Yes
4	Mr. Manoj Joseph	4	4	Yes
5	Mr. Rajesh John	4	4	Yes
6	Mr. N. Ganga Ram	4	4	Yes
7	Mr. V.K. Srivastava	4	4	Yes
8	Mr. A. Satyaseelan	4	4	Yes
9	Mr. M.P. Vijay Kumar	4	4	Yes
10	Dr. C.N. Ramchand	4	4	Yes
11	Mrs. Sujatha Jayarajan	4	4	Yes

III. COMMITTEES**i) Audit Committee**

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

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

The Company Secretary acts as the Secretary of the Committee.

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

ANNEXURE TO BOARD'S REPORT

Terms of Reference

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

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

ANNEXURE TO BOARD'S REPORT

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

Other information

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

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

ii) Compensation / Nomination and Remuneration Committee

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

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

The Company Secretary acts as the Secretary of the Committee.

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

Terms of Reference

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

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

ANNEXURE TO BOARD'S REPORT

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

Directors' Appointment Criteria / Policy

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

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

Remuneration Policy

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

The Remuneration Policy has been uploaded on the website of the Company at <https://www.thejo-engg.com/sites/RemPolicy.pdf>

ANNEXURE TO BOARD'S REPORT

Details of the remuneration paid to the Directors during the Financial Year 2020-21 were as follows:

₹ in Lakhs

Name of Director	Sitting Fee	Salary	Contribution to Statutory & Other Funds	Performance Linked Incentive	Total
Promoters / Non-executive Directors					
Mr. K.J. Joseph	3.75	-	-	-	3.75
Mr. Thomas John	3.75	-	-	-	3.75
Executive Directors					
Mr. V.A. George	-	92.25	-	-	92.25
Mr. Manoj Joseph	-	47.25	9.46	-	56.71
Mr. Rajesh John	-	29.61	5.91	-	35.52
Independent Directors					
Mr. N. Ganga Ram	4.75	-	-	-	4.75
Mr. V.K. Srivastava	4.00	-	-	-	4.00
Mr. A. Satyaseelan	4.75	-	-	-	4.75
Mr. M.P. Vijay Kumar	4.75	-	-	-	4.75
Dr. C.N. Ramchand	3.25	-	-	-	3.25
Mrs. Sujatha Jayarajan	4.75	-	-	-	4.75

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

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

Directors' Tenure details

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

Note:

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

ANNEXURE TO BOARD'S REPORT

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

iii) Corporate Social Responsibility Committee

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

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

The Company Secretary acts as the Secretary of the Committee.

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

Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee include formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Section 135 (3) (a) of the Act, recommending the amount of expenditure to be incurred on the CSR activities and monitor the Corporate Social Responsibility Policy of the Company from time to time and such other functions as may be specified by the Companies Act, 2013, as amended from time to time.

iv) Shareholders' and Investors' Grievance Committee

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

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

The Company Secretary acts as the Secretary of the Committee.

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

ANNEXURE TO BOARD'S REPORT

Terms of Reference

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

Name and designation of Compliance Officer

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

Investor Grievance Redressal:

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

v) Allotment Committee

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

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

The Company Secretary acts as the Secretary of the Committee.

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

Terms of Reference

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

IV. GENERAL BODY MEETINGS

(i) Details of last three Annual General Meetings held

The dates and times of the Annual General Meetings held during the preceding three years and the details of Special Resolution(s) passed are as follows:

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

ANNEXURE TO BOARD'S REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

ANNEXURE TO BOARD'S REPORT

Compensation / Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

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

The Company Secretary acts as the Secretary of the Committee.

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

The terms of reference of the CSR Committee include:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2. To recommend the amount of expenditure to be incurred on the CSR activities.
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. Such other functions as may be specified by the Companies Act, 2013 from time to time.

Independent Directors Meeting

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the Management. Accordingly, the Meeting of Independent Directors, without the attendance of Non-Independent Directors and members of the Management, was held on 3rd March, 2021 and it reviewed the performance of the Chairperson, Non-Independent Directors and the Board as a whole as also the flow of information between the Company Management and the Board.

Audit Qualifications

The Financial Statements of the Company for the Financial Year 2020-21 are unqualified.

Training of Board Members

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

Designated Exclusive email-id

The Company has designated exclusive email-id for investor servicing, viz., investor@thejo-engg.com

ANNEXURE TO BOARD'S REPORT

VI. MEANS OF COMMUNICATION

(i) Half-yearly Results

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

(ii) Dissemination of information through Website

The results of the Company are also displayed on the Company's website "www.thejo-engg.com" immediately after its submission to the Stock Exchange.

VII. GENERAL SHAREHOLDER INFORMATION

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

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

Financial Year: April to March

Date of Book Closure: Tuesday, 24th August, 2021 to Monday, 30th August, 2021 (both days inclusive) for payment of dividend and Monday, 23rd August, 2021 will be the Record Date for the purpose of payment of dividend.

Dividend Payment: Credit / Dispatch of dividend warrants will be completed on or before 18th September, 2021.

Listing on Stock Exchanges & Stock Code:

Shares	Code	Stock Exchange
EQUITY SHARES LISTED UNDER CONTINUOUS MARKET	THEJO	National Stock Exchange of India Limited - SME Platform (NSE Emerge), "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. Trading Symbol – THEJO – SM, ISIN : INE121N01019

Note: Annual listing fees have been duly paid to the National Stock Exchange of India Limited (NSE) and no amount is outstanding as on date.

Market Price Data:

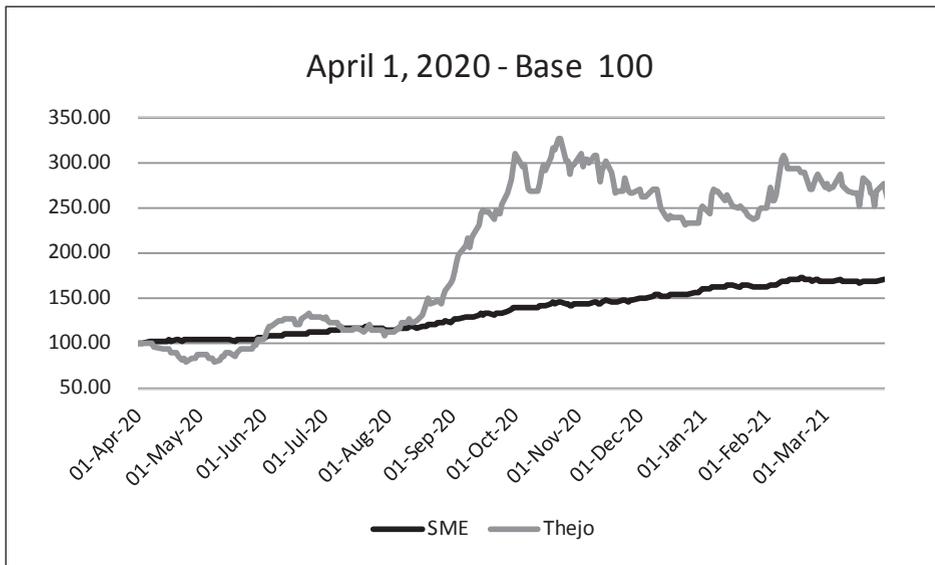
(in ₹ per share)

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

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

ANNEXURE TO BOARD'S REPORT

Performance in comparison to the NSE SME index:

**Registrar and Transfer Agents :**

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

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

Distribution of Shareholding as on 31st March, 2021:

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

ANNEXURE TO BOARD'S REPORT

Shareholding Pattern as on 31st March, 2021:

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

Dematerialisation of Shares and Liquidity as on 31st March, 2021:

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

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

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

Plant Locations and Research & Development Centre

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

Investor Contacts**Company Secretary and Compliance Officer**

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

Registrar and Share Transfer Agents

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

ANNEXURE TO BOARD'S REPORT

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To The Members of THEJO ENIGNEERING LIMITED

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

For Thejo Engineering Limited

Place : Chennai
Date : 14th June, 2021

V.A. GEORGE
Managing Director
DIN 01493737

CEO AND CFO CERTIFICATION

The Board of Directors,
Thejo Engineering Limited,
Chennai.

Dear Members of the Board,

We have reviewed the Financial Statements and the cash flow statement of Thejo Engineering Limited for the year ended 31st March, 2021 and to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls.

We have indicated to the Auditors and the Audit Committee:

- (i) that there are no significant changes in internal control over financial reporting during the year;
- (ii) that there are no significant changes in accounting policies during the year; and
- (iii) that there are no instances of significant fraud of which we have become aware.

For Thejo Engineering Limited

Place : Chennai
Date : 14th June, 2021

M.D. RAVIKANTH
CFO & Secretary

V.A. GEORGE
Managing Director
DIN 01493737

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

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

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

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

P Babu
Partner
Membership No: 203358
UDIN: 21203358AAAAKC8055

Place: Chennai
Date: 14th June, 2021

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THEJO ENGINEERING LIMITED

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the financial statements of Thejo Engineering Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and Profit and its cash flows for the year ended on that date.

2. 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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the financial Statements 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

4. Emphasis of matter

We draw attention to Note No.24.13.6 of the financial statements, 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.

5. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

INDEPENDENT AUDITORS' REPORT

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial Statements, management is 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 management 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.

7. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial Statements 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 financial Statements.

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

- a) Identify and assess the risks of material misstatement of the financial Statements, 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.
- b) 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 Companies Act, 2013, we

INDEPENDENT AUDITORS' REPORT

are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's 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 statements 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.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

INDEPENDENT AUDITORS' REPORT

- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- g) With respect to other matters to be included in Auditors Report in accordance with the requirement of Section 197(16) of the Act as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its Directors during the year is in accordance with provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24.1.4 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No. 000511S

P. BABU
Partner
Membership No. 203358
UDIN: 21203358AAAAKA4715

Place : Chennai
Date : 14th June, 2021

“ANNEXURE-A” TO THE AUDITORS’ REPORT

Referred to in Paragraph 8 of Our Report of Even Date

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The Title deeds of immovable properties owned by the company are held in the name of the Company.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records which were not material, have been properly dealt with in the books of account.
- (iii) The Company has granted an unsecured advance which was repaid during the year, to one of its subsidiary company, covered in the Register maintained under section 189 of the Act for which there are no terms of repayment of advance or payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to the parties covered under Section 185 and the Company has not given any loan or made any investment covered under section 186 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iv) of the Order does not arise.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Accordingly, reporting under clause 3 (v) of the Order does not arise.
- (vi) The Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act in respect of the products manufactured by the Company and we have broadly reviewed the cost records and are of the opinion that, prima facie, the prescribed cost records have been so made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, goods and services tax, customs duty and other statutory dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, goods and services tax, customs duty and other statutory dues outstanding as at 31 March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, in case dues of income tax, sales tax, customs duty have not been deposited on account of any dispute, the amounts involved and the forum where dispute is pending are mentioned below:

in Lakhs

Name of statute	Disputed Amount	Period to which it relates	Forum where dispute is pending
Commercial Taxes	54.90	Various years	Various forums
Customs	12.50	2001	Commissioner of Customs
Income-tax	78.38	Various years	Various forums
Total	145.78		

“ANNEXURE-A” TO THE AUDITORS’ REPORT

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a bank/financial institution during the year. The Company has not taken any loans or borrowing from Government or raised any money through placement of debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to information and explanations given to us, money raised through term loans during the year has been utilised for the purpose for which they were raised.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees were noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, managerial remuneration to Directors has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No. 000511S

P. BABU
Partner
Membership No. 203358
UDIN: 21203358AAAAKA4715

Place : Chennai
Date : 14th June, 2021

“ANNEXURE-B” TO THE AUDITORS’ REPORT

Referred to in Paragraph 8 of Our Report of Even Date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Thejo Engineering Limited** (“the Company”) as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to

“ANNEXURE-B” TO THE AUDITORS’ REPORT

permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Chennai
Date : 14th June, 2021

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No. 000511S

P. BABU
Partner
Membership No. 203358
UDIN: 21203358AAAAKA4715

THEJO ENGINEERING LIMITED
Balance Sheet as at 31st March, 2021

Particulars	Note No.	₹ in lakhs	
		As at 31-03-2021	As at 31-03-2020
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	351.64	346.04
(b) Reserves and surplus	4	12,465.77	10,275.29
2 Share application money pending allotment		0.00	0.00
3 Non-current liabilities			
(a) Long-term borrowings	5	89.63	53.24
(b) Deferred tax liabilities (Net)	24.6	0.00	0.00
4 Current liabilities			
(a) Short-term borrowings	6	269.75	1,458.97
(b) Trade payables	7		
(i) Total outstanding dues of micro enterprises and small enterprises		0.00	0.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,293.04	2,027.47
(c) Other current liabilities	8	2,610.85	2,599.07
(d) Short-term provisions	9	539.26	471.13
TOTAL		<u>18,619.94</u>	<u>17,231.21</u>
II. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	10		
(i) Tangible assets		2,391.85	2,296.79
(ii) Intangible assets		13.03	22.90
(iii) Capital work-in-progress		85.24	14.26
(b) Non-current investments	11	2,330.18	2,126.05
(c) Deferred Tax Asset	24.6	106.53	90.11
(d) Long-term loans and advances	12	496.93	451.78
2. Current assets			
(a) Inventories	13	2,822.26	2,540.85
(b) Trade receivables	14	7,342.60	7,256.30
(c) Cash and cash equivalents	15	1,770.67	1,274.20
(d) Short-term loans and advances	16	1,260.65	1,157.97
(e) Other current assets		0.00	0.00
TOTAL		<u>18,619.94</u>	<u>17,231.21</u>
Notes including significant accounting policies	1-25		

The notes referred to above form an integral part of the financial statements.

In terms of our report of even date annexed

For BRAHMAYYA & CO.

For and on behalf of the Board of Directors

Chartered Accountants

ICAI Registration No. 000511S

K.J. JOSEPH

Chairman

DIN 00434410

THOMAS JOHN

Vice Chairman

DIN 00435035

P. BABU

Partner

Membership No. 203358

M.D. RAVIKANTH

Chief Financial Officer &

Secretary

V.A. GEORGE

Managing Director

DIN 01493737

Place : Chennai

Date : 14th June, 2021

THEJO ENGINEERING LIMITED
Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Note No.	₹ in lakhs	
		Year ended 31-03-2021	Year ended 31-03-2020
I. Revenue from operations	17	21,372.36	20,169.16
II. Other income	18	243.87	93.14
III. Total Revenue (I + II)		<u>21,616.23</u>	<u>20,262.30</u>
IV. Expenses:			
Cost of materials consumed	19	4,128.95	4,197.68
Purchase of Traded Goods	19	108.29	93.02
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	75.71	(192.29)
Employee benefits expense	21	7,572.72	7,445.02
Finance costs	22	170.63	339.13
Depreciation and amortization expense	10	447.16	456.48
Other expenses	23	6,124.10	6,047.44
Total expenses		<u>18,627.56</u>	<u>18,386.48</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		2,988.67	1,875.82
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		2,988.67	1,875.82
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		2,988.67	1,875.82
X Tax expense:			
(1) Current tax		763.49	539.49
(2) Deferred tax	24.6	(16.42)	(37.96)
XI Profit (Loss) for the period (IX-X)		<u>2,241.60</u>	<u>1,374.29</u>
XII Earnings per equity share of face value of ₹ 10/- each fully paid up (before & after extraordinary items)			
(1) Basic (in ₹)		64.35	39.86
(2) Diluted (in ₹)		63.85	39.48
Notes Including significant accounting policies	1-25		

The notes referred to above form an integral part of the financial statements.

In terms of our report of even date annexed

For BRAHMAYYA & CO.

For and on behalf of the Board of Directors

Chartered Accountants

ICAI Registration No. 000511S

K.J. JOSEPH

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DIN 00434410

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M.D. RAVIKANTH

Chief Financial Officer &

Secretary

V.A. GEORGE

Managing Director

DIN 01493737

Place : Chennai

Date : 14th June, 2021

THEJO ENGINEERING LIMITED
Cash Flow Statement for the year ended 31st March, 2021

Particulars	₹ in lakhs	
	Year Ended 31-03-2021	Year Ended 31-03-2020
Cash flow from Operating Activities		
Profit before tax as per Statement of Profit and Loss	2,988.67	1,875.82
Adjustment for:		
Depreciation	447.16	456.48
Employee Stock Option Expense	35.66	52.90
Loss/(Profit) on sale of asset	(2.64)	(3.16)
Interest Paid	170.63	339.13
Unrealized foreign exchange (gain)/loss (net)	32.91	16.84
Interest Received	(44.19)	(47.10)
Operating Profit before working capital changes	3,628.20	2,690.91
Adjustment for:		
Trade and Other Receivables	(358.25)	(1,124.48)
Inventories	(281.42)	(330.47)
Trade Payables and Other Liabilities	219.16	945.26
Cash Generated from Operations	3,207.69	2,181.22
Direct Taxes Paid	(594.95)	(619.52)
Net Cash from Operating Activities (A)	2,612.74	1,561.70
Cash flow from Investing Activities		
Purchase of Fixed Assets	(604.20)	(391.04)
Sale of assets	3.53	3.96
Investments disposed	-	-
Investments made	(204.13)	0.00
Repayment of loans / advances by subsidiaries	49.20	148.47
Interest Received	43.98	49.89
Net cash used in Investing Activities (B)	(711.62)	(188.72)
Cash Flow from Financing Activities		
Increase in Share Capital/Premium/Share Application Money	92.21	35.98
Increase/(Decrease) in short-term credit facilities/borrowings	(1,189.22)	(532.67)
Term Loan availed	95.75	9.00
Repayments of Term Loan	(123.20)	(162.81)
Interest paid	(171.70)	(340.83)
Dividend (including Dividend Distribution Tax) Paid	(173.40)	(207.64)
Net Cash from/(used in) Financing Activities (C)	(1,469.56)	(1,198.97)
Exchange Difference on translation of cash and cash equivalents (D)	64.91	(25.70)
Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	496.47	148.31
Opening Cash & Cash Equivalents	1,274.20	1,125.89
Closing Cash & Cash Equivalents	1,770.67	1,274.20
Note: Closing Cash and Cash Equivalents includes ₹ 480.51 lakhs (Previous Year: ₹ 508.14 lakhs) in Fixed Deposits with Banks held as Margin Money for BG & LC/Security		

In terms of our report of even date annexed

For BRAHMAYYA & CO.

Chartered Accountants

ICAI Registration No. 000511S

P. BABU

Partner

Membership No. 203358

Place : Chennai

Date : 14th June, 2021

For and on behalf of the Board of Directors

K.J. JOSEPH

Chairman

DIN 00434410

M.D. RAVIKANTH

Chief Financial Officer &

Secretary

THOMAS JOHN

Vice Chairman

DIN 00435035

V.A. GEORGE

Managing Director

DIN 01493737

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Note - 1

Corporate Information

Thejo Engineering Limited (formerly known as Thejo Engineering Services Private Limited) (“the Company”) was incorporated on 26th March, 1986 as a private limited company, with its Registered Office at Aysha Building, No. 41, Whites Road, Royapettah, Chennai, 600 014. The name of the Company was changed to Thejo Engineering Private Limited vide Certificate of Incorporation dated 17th June, 2008. The Company was subsequently converted into a public limited company with consequent change of name as Thejo Engineering Limited vide special resolution passed by the Members at their meeting held on 20th June, 2008. Thejo Engineering Limited made an Initial Public Offer (IPO) of 4,72,800 equity shares of the face value of ₹ 10/- each at a premium of ₹ 392/- per share in September 2012 and the shares got listed on the EMERGE SME platform of NSE. The share capital of the Company increased to ₹ 171.68 lakhs in the Financial Year 2012-13. During the year 2013-14, the Company issued Bonus Shares in the ratio of 1:1 and the paid-up capital of the Company further increased to ₹ 343.36 lakhs. The Company shifted its Registered Office to VDS House, 41, Cathedral Road, Chennai 600 086 with effect from 28th May, 2018 vide a resolution passed by the Board of Directors at their meeting held on that date.

The Company is an Engineering Solutions provider for Bulk Material Handling, Mineral Processing and Corrosion Protection to the Core Sector Industries like mining, power, steel, cement, ports and fertilizers. The Company’s services include belt conveyor installation, maintenance and operations, while its product portfolio covers design, manufacture and supply of engineering products for Bulk Material Handling, Mineral Processing and Corrosion Protection.

The Company has a Branch in Perth, Australia and four overseas subsidiaries namely, Thejo Hatcon Industrial Services Company, Saudi Arabia, Thejo Australia Pty Ltd, Australia, Thejo Brasil Comercio E Servicos Ltda, Brazil and Thejo Engineering Latinoamerica SpA, Chile. Thejo Hatcon Industrial Services Company is primarily engaged in rubber lagging and industrial services, Thejo Australia Pty Ltd in conveyor splicing, maintenance and related services, Thejo Brasil Comercio E Servicos Ltda and Thejo Engineering Latinoamerica SpA in sale of products used in the core sector industries for Bulk Material Handling, Mineral Processing and Corrosion Protection.

Note - 2

Significant Accounting Policies

2.1 Basis of Accounting

The financial statements (except cash flow statement) have been prepared under the historical cost convention on an accrual basis and in accordance with applicable Accounting Standards as specified in the Annexure to the Companies (Accounting Standards) Rules, 2006 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 of the Ministry of Corporate Affairs. The cash flow statement has been prepared in accordance with AS 3 on “Cash flow statements” issued by the Institute of Chartered Accountants of India. Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

2.2 Presentation and disclosure of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013. The Company has set a policy of classifying assets and liabilities into current and non-current portion based on the time frame of 12 months from the date of Balance Sheet.

Notes forming part of the Financial Statements for the year ended 31st March, 2021**2.3 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, future obligations under employee retirement benefit plans, provisions for doubtful debts, income-tax, post-sales customer support and the useful lives of fixed tangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of any changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.4 Fixed AssetsTangible Assets (Property, Plant and Equipment)

The Company follows Cost model for its Tangible Assets. Tangible Assets are capitalised at acquisition cost of bringing the assets to their working condition for their intended use. Subsequent expenses related to an item of tangible assets are added to its book value if they increase the future benefits from the existing assets beyond its previously assessed standard of performance. Assets which are not ready for intended use are disclosed under capital work-in-progress.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. The cost comprises purchase price, permissible borrowing cost and any cost directly attributable to bring the asset to its working condition for its intended use.

2.5 DepreciationTangible Assets (Property, Plant and Equipment)

Pursuant to the enactment of the Companies Act, 2013, depreciation on Tangible Assets is charged under written down value method based on the useful life of individual asset as prescribed in Schedule II to the Act, retaining a residual value of 5% of the cost of the assets. The estimated useful life of some of the assets is arrived at on the basis of technical evaluation/advice. In respect of additions made during the year, depreciation is charged on pro-rata basis from the date of their being ready for use.

Intangible Assets

They are amortized/ depleted over the useful life of the underlying assets and/ or as prescribed under Accounting Standards.

2.6 Inventories

Inventories are valued at lower of cost and net realisable value based on FIFO Basis.

The cost of inventory comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase consist of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rebates, duty drawbacks and other similar items are deducted in determining the costs of purchase.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

The costs of conversion of inventories include costs of materials used in production, direct labour, and production overheads.

Other costs are included in the cost of inventories only to the extent they are incurred in bringing the inventories to the present location and condition.

2.7 Investments

Each category/item of investment is valued as follows:

2.7.1 Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature.

2.7.2 Current investments are carried at the lower of cost and fair value.

The carrying amount of such investments is determined on the basis of weighted average cost of each individual investment.

Investments made in shares or debentures of another company to promote the trade or business of the Company are categorized as Trade Investments.

2.8 Cash and Cash Equivalents

2.8.1 Cash comprises cash on hand and demand deposits with bank.

2.8.2 Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.9 Revenue Recognition

2.9.1 Revenue from sale of goods is recognised at the point of despatch to the customers, when the effective control passes on to the buyer.

2.9.2 Revenue from services rendered is recognised based on proportionate completion method, when there is no significant uncertainty regarding the amount of consideration.

2.9.3 Revenue from exports is accounted at the rate of exchange prevailing as on the date of invoicing.

2.9.4 Revenue from export benefits (like Duty Drawback) is accounted at the time of receipt.

2.10 Sales, Works Contracts and Services Income

The amount shown in the Statement of Profit and Loss is net of excise duty and all other duties and taxes charged.

2.11 Employee Benefits

2.11.1 Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages and short term compensated absences as also the expected cost of bonus and ex-gratia are recognised in the period in which the employee renders the related service.

2.11.2 Post employment benefits:

2.11.2.1 Defined Contribution Schemes: Contribution to Provident Fund is made monthly to the Provident Fund Authorities. Contribution to Superannuation Fund for eligible employees is made by way of premium to Life Insurance Corporation of India through the Trust and charged to the Statement of Profit and Loss, for the year.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

2.11.2.2 Defined Benefit Scheme: The Company extends defined benefit plan in the form of gratuity to eligible employees. Contribution to gratuity is made to Life Insurance Corporation of India through the Gratuity Fund in accordance with the scheme framed and administered by the Corporation. The present value of the obligation is determined based on actuarial valuation using Projected Unit Credit Method as per the report obtained from independent actuary.

2.12 Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction or the average of opening and closing rates. The difference in the rate of exchange, if any, is accounted at the time of realisation or settlement and is recognized in the Statement of Profit and Loss. Monetary Assets and Liabilities denominated in foreign currencies are translated at year-end rates. The exchange differences for the period end balances are recorded at a group level and are reversed at the beginning of the next accounting period.

2.13 Taxes on Income

Current tax is determined on the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognized on timing differences, being difference between taxable income and the accounting income that originates in one year and reverses in another. Deferred Tax Assets and liabilities are computed on the timing differences applying the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Asset arising on account of unabsorbed depreciation or carry forward of business loss is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.14 Impairment of Assets

Fixed Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of assets is measured in line with the relevant Accounting Standard. An impairment loss is recognised in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of a past event and it is probable that outflows will be required to settle the obligation, which can be readily estimated. Contingent liabilities are disclosed after an evaluation of the facts and legal aspects of the matter involved. Contingent assets are neither recognized nor disclosed.

2.16 Dividend

Dividend is provided/paid after it is approved by the Members at the Annual General Meeting.

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2021
Note 3
Share capital

Particulars	As at 31-03-2021		As at 31-03-2020	
	Number	Amount ₹ in Lakhs	Number	Amount ₹ in Lakhs
Authorised				
Equity Shares of ₹ 10/- each	1,50,00,000	1,500.00	1,00,00,000	1,000.00
Issued				
Equity Shares of ₹ 10/- each	35,16,427	351.64	34,60,352	346.04
Subscribed & Paid-up				
Equity Shares of ₹ 10/- each	35,16,427	351.64	34,60,352	346.04
(Of the above, 92800 Equity Shares were allotted as fully paid-up for consideration other than cash (15/12/86) and 2055326 shares (108520 shares - 22/2/94; 230030 shares - 4/10/01 & 1716776 shares - 13/9/13) were allotted as fully paid-up bonus shares by transferring ₹ 33.86 lakhs from Statement of Profit & Loss and ₹ 171.68 lakhs from Securities Premium Account)				
Total	35,16,427	351.64	34,60,352	346.04

3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31-03-2021		As at 31-03-2020	
	Number	Amount ₹ in Lakhs	Number	Amount ₹ in Lakhs
Shares outstanding at the beginning of the year	34,60,352	346.04	34,36,952	343.70
Shares Issued during the year	56,075	5.61	23,400	2.34
Shares outstanding at the end of the year	<u>35,16,427</u>	<u>351.64</u>	<u>34,60,352</u>	<u>346.04</u>

3.2 Shares in the Company held by each shareholder holding more than 5 percent shares as on 31/03/2021

Name of the Shareholder	As at 31-03-2021		As at 31-03-2020	
	Number	Percentage	Number	Percentage
Girish Gulati HUF	2,74,400	7.80%	2,73,800	7.91%
Mr. K.J. Joseph	2,48,500	7.07%	2,49,400	7.21%
Mr. Thomas John	2,16,868	6.17%	2,16,868	6.27%
Mrs. Celinamma John	2,16,866	6.17%	2,16,866	6.27%
Mr. Rajesh John	2,16,866	6.17%	2,16,866	6.27%
Mrs. Rosamma Joseph	1,80,320	5.13%	1,80,320	5.21%
SIDBI Venture Capital Ltd. A/c India Opportunities Fund	0	0.00%	2,63,672	7.62%

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Note 4		
Reserves and surplus		
a. Securities Premium Account		
Opening Balance	1,897.58	1,851.95
Add: Share premium of shares issued under ESOP	117.34	45.63
Closing Balance	<u>2,014.92</u>	<u>1,897.58</u>
b. Share Option Outstanding Account		
Opening Balance	103.67	62.75
(+) Employee Compensation Cost for the year	35.66	52.90
(-) Capitalized on Exercise of Options	30.72	11.98
Closing Balance	<u>108.61</u>	<u>103.67</u>
c. Surplus (Balance in Statement of Profit and Loss)		
Opening balance	7,646.33	6,479.68
(+) Net Profit/(Net Loss) For the current year	2,241.60	1,374.29
(-) Dividend Distributed	173.40	172.24
(-) Dividend Distribution Tax	0.00	35.40
(-) Transfer to General Reserve	0.00	0.00
Closing Balance	<u>9,714.53</u>	<u>7,646.33</u>
d. Others		
i) General Reserve		
Opening Balance	627.71	627.71
(+) Transfer from Surplus	0.00	0.00
Closing Balance	<u>627.71</u>	<u>627.71</u>
Total	<u>12,465.77</u>	<u>10,275.29</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Note 5		
Long Term Borrowings		
Secured		
Term loans		
From Banks	106.86	118.89

Limit/Liability, Terms of Repayment & Security
State Bank of India

Date of Sanction: 1) 28.07.2017 Ref No. RM1/62 2) 16.11.2020 Ref No. CB-CHE/AMT-IV/2020-21/267

Sanctioned Limit - 1) ₹ 200 Lakhs 2) ₹ 72 Lakhs

Purpose: 1) Acquisition of Capital Assets 2) Working Capital under Guaranteed Emergency Credit Line Scheme

Period of Repayment - 1) 48 months with Principal moratorium of 5 months from date of Sanction 2) 36 months with Principal moratorium of 12 months from date of first drawdown

Amount of Instalment: 1) ₹ 4.20 Lakhs per month + Interest 2) ₹ 2 Lakhs per month + Interest

Security:

1) First hypothecation charge over all machinery and equipment purchased under the Term Loan.

First charge on pari-passu basis with Axis & SIB over immovable properties under Equitable Mortgage.

2) Second Charge on the security provided for working capital limits

1) Personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John

Liability (Incl interest not due) - ₹ 72 Lakhs (₹ 22.98 Lakhs)

Repayable within one year - ₹ 2 Lakhs (₹ 22.98 Lakhs)

Overdues/Defaults - Nil (Nil)

Axis Bank Limited

Date of Sanction: 16.03.2016 Ref No. AXISB/SME/S/MEG/CHN/15-16/65

Sanctioned Limit: ₹ 300 Lakhs

Purpose: Acquisition of Capital Assets

Period of Repayment : 60 monthly instalments of ₹ 5.00 lakh commencing from 6 months of first drawdown. Interest to be paid as and when debited.

Amount of Instalment - ₹ 5.00 Lakhs per month+interest

Security (For all loans):

First hypothecation charge over all machinery and equipment purchased under the Term Loan.

First charge on pari-passu basis with SBI & SIB over immovable properties under Equitable Mortgage.

Personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John

Liability (Incl interest not due) - ₹ 34.87 Lakhs (₹ 95.91 Lakhs)

Repayable within one year - ₹ 34.87 Lakhs (₹ 61.05 Lakhs)

Overdues/Defaults - Nil (Nil)

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
From Others		
Financial Institutions	43.40	54.96
Sundaram Finance Limited		
Date of Sanction: 12.09.2014		
Sanctioned Limit: ₹ 100 Lakhs		
Purpose: Acquisition of Vehicles		
Period of Repayment : 35 Equated Monthly Instalments(including interest) from date of each loan		
Amount of Instalment - ₹ 1.06 Lakhs per month (including interest) for loan outstanding		
Security:		
Hypothecation of Vehicle purchased under the loan		
Personal guarantee of Mr.Thomas John		
Liability (Incl interest not due) - ₹ 26.17 Lakhs (₹ 28.54 Lakhs)		
Repayable within one year - ₹ 11.04 Lakhs (₹ 24.40 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Toyota Finance Australia Ltd		
Date of Sanction: November 2016 & October 2017		
Sanctioned Limit: AUD 127176 (Equi ₹ 64.26 Lakhs)		
Purpose: Acquisition of Vehicles		
Period of Repayment : 60 Equated Monthly Instalments (including interest) from date of the loan		
Amount of Instalment - AUD 2393 (₹1.21 Lakhs per month)		
Security:		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 17.23 Lakhs (₹ 26.42 Lakhs)		
Repayable within one year - ₹ 12.72 Lakhs (₹12.18 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Less: Current Maturities (incl interest accrued but not due)		
Banks	(36.87)	(84.03)
Financial Institutions	(23.76)	(36.58)
Total	<u>89.63</u>	<u>53.24</u>

Note 6
Short Term Borrowings
Secured
Loans repayable on demand

From Banks

269.75

1,458.97

The Company was sanctioned Working capital facilities by consortium of bankers namely, State Bank of India, Axis Bank Limited and The South Indian Bank Limited.

Limit/Liability, Terms of Repayment & Security
State Bank of India

Date of Sanction: 22.01.2021 Ref No. CB-CHE/AMT-IV/2020-21/294

Limit: Cash Credit of ₹1,435 Lakhs; Stand by CC ₹150 Lakhs (Non-fund based limit: Letter of Credit - ₹ 500 lakhs, Bank Guarantee - ₹ 700 lakhs and SBLC - ₹ 1,300 lakhs)

Period Of Repayment: On Demand

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Security:		
First Charge on all the current assets on pari-passu basis with Axis Bank Limited and The South Indian Bank Limited		
EM of immovable properties belonging to the Company. (First charge on pari-passu basis with Axis Bank Limited, and The South Indian Bank Limited).		
Extension of Second hypothecation charge on pari-passu basis over fixed assets purchased out of term loan from Axis Bank Limited		
Extension of First hypothecation charge on pari-passu basis over Company's fixed assets (other than those on exclusive charge for the Term Loans).		
Lien over fixed deposit of ₹ 1.72 crore on pari-passu basis with Axis Bank Limited and The South Indian Bank Limited		
Personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		
Rate of Interest - 0.95% above External Benchmark Lending Rate		
Margin - Cash credit - 25-35%		
LC and BG - 15%; SBLC - 5%		
Liability - ₹ 49.52 Lakhs (₹ 436.83 Lakhs)		
Overdues/Defaults: Nil (Nil)		
Axis Bank Limited		
Date of Sanction: 26.03.2020 Ref No. AXISB/CBG/ANNASALAI/MEG/2019-20/33		
Limit: Cash Credit of ₹ 1,262.50 Lakhs + Stand by CC ₹ 112.50 Lakhs (Non-fund based limit: Letter of Credit - ₹ 375 lakhs & Bank Guarantee - ₹ 525 lakhs)		
Period of Repayment: On Demand		
Security: Same as given to State Bank of India		
Personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		
Rate of Interest - 1.90% above 3 Month MCLR		
Margin - Cash credit - 25%		
LC and BG - 15%		
Liability - ₹ 114.03 Lakhs (₹ 532.69 Lakhs)		
Overdues/Defaults: Nil (Nil)		
The South Indian Bank Limited		
Date of Sanction: 29.01.2021 Ref No. BR/GEN/88A/2020-21		
Limit: Cash Credit of ₹ 1,063.00 Lakhs + Stand by CC ₹ 112.00 Lakhs (Non-fund based limit: Letter of Credit - ₹ 375 Lakhs & Bank Guarantee - ₹ 525 Lakhs)		
Period Of Repayment: On Demand		
Security:		
Same as given to State Bank of India		
Personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		
Rate of Interest - 1.10% above One Year MCLR		
Margin - Cash credit - 25-35%		
LC and BG - 15%		
Liability - ₹ 106.20 Lakhs (₹ 489.45 Lakhs)		
Overdues/Defaults: Nil (Nil)		
Total	269.75	1,458.97

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Note 7		
Trade payables		
Trade payables:		
Acceptances	511.95	319.10
Other than Acceptances	1,781.09	1,708.37
(Payables to micro and small enterprises - Nil (PY: Nil))		
Total	<u><u>2,293.04</u></u>	<u><u>2,027.47</u></u>
Note 8		
Other Current Liabilities		
Current Maturities on Long Term Debt (Refer Note 5 for details of security extended)	60.55	119.45
Interest accrued but not due on Term Loan	0.09	1.15
Other payables		
Salary and Other Employee Benefits	1,079.52	984.10
Statutory Dues	763.49	579.78
Others	141.86	167.16
Outstanding Liabilities	565.34	747.43
Total	<u><u>2,610.85</u></u>	<u><u>2,599.07</u></u>
Note 9		
Short Term Provisions		
(a) Provision for employee benefits		
Provision for Leave Encashment	222.52	199.09
Gratuity Liability (Net)	14.82	138.66
(b) Others		
Direct Taxes (Net)	301.92	133.38
Total	<u><u>539.26</u></u>	<u><u>471.13</u></u>

Notes forming part of the Financial Statements as at 31st March, 2021

Note 10 PROPERTY, PLANT AND EQUIPMENT

NATURE OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2020 ₹ in Lakhs	Addition for the year ₹ in Lakhs	Deduction ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs	Useful Life in years	Upto 31.03.2020 ₹ in Lakhs	Addition ₹ in Lakhs	Deduction ₹ in Lakhs	Upto 31.03.2021 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs	As at 31.03.2020 ₹ in Lakhs
TANGIBLE ASSETS											
Land	65.72	0.00	0.00	65.72	NA	0.00	0.00	0.00	0.00	65.72	65.72
Factory Building	1,457.17	75.57	0.00	1,532.74	10-30	630.36	81.17	0.00	711.53	821.21	826.81
Office Building	39.72	0.00	0.00	39.72	30	29.43	1.64	0.00	31.07	8.65	10.29
Plant & Machinery	2,780.03	172.14	3.91	2,948.26	1-15	2,006.57	180.97	3.74	2,183.80	764.46	773.46
Boiler	76.62	2.75	0.00	79.37	15	59.38	3.32	0.00	62.70	16.67	17.24
Dyes & Moulds	479.94	82.66	0.00	562.60	15	221.23	50.59	0.00	271.82	290.78	258.71
Vehicle Four Wheelers	564.70	51.32	13.23	602.79	8	400.38	54.54	12.56	442.36	160.43	164.32
Vehicle Two Wheelers	44.82	1.40	0.39	45.83	10	33.61	2.92	0.37	36.16	9.67	11.21
Office Equipments	74.29	5.51	0.00	79.80	2-5	58.91	7.76	0.00	66.67	13.13	15.38
Electrical Fittings	218.88	52.84	0.23	271.49	10	182.51	9.72	0.22	192.01	79.48	36.37
Furniture & Fittings	321.98	29.70	0.00	351.68	10	235.69	22.81	0.00	258.50	93.18	86.29
Computer	218.57	31.84	0.00	250.41	3	191.66	18.26	0.00	209.92	40.49	26.91
Computer Server	7.97	3.24	0.00	11.21	6	7.57	0.16	0.00	7.73	3.48	0.40
Generator	43.18	22.65	0.00	65.83	10	39.50	1.83	0.00	41.33	24.50	3.68
Total Tangible Assets (Current Year)	6,393.59	531.62	17.76	6,907.45		4,096.80	435.69	16.89	4,515.60	2,391.85	2,296.79
Total Tangible Assets (Previous Year)	6,029.50	381.17	17.08	6,393.59		3,673.65	439.44	16.29	4,096.80	2,296.79	2,355.85
INTANGIBLE ASSETS											
Technical Knowhow	1.75	0.00	0.00	1.75		1.75	0.00	0.00	1.75	0.00	0.00
Computer Software	141.75	1.60	0.00	143.35		118.85	11.47	0.00	130.32	13.03	22.90
Total Intangible Assets (Current Year)	143.50	1.60	0.00	145.10		120.60	11.47	0.00	132.07	13.03	22.90
Total Intangible Assets (Previous Year)	125.28	18.22	0.00	143.50		103.56	17.04	0.00	120.60	22.90	21.72
CAPITAL WORK IN PROGRESS											
Assets Under Construction	14.26	85.25	14.27	85.24	NA	0.00	0.00	0.00	0.00	85.24	14.26
Total Capital Work In Progress (Current Year)	14.26	85.25	14.27	85.24		0.00	0.00	0.00	0.00	85.24	14.26
Total Capital Work In Progress (Previous Year)	22.61	13.86	22.21	14.26		0.00	0.00	0.00	0.00	14.26	22.61
GRAND TOTAL	6,551.35	618.47	32.03	7,137.79		4,217.40	447.16	16.89	4,647.67	2,490.12	2,333.95
PREVIOUS YEAR	6,177.39	413.25	39.29	6,551.35		3,777.21	456.48	16.29	4,217.40	2,333.95	2,400.18

Notes forming part of the Financial Statements as at 31st March, 2021

Note 11

NON-CURRENT INVESTMENTS

Particulars	As at		(₹ in Lakhs)
	31-03-2021	As at 31-03-2020	
A Trade Investments (Unquoted)			
Investments in Equity Instruments	2,330.18	2,126.05	
Total	2,330.18	2,126.05	

Details of Trade Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount		Whether stated at Cost Yes / No
			As at 31/03/21	As at 31/03/20			As at 31/03/21	As at 31/03/20	As at 31/03/21	As at 31/03/20	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Investment in Equity Instruments								₹ in Lakhs	₹ in Lakhs	
1	Thejo Hatcon Industrial Services Company	Subsidiary	2,040	2,040	Unquoted	Fully Paid	51%	51%	333.72	333.72	Yes
2	Thejo Australia Pty Ltd	Subsidiary	22,20,000	22,20,000	Unquoted	Fully Paid	74%	74%	1,202.45	1,202.45	Yes
3	Thejo Brasil Comercio E Servicos Ltda	Subsidiary	5,01,406	5,01,406	Unquoted	Fully Paid	99.99%	99.99%	98.62	98.62	Yes
4	Thejo Engineering LatinoAmerica SpA	Subsidiary	725	509	Unquoted	Fully Paid	99.86%	99.80%	695.39	491.26	Yes
	Total								2,330.18	2,126.05	

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Note 12		
Long Term Loans and Advances		
a. EMD and Security Deposits		
Unsecured, considered good	264.52	196.09
b. Other Deposits		
Unsecured, considered good		
Rental Deposit	151.99	156.37
Deposit with Government Agencies	7.36	6.75
Others	73.06	92.57
Total	496.93	451.78
Note 13		
Inventories (As certified by Management)		
a. Raw Materials and components	1,486.51	1,129.37
b. Work-in-progress	405.49	371.05
c. Finished goods	778.79	918.39
d. Stock-in-Trade	86.97	78.46
e. Stock in Transit	64.51	43.58
Total	2,822.26	2,540.85
Note 14		
Trade Receivables		
Unsecured, considered good		
Outstanding for more than six months from the date they are due	574.88	937.93
Others	6,831.22	6,381.87
Less: Provision for Doubtful Debts	63.50	63.50
Total	7,342.60	7,256.30

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Note 15		
Cash and Cash Equivalents		
a. Balances with banks		
(i) In Current Accounts	1,027.83	625.58
(ii) In Deposit Accounts (₹ 480.51 lakhs (PY ₹ 508.14 lakhs) Held as Margin Money for BG & LC/security. Deposits maturing after 12 months - ₹ 1.18 lakhs (PY ₹ 25.25 lakhs))	727.95	626.85
b. Cheques, drafts on hand	0.00	0.00
c. Cash on hand	14.89	21.77
Total	<u>1,770.67</u>	<u>1,274.20</u>
Note 16		
Short-term loans and advances		
Others (unsecured, considered good)		
EMD & Security deposits	379.13	375.97
Advance to Suppliers	290.03	220.08
Advance and Current Maturities on Loan to Related Party (Thejo Hatcon Industrial Services Company)	0.00	76.38
Indirect taxes Asset (input tax credit, TDS, etc)	449.85	315.00
Prepaid expenses	94.52	104.68
Staff advance	21.44	40.75
Others	25.68	25.11
Total	<u>1,260.65</u>	<u>1,157.97</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2021

Particulars	₹ in Lakhs	
	Year ended 31-03-2021	Year ended 31-03-2020
Note 17		
Revenue from operations		
Sale of Products	10,233.64	10,170.51
Sale of Services & Works Contract	11,072.85	9,876.55
Other Operating Income	65.87	122.10
Total	21,372.36	20,169.16
Note 18		
Other income		
Interest	44.19	47.10
Difference in foreign exchange (gain)	51.81	41.74
Miscellaneous Income	145.23	1.14
Profit on sale of assets	2.64	3.16
Total	243.87	93.14
Note 19		
Cost of materials consumed		
Opening Stock of Raw Materials	1,129.37	991.19
Add: Purchases made during the year	4,043.95	3,936.33
	5,173.32	4,927.52
Less: Closing Stock of Raw Materials	1,486.51	1,129.37
	3,686.81	3,798.15
Add: Consumables	442.14	399.53
Total	4,128.95	4,197.68
Purchase of Traded Goods	108.29	93.02
Note 20		
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock :		
Work-in-Progress	371.05	308.01
Finished Goods	918.39	774.02
Stock-in-Trade	78.46	111.84
Stock in Transit	43.58	25.32
	1,411.48	1,219.19
Closing Stock :		
Work-in-Progress	405.49	371.05
Finished Goods	778.79	918.39
Stock-in-Trade	86.97	78.46
Stock in Transit	64.51	43.58
	1,335.76	1,411.48
Total	75.71	(192.29)

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2021

Particulars	₹ in Lakhs	
	Year ended 31-03-2021	Year ended 31-03-2020
Note 21		
Employee Benefits Expense		
(a) Salaries and incentives	5,807.77	5,620.90
(b) Contributions to PF, Superannuation, Gratuity & ESI	573.51	732.96
(c) Staff welfare expenses	852.49	808.89
(d) LTA, Ex-gratia, & Leave Encashment	303.29	229.37
(e) Employee Stock Option Expense	35.66	52.90
Total	<u>7,572.72</u>	<u>7,445.02</u>
Note 22		
Finance costs		
Interest	45.25	243.14
Other finance costs	125.38	95.99
Total	<u>170.63</u>	<u>339.13</u>
Note 23		
Other expenses		
A. Manufacturing & Other Direct Expenses		
Power and fuel	320.27	326.16
Machinery Maintenance & Leasing	159.66	150.36
Factory Maintenance	44.60	41.04
Electrical maintenance	12.71	8.47
Testing charges	6.65	5.50
Dyes & Moulding charges	65.89	85.89
Cartage, Coolie & Freight charges	349.45	397.77
Packing materials & charges	234.38	214.50
Service & Labour charges	2,941.06	2,733.73
Total Manufacturing & Other Direct Expenses	<u>4,134.67</u>	<u>3,963.42</u>
B. Administrative & Selling Expenses		
Professional Service Charges	224.20	245.43
Rent	254.69	244.50
Repairs & Maintenance	81.59	78.84
Travelling, Conveyance & Vehicle hire charges	535.19	525.16
Foreign Travel expenses	0.10	76.83

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2021

Particulars	₹ in Lakhs	
	Year ended 31-03-2021	Year ended 31-03-2020
Vehicle Maintenance	172.50	153.57
Telephone, Telex & Postage	47.64	53.82
Printing & Stationery	30.91	32.81
Office Maintenance	45.72	51.14
Books & Periodicals	3.86	3.65
Computer Maintenance	35.60	34.35
Seminar & Conference	26.30	24.22
Electricity	13.43	22.26
Legal Fee & Charges	1.20	4.51
Donation	2.50	8.84
Recruitment, Training & Development	21.54	25.73
ECGC Premium	2.43	2.55
CSR Expenses	34.00	27.00
Insurance	44.51	38.03
Rates and taxes	35.98	33.88
Directors Sitting Fees	33.75	31.25
Commission	18.31	23.12
Advertisement	5.43	4.76
Sales Promotion Expenses	5.66	11.05
Freight on Exports	202.85	117.66
Loading & Unloading charges	13.62	19.70
Late Delivery Charges	34.71	31.89
Bad Debts	0.00	90.23
Payments to the Auditors		
a. Statutory Audit	12.50	12.50
b. Tax Audit	2.00	2.00
c. For certification & other services	5.15	8.95
Miscellaneous expenses	0.06	0.10
Total Administration & Selling Expenses	1,947.93	2,040.33
Sales Tax, Service Tax & Other Indirect Tax Expenses	41.50	43.69
Total	<u>6,124.10</u>	<u>6,047.44</u>

THEJO ENGINEERING LIMITED

 Notes forming part of the Financial Statements for the year ended 31st March, 2021

Note 24 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS
Note 24.1 Contingent Liabilities (to the extent not provided for)

		₹ in lakhs	
Particulars	2020-21	2019-20	
24.1.1 Claims against the Company not acknowledged as debts	0.00	0.00	
24.1.2 Guarantees issued by the Banks	1,117.22	1,586.00	
24.1.3 Stand-by Letter of Credit issued by bank (for loan availed by Thejo Australia Pty Ltd)	913.45	1,526.53	
	<u>2,030.67</u>	<u>3,112.53</u>	

24.1.4 Others

₹ in lakhs

Name of Statute	Amount of Dispute (31/3/21)	Amount of Dispute (31/3/20)	Amount Deposited (31/3/21)	Period to which it relates	Forum where dispute is pending
Commercial Taxes	59.85	59.85	4.95	Various	Various
Customs	12.50	12.50	0.00	2001	Commissioner of Customs
Income-tax	115.41	104.91	37.03	Various	Various
Total	187.76	177.26	41.98		

24.1.5 Commitments

Estimated amount of contracts remaining to be executed on capital account: ₹ 97.83 lakhs (Previous Year - ₹ 23.00 lakhs)

Note. 24.2 Foreign currency transactions

		₹ in lakhs	
Particulars	2020-21	2019-20	
24.2.1 Payments in foreign currency towards Imports			
Imports at CIF Value			
Raw Materials and Traded goods	635.79	747.30	
Capital goods	38.58	16.01	
Total	<u>674.37</u>	<u>763.31</u>	
24.2.2 Payments in foreign currency towards Expenditure			
Expenditure in Foreign currency			
Professional and consultation fees	15.47	15.73	
Seminar, Training & Development	41.37	34.85	
Foreign Tour	0.00	7.82	
Salaries & Incentives of Perth Branch	358.12	398.63	
Other Expenditure of Perth Branch	177.73	314.49	
Others	5.83	17.94	
Total	<u>598.52</u>	<u>789.46</u>	

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2021

Particulars	₹ in lakhs	
	2020-21	2019-20
24.2.3 Earnings in foreign currency on Accrual basis		
Earnings in foreign exchange		
Exports – Products	3,344.37	3,774.04
Exports – Services	0.00	0.00
Total	3,344.37	3,774.04
24.2.4 Net Gain or Loss on Foreign Currency Translation		
Profit/(Loss) on Foreign Currency Translation	51.81	41.74

Note. 24.3 Employee Benefits

The Company has accounted for the Long term defined benefits and contribution schemes as under:

24.3.1 Defined Contribution Schemes

Contribution to Provident Fund is made monthly to the Provident Fund Authorities. Contribution to Superannuation fund for eligible employees is made by way of premium to Life Insurance Corporation of India through the Trust and charged to the Statement of Profit and Loss for the year.

24.3.2 Defined Benefit Scheme

The Company has defined benefit scheme in the form of gratuity to employees.

Contribution to gratuity is made to Life Insurance Corporation of India through the Gratuity Fund as per the scheme framed by the Corporation. The disclosure under AS -15 (Revised) in this regard is given hereunder:

Assumptions	2020-21	2019-20
Discount Rate	6.85%	6.61%
Salary Escalation	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Expected return on plan assets	6.91%	8.00%

Particulars	₹ in Lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Table Showing Changes In Present Value Of Obligations		
Present value of obligations at the beginning of the year	796.93	588.90
Interest Cost	52.01	43.43
Current Service Cost/Past Service Cost (Vested)	76.21	57.57
Benefits Paid	(19.97)	(27.29)
Actuarial (Gain) / Loss on obligations	(66.28)	134.32
Present value of obligations as at end of the year	838.90	796.93
Table Showing Changes In Fair Value Of Plan Assets		
Fair value of plan assets at the beginning of the year	658.27	501.59
Expected return on plan assets	57.26	44.75
Contributions	134.89	142.72
Benefits Paid	(19.97)	(27.29)
Actuarial Gain / (Loss) on plan assets	(6.37)	(3.50)
Fair value of plan assets at the end of the year	824.08	658.27

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
-------------	--------------------------------------	--------------------------------------

Table Showing Fair Value Of Plan Assets

Fair value of plan assets at the beginning of the year	658.28	501.59
Actual return on plan assets	50.88	41.25
Contributions	134.89	142.72
Benefits Paid	(19.97)	(27.29)
Fair value of plan assets at the end of the year	824.08	658.27
Funded Status	(14.82)	(138.66)
Excess of Actual over Estimated return on plan assets	(6.37)	(3.50)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
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Actuarial Gain / Loss Recognized

Actuarial gain / (loss) on obligations	66.28	(134.32)
Actuarial gain / (loss) for the year – plan assets	(6.37)	(3.50)
Total gain / (loss) for the year	59.91	(137.82)
Actuarial gain / (loss) recognized in the year	59.91	(137.82)

Particulars	As at 31 st March 2021	As at 31 st March 2020
-------------	--------------------------------------	--------------------------------------

Amounts To Be Recognized In Balance Sheet & Statement of Profit and Loss

Present value of obligations as at the end of the year	838.90	796.93
Fair value of plan assets as at the end of the year	824.08	658.27
Funded Status	(14.82)	(138.66)
Net asset / (liability) recognized in balance sheet	(14.82)	(138.66)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
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Expenses Recognized In Statement of Profit and Loss

Current Service Cost/Past Service Cost(Vested)	76.21	57.57
Interest Cost	52.01	43.43
Expected return on plan assets	(57.26)	(44.75)
Net Actuarial (gain) / loss recognized in the year	(59.91)	137.82
Expenses recognized in statement of profit and loss	11.05	194.07

Note: Entire plan assets are lying in the Gratuity Fund administered through Life Insurance Corporation of India (P & GS Department).

THEJO ENGINEERING LIMITED

 Notes forming part of the Financial Statements for the year ended 31st March, 2021

Note 24.4 Segment Reporting
24.4.1 Primary Segment Information (Business Segment)

₹ in Lakhs

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others			
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Segment Revenue	10,704.49	10,304.14	12,462.32	11,402.63	1,271.23	1,528.77	24,438.04	23,235.54
Less: Inter segment Revenue	3,064.90	3,033.20	0.79	33.18	0.00	0.00	3,065.69	3,066.38
Total Revenue	7,639.59	7,270.94	12,461.53	11,369.45	1,271.23	1,528.77	21,372.35	20,169.16
Segment Results	2,265.65	1,957.97	1,933.18	1,759.64	264.14	145.11	4,462.97	3,862.72
Less : Finance Cost							170.63	339.13
Un allocable Expenses (net of income)							1,303.67	1,647.77
Total Profit Before Tax							2,988.67	1,875.82
Tax Expenses							747.07	501.53
Profit after Tax							2,241.60	1,374.29
Segment Assets	7,596.98	6,983.12	6,970.24	6,399.37	702.25	844.91	15,269.47	14,227.40
Segment Liabilities	2,355.98	1,809.37	1,610.78	1,699.20	6.70	217.85	3,973.46	3,726.42
Capital Employed	5,241.00	5,173.75	5,359.46	4,700.17	695.55	627.06	11,296.01	10,500.98
Un allocated Capital Employed							1,521.40	120.35
Total Capital Employed							12,817.41	10,621.33

24.4.2 Secondary Segment (Geographic Segment):

₹ in Lakhs

Particulars	India		Outside India		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue from external customers	18,027.98	16,395.12	3,344.37	3,774.04	21,372.35	20,169.16
Carrying amount of Segment Assets	13,827.25	12,026.64	1,442.22	2,200.76	15,269.47	14,227.40
Cost incurred to acquire tangible and intangible fixed assets	544.78	381.65	2.13	0.68	546.91	382.33

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Note 24.5 Related Party Disclosures
List of Related Parties

Name of the Party	Relationship
Thejo Hatcon Industrial Services Company	Subsidiary
Thejo Australia Pty Ltd	Subsidiary
Thejo Brasil Comercio E Servicos Ltda	Subsidiary
Thejo Engineering LatinoAmerica SpA	Subsidiary
Mr. K.J. Joseph	Promoter/Key Management Personnel
Mr. Thomas John	Promoter/Key Management Personnel
Mr. V.A. George	Key Management Personnel
Mr. Manoj Joseph	Key Management Personnel
Mr. Rajesh John	Key Management Personnel
Mr. M.D. Ravikanth	Key Management Personnel
Mr. Manesh Joseph	Relative of Key Management Personnel
Mrs. Rosamma Joseph	Relative of Key Management Personnel
Mrs. Celinamma John	Relative of Key Management Personnel
Mr. K John Joseph	Relative of Key Management Personnel

Related Party Transaction Details:
₹ in Lakhs

Related Party	Nature of Payment	Current Year Transaction	Outstanding as on 31st March, 2021
Thejo Hatcon Industrial Services Company	Share Capital	0.00	333.72
Thejo Australia Pty Ltd	Share Capital	0.00	1,202.45
Thejo Brasil Comercio E Servicos Ltda	Share Capital	0.00	98.62
Thejo Engineering LatinoAmerica SpA	Share Capital	204.13	695.39
Thejo Hatcon Industrial Services Company	Advance	(49.20)	0.00
Thejo Hatcon Industrial Services Company	Purchase & Sales	184.95	68.78
Thejo Australia Pty Ltd	Purchase & Sales	280.11	102.48
Thejo Brasil Comercio E Servicos Ltda	Purchase & Sales	45.20	68.84
Thejo Engineering LatinoAmerica SpA	Purchase & Sales	640.83	602.58
Thejo Australia Pty Ltd	Other Income / Expense Reimbursement	70.56	(4.28)
Mr. K.J. Joseph	Sitting Fee	3.75	0.00
Mr. Thomas John	Sitting Fee	3.75	0.00
Mr. V.A. George	Remuneration	92.25	(18.79)
Mr. Manoj Joseph	Remuneration	47.25	(6.65)
Mr. Rajesh John	Remuneration	29.61	(4.38)
Mr. M.D. Ravikanth	Remuneration	54.32	(0.81)
Mr. Manesh Joseph	Remuneration	46.67	(1.14)
Mrs. Rosamma Joseph	Remuneration	11.15	(0.86)
Mrs. Celinamma John	Remuneration	11.05	(0.98)
Mr. K. John Joseph	Remuneration	0.78	(0.33)

Note: Remuneration excludes retirement benefits.

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2021
Related Party Transaction Details:
₹ in Lakhs

Related Party	Nature of Payment	Previous Year Transaction	Outstanding as on 31 st March, 2020
Thejo Hatcon Industrial Services Company	Share Capital	0.00	333.72
Thejo Australia Pty Ltd	Share Capital	0.00	1,202.45
Thejo Brasil Comercio E Servicos Ltda	Share Capital	0.00	98.62
Thejo Engineering LatinoAmerica SpA	Share Capital	0.00	491.26
Thejo Hatcon Industrial Services Company	Loan	(83.52)	0.00
Thejo Hatcon Industrial Services Company	Interest on Loan	3.27	0.00
Thejo Hatcon Industrial Services Company	Advance	(64.95)	49.20
Thejo Hatcon Industrial Services Company	Purchase & Sales	195.90	74.90
Thejo Australia Pty Ltd	Purchase & Sales	610.93	107.55
Thejo Brasil Comercio E Servicos Ltda	Purchase & Sales	39.64	83.80
Thejo Engineering LatinoAmerica SpA	Purchase & Sales	476.38	773.01
Thejo Australia Pty Ltd	Expense Reimbursement	121.47	(6.78)
Mr. K.J. Joseph	Sitting Fee	1.75	0.00
Mr. Thomas John	Sitting Fee	3.50	0.00
Mr. V.A. George	Remuneration	84.00	(2.76)
Mr. Manoj Joseph	Remuneration	51.26	(1.88)
Mr. Rajesh John	Remuneration	44.59	(1.30)
Mr. M.D. Ravikanth	Remuneration	32.83	(0.79)
Mr. Manesh Joseph	Remuneration	31.99	(0.86)
Mrs. Rosamma Joseph	Remuneration	12.09	(0.86)
Mrs. Celinamma John	Remuneration	11.95	(0.98)

Note: Remuneration excludes retirement benefits

Note 24.6 Calculation of Deferred Tax
₹ in Lakhs

Particulars	DTA	DTL	DTA	DTL
	31 st March, 2021		31 st March, 2020	
Opening Balance	90.11	0.00	52.15	0.00
Timing Difference in Depreciation	12.37	0.00	17.44	0.00
Profit on sale of asset	0.00	0.66	0.00	0.80
Timing Difference on provision for leave encashment	5.90	0.00	12.42	0.00
Timing Difference on provision for doubtful debts	0.00	0.00	15.98	0.00
Previous deferred tax reversed on account of tax rate changes / others	(1.19)	0.00	(7.08)	0.00
Total	107.19	0.66	90.91	0.80
Net Deferred Tax Liability / (Asset)	106.53	0.00	90.11	0.00

Note 24.7 Leases

The Company has taken various commercial premises under cancellable leases. These lease agreements are normally renewed on expiry.

The rentals are expensed with reference to the lease terms and conditions.

THEJO ENGINEERING LIMITED

 Notes forming part of the Financial Statements for the year ended 31st March, 2021

Note 24.8 Particulars of Stock ₹ in Lakhs

Items	2020-21	2019-20
Purchase of Goods (including Trading)		
Rubber Items	1,484.84	1,374.82
Others	3,109.54	3,054.06
Total	4,594.38	4,428.88

Raw Materials Consumed (including Trading)

Rubber Items	1,344.02	1,410.31
Others	2,884.72	2,913.77
Total	4,228.74	4,324.08

Stock Particulars Raw Materials, WIP & Finished Goods (including Trading)
Opening Stock

Rubber Items	1,462.44	1,333.37
Others	1,034.83	851.69
Total	2,497.27	2,185.06

Closing Stock

Rubber Items	1,503.32	1,462.44
Others	1,254.43	1,034.83
Total	2,757.75	2,497.27

Value of Raw Materials, Spare Parts and Components consumed

Value – ₹ in Lakhs

Items	2020-21		2019-20	
	% of Consumption	Value	% of Consumption	Value
Imported	15.59%	659.36	15.88%	686.88
Indigenous	84.41%	3,569.38	84.12%	3,637.20
Total		4,228.74		4,324.08

₹ in Lakhs

Items	2020-21	2019-20
Income from services		
Maintenance & Repair Services	9,553.08	7,175.87
Manpower Supply Services	1,225.50	2,347.92
Others	294.27	352.76
Total	11,072.85	9,876.55

₹ in Lakhs

Items	2020-21	2019-20
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Stock Particulars Work In Progress
Opening Stock

Rubber Items	303.55	228.13
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THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2021

Items	₹ in Lakhs	
	2020-21	2019-20
Others	67.50	79.88
Total	371.05	308.01
Closing Stock		
Rubber Items	334.48	303.55
Others	71.01	67.50
Total	405.49	371.05

Note 24.9 Earnings Per Share

Particulars	2020-21	2019-20
Basic:		
Net Profit after Tax (₹ in Lakhs)	2,241.60	1,374.29
Weighted Average Number of Equity Shares during the year (Nos.)	34,83,455	34,47,635
Earnings per Share (FV of ₹ 10/- each fully paid up) (₹)	64.35	39.86
Diluted:		
Net Profit after Tax (₹ in Lakhs)	2,241.60	1,374.29
Weighted Average Number of Equity Shares during the year (Nos.)	35,10,765	34,81,418
Earnings per Share (FV of ₹ 10/- each fully paid up) (₹)	63.85	39.48

Note 24.10 Thejo Employee Stock Option Plan 2015

Information in respect of Options granted under Thejo Employee Stock Option Plan 2015

Name of the Plan	Thejo Employee Stock Option Plan 2015 ("ESOP 2015")
Date of Shareholders' Approval	August 26, 2015
Number of options approved under the Scheme	3,00,000 options equivalent to 3,00,000 Equity shares of ₹ 10/- each.
Vesting Schedule	1/6 th of Options granted on completion of one year of grant; balance in 6 equal instalments on completion of 18, 24, 30, 36, 42 and 48 months of grant.
Pricing Formula	The Members have authorised the Board to decide the Pricing in line with SEBI guidelines. The Board has decided that the pricing will be not less than 75% of the prevailing market value of the Shares on the date of grant of Options as fixed by Compensation / Nomination and Remuneration Committee based on the closing market price one day prior to date of grant.
Maximum Term of Options granted	60 Months from the date of granting of the Options.
Source of Shares	Primary
Method of Settlement	Equity Shares
Variation in terms of Options	None
Method used for accounting	Intrinsic Value Method

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Impact of Fair Value Method	Had the Company used Fair Value Method (under Black Scholes Method) to expense the employee compensation cost, the Employee Stock Option Expense would have been ₹ 67.95 lakhs, which is ₹ 32.29 lakhs higher than the expense under Intrinsic Value Method of ₹ 35.66 lakhs. Had fair value been considered for expensing ESOP cost, the profit for the year and EPS (Basic and Diluted, FV of ₹ 10/- each fully paid) would have been ₹ 2,209.31 lakhs, ₹ 63.42/- and ₹ 62.93/- respectively (as against ₹ 2,241.60 lakhs, ₹ 64.35/- and ₹ 63.85/- under intrinsic value method).
Option Movement during the year	<p>Number of Options at the beginning of the period – 1,88,915</p> <p>Number of Options Granted during the year – Nil</p> <p>Number of Options forfeited/lapsed during the year – 4,658</p> <p>Number of Options vested during the year – 42,353</p> <p>Number of Options exercised during the year – 56,075</p> <p>Number of Shares arising as a result of exercise of options – 56,075</p> <p>Money Realized by exercise of Option – ₹ 92.21 lakhs</p> <p>Loan Repaid by the Trust from exercise price received – NA</p> <p>Number of Options outstanding at the end of the year – 1,28,182</p> <p>Number of Options exercisable at the end of the year – 73,832</p>
Weighted Average Exercise Price	₹ 313.47/- per share (for outstanding options)
Weighted Average Fair Value / Option	₹ 195.50/- (for outstanding options)
Details of Options Granted to specified employees during the year	<p>(A) Senior Managerial Personnel: Nil</p> <p>(B) Any other employee granted options amounting to 5% or more of option granted during the year: Nil</p> <p>(C) Identified employee who was granted option during the year equal to or exceeding 1% of issued capital: Nil</p>
Method and Significant Assumptions to estimate fair value	<p>Method Used: Black Scholes Method</p> <p>Significant Assumptions Used:</p> <p>Lot 1: Options granted in FY 15-16</p> <p>Weighted Average Value of Share Price: ₹ 205/-</p> <p>Weighted Average Price of Exercise Price: ₹ 153.75/-</p> <p>Expected Volatility: 35.40%-38.50%</p> <p>Expected Option Life: 3-4.5 years</p> <p>Expected Dividends: 1.81%</p> <p>Risk-free interest rate: 6.93%-7.07%</p> <p>Lot2: Options granted in FY 19-20</p> <p>Weighted Average Value of Share Price: ₹ 564/-</p> <p>Weighted Average Price of Exercise Price: ₹ 423/-</p> <p>Expected Volatility: 41.70%-44.60%</p> <p>Expected Option Life: 3-4.5 years</p> <p>Expected Dividends: 1.18%</p> <p>Risk-free interest rate: 6.65%-6.85%</p> <p>Method to determine Expected Volatility: Standard deviation of the continuously compounded rate of return of the stock during the expected option life based on historic value.</p>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2021

Status of Options					
Particulars		As at 31/3/2021		As at 31/3/2020	
		No. of Options	WAEP (₹)	No. of Options	WAEP(₹)
Outstanding at the beginning of the year		1,88,915	267.55	75,859	153.75
Add: Granted during the year		0	NA	79,848	423.00
Less: Forfeited/Lapsed during the year		4,658	245.31	0	NA
Less: Exercised during the year		56,075	164.44	23,400	153.75
Outstanding at the end of the year		1,28,182	313.47	1,88,915	267.55
Exercisable at the end of the year		73,832	232.83	90,201	153.75

WAEP – Weighted Average Exercise Price / Option
NA – Not Applicable

Summary of Options Outstanding: Thejo ESOP 2015					
As at 31/3/2021			As at 31/3/2020		
No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life	No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life
52,146	153.75	2 Months	1,09,067	153.75	14 Months
76,036	423.00	38 Months	79,848	423.00	50 Months

Diluted EPS as per AS 20	Diluted EPS (Per Equity Share of face value of ₹ 10/- each fully paid) – ₹ 63.85/-
Price of underlying shares in Market at the time of grant of option	Lot 1 (Granted in FY 15-16): ₹ 205/- per Equity Share Lot 2 (Granted in FY 19-20): ₹ 564/- per Equity Share

Note 24.11 Payment to Auditors
₹ in Lakhs

Description	2020-21	2019-20
For Audit	12.50	12.50
For Taxation Matters	2.00	2.00
For Company Law Matters	0.00	0.00
For Management Services	0.00	0.00
For Other Services	5.15	8.95
For Reimbursement of Expenses	0.00	0.00
Total	19.65	23.45

Note 24.12 Corporate Social Responsibility

The Company has spent ₹ 34 lakhs for various CSR activities.

Note 24.13 Other Disclosures

24.13.1 The Company has sent letters for confirmation to debtors, based on materiality. While most parties have confirmed the balance, confirmations from the remaining parties are awaited.

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2021

24.13.2 The estimated useful life of the following assets has been arrived at on the basis of technical evaluation / advice different from prescribed useful life as given in Schedule II and, as approved by the Management.

Asset	Useful Life as Evaluated	Useful Life as per Schedule II
Shot recovery system, electric hoist and similar assets	10 years	15 years
Hardness tester, Welding machines and similar assets	5 years	15 years
Chain Pulley Blocks	4 years	15 years
Wire Ropes and similar assets	3 years	15 years
Pulling lifting machine, Hook chook, drilling, buffing, grinding & sander machines, Hot air gun and similar assets	1 year	15 years
Air / Water Cooler and similar assets	2 years	5 years

Civil constructions on leased properties are amortized over the lease period.

Residual value:

In respect of Fixed Assets which have completed the useful life, the carrying amount as on 01.04.2014 or 5% of the cost, whichever is lower, is retained as residual value in the books.

24.13.3 The Company has not received any communication from its suppliers claiming that they are micro, small scale or medium enterprises.

24.13.4 As the estimated recoverable amounts of the assets/cash generating units of the Company are higher than their carrying amount, no impairment of assets has been recognized in the accounts of the Company in line with AS – 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India.

24.13.5 During the FY 2020-21, the Company has incurred a revenue expenditure (excluding depreciation) of ₹ 128.41 lakhs and capital expenditure of ₹ 0.37 lakhs in relation to Research & Development. (FY 2019-20: ₹ 158.29 lakhs and ₹ 1.31 lakh, respectively).

24.13.6 During the initial weeks of FY 2020-21, there was a nation-wide lockdown announced by the Central Government to tackle COVID-19. The manufacturing operations, which were temporarily closed in the last week of March, 2020, resumed its operations by the first week of April 2020, as the Company manufactures rubber products and adhesives, which were essential for the maintenance and continuous operations of the conveyor systems in the power generation utilities. The Services and O&M divisions of the Company continued to serve its customers, as most of them fell under essential services and continuous process plants. The business momentum which dipped in the first few months of FY 2020-21, gradually bounced back by the second half of the financial year.

During the second wave of COVID-19 in April-May 2021, the lockdowns/restrictions were more localized and the Company carried its operations in line with statutory restrictions/guidelines. As on date, the Company is carrying its operations complying with the applicable statutory guidelines and following all required safety and sanitary norms.

Based on the current trends and estimates, taking into account external and internal information that are available up to the date of the approval of the financial statements, the Company expects the carrying amount of its 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.

24.13.7 Other income for the year ended 31st March, 2021 includes an amount of ₹ 94.80 lakhs (AUD 1.84 lakhs) received by Perth Branch as Jobkeeper Subsidy and ATO (Australian Tax Office) Cash Booster as part of the stimulus/relief package extended by the Australian/West Australian Government to support the business entities to overcome the adverse impact of COVID-19.

24.13.8 The Board has recommended a dividend of ₹ 6/- (Rupees Six only) per equity share of face value of ₹ 10/- each (fully paid) for the FY 2020-21. Dividend will be treated as an appropriation from Reserves & Surplus during the period in which it is approved by the Members. No provision is being made in the accounts for the current financial year in respect of dividend recommended by the Board after the balance sheet date.

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Note 25 Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of even date

For and on behalf of the Board of Directors

For BRAHMAYYA & CO.

Chartered Accountants
(ICAI Registration No. 000511S)

K.J. JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

P. BABU
Partner
Membership No. 203358

M.D. RAVIKANTH
Chief Financial Officer &
Secretary

V.A. GEORGE
Managing Director
DIN 01493737

Place : Chennai
Date : 14th June, 2021

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THEJO ENGINEERING LIMITED

Report on the Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying Consolidated financial statements of **Thejo Engineering Limited** ("the Holding Company") and its subsidiaries (together referred as "Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2021, of consolidated profit and its consolidated cash flows for the year then ended.

2. 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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

4. Emphasis of matter

We draw attention to Note No.26.10.4 of the Financial statements, 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.

5. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

INDEPENDENT AUDITORS' REPORT

Our opinion on the consolidated financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 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 financial statements 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 statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, 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 management 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.

7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 statements.

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

- a) Identify and assess the risks of material misstatement of the Consolidated financial statements, 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.

INDEPENDENT AUDITORS' REPORT

- b) 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's 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 and 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 statements 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.
- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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 statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Other Matters

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 8,289.02 lakhs as at 31st March, 2021, total revenues of ₹ 12,589.66 lakhs and net cash inflow amounting to ₹ 416.79 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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 these subsidiaries and our report in

INDEPENDENT AUDITORS' REPORT

terms of sub-sections (3) of Section 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 statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

9. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding company is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”.
- g) With respect to the other matters to be included in the Auditors Report in accordance with the requirement of Section 197(16) of the Act as amended:
In our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the holding company to its directors during the year is in accordance with provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 26.1.4 to the consolidated financial statements.
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses .
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No. 000511S

P. BABU
Partner
Membership No. 203358
UDIN: 21203358AAAABK9597

Place : Chennai
Date : 14th June, 2021

“ANNEXURE-A” TO THE AUDITORS’ REPORT

Referred to in Paragraph 9 of Our Report of Even Date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **Thejo Engineering Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary companies, which are companies incorporated outside India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of

“ANNEXURE-A” TO THE AUDITORS’ REPORT

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

The reporting under Section 143(3)(i) of the Act is not applicable to all four subsidiary companies incorporated outside India.

Place : Chennai
Date : 14th June, 2021

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No. 000511S
P. BABU
Partner
Membership No. 203358
UDIN: 21203358AAAACB9597

Consolidated Balance Sheet as at 31st March, 2021

Particulars	Note No.	₹ in lakhs	
		As at 31-03-2021	As at 31-03-2020
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	351.64	346.04
(b) Reserves and surplus	4	12,690.37	9,778.44
2 Share application money pending allotment		0.00	0.00
3 Minority Interest	5	1,538.03	1,180.42
4 Non-current liabilities			
(a) Long-term borrowings	6	497.41	1,147.86
(b) Deferred tax liabilities (Net)	26.6	99.72	0.00
(c) Other non-current liabilities	7	101.66	78.27
5 Current liabilities			
(a) Short-term borrowings	8	269.75	1,803.82
(b) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	9	0.00	0.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9	3,988.43	2,770.46
(c) Other current liabilities	10	3,170.64	3,511.40
(d) Short-term provisions	11	814.74	857.25
TOTAL		23,522.39	21,473.96
II. ASSETS			
1 Non-current assets			
(a) Fixed Assets	12		
(i) Tangible assets		3,820.07	3,154.40
(ii) Intangible assets		13.05	22.92
(iii) Capital work-in-progress		85.24	14.26
(b) Non-current investments	13	0.00	0.00
(c) Deferred Tax Asset (Net)	26.6	106.53	90.11
(d) Long-term loans and advances	14	538.63	491.72
(e) Other non-current assets		0.00	0.00
2 Current assets			
(a) Inventories	15	3,824.93	3,394.64
(b) Trade receivables	16	9,398.51	10,117.59
(c) Cash and cash equivalents	17	3,736.41	2,823.16
(d) Short-term loans and advances	18	1,999.02	1,365.16
(e) Other current assets		0.00	0.00
TOTAL		23,522.39	21,473.96
Notes including significant accounting policies	1-27		

The notes referred to above form an integral part of the financial statements.

In terms of our report of even date annexed

For BRAHMAYYA & CO.

For and on behalf of the Board of Directors

Chartered Accountants

ICAI Registration No. 000511S

K.J. JOSEPH

Chairman

DIN 00434410

THOMAS JOHN

Vice Chairman

DIN 00435035

P. BABU

Partner

Membership No. 203358

M.D. RAVIKANTH

Chief Financial Officer &

Secretary

V.A. GEORGE

Managing Director

DIN 01493737

Place : Chennai

Date : 14th June, 2021

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

		₹ in lakhs	
Particulars	Note No.	For the year ended 31-03-2021	For the year ended 31-03-2020
I. Revenue from operations	19	32,707.23	30,389.76
II. Other income	20	263.28	59.28
III. Total Revenue (I + II)		<u>32,970.51</u>	<u>30,449.04</u>
IV. Expenses:			
Cost of materials consumed	21	6,496.81	5,982.10
Purchase of Traded Goods	21	108.29	93.02
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(73.15)	367.97
Employee benefits expense	23	12,576.90	10,491.35
Finance costs	24	286.58	459.29
Depreciation and amortization expense	12	715.87	633.19
Other expenses	25	8,689.69	8,580.10
Total expenses		<u>28,800.99</u>	<u>26,607.02</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		4,169.52	3,842.02
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		4,169.52	3,842.02
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		4,169.52	3,842.02
X Tax expense:			
(1) Current tax		1,054.72	843.66
(2) Deferred tax	26.6	74.60	(37.96)
XI Profit (Loss) for the period (IX-X)		<u>3,040.20</u>	<u>3,036.32</u>
XII Transfer to Minority Interest		299.22	522.66
XIII Profit (Loss) for the period after tax and transfer to Minority Interest (XI - XII)		2,740.98	2,513.66
XIV Earnings per equity share of face value of ₹ 10/- each fully paid up (before & after extraordinary items)			
(1) Basic (in ₹)		78.69	72.91
(2) Diluted (in ₹)		78.07	72.20
Notes Including significant accounting policies	1-27		

The notes referred to above form an integral part of the financial statements.

In terms of our report of even date annexed

For BRAHMAYYA & CO.

Chartered Accountants

ICAI Registration No. 000511S

P. BABU

Partner

Membership No. 203358

Place : Chennai

Date : 14th June, 2021

For and on behalf of the Board of Directors

K.J. JOSEPH

Chairman

DIN 00434410

M.D. RAVIKANTH

Chief Financial Officer &
Secretary

THOMAS JOHN

Vice Chairman

DIN 00435035

V.A. GEORGE

Managing Director
DIN 01493737

Consolidated Cash Flow Statement for the year ended 31st March, 2021

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
₹ in lakhs		
Cash flow from Operating Activities		
Profit before tax as per Consolidated Statement of Profit and Loss	4,169.52	3,842.02
Adjustment for:		
Depreciation	715.87	633.19
Pre-operative Expenses written off	0.00	0.00
Employee Stock Option Expense	35.66	52.90
Loss/(Profit) on sale of asset	(2.64)	50.30
Interest Paid	286.58	459.29
Unrealized foreign exchange (gain)/loss (net)	80.49	34.48
Interest Received	(44.19)	(43.83)
Operating Profit before working capital changes	5,241.29	5,028.35
Adjustment for:		
Trade and Other Receivables	64.78	(3,861.03)
Inventories	(430.28)	229.78
Trade Payables and Other Liabilities	1,257.00	1,167.75
Cash Generated from Operations	6,132.79	2,564.85
Direct Taxes Paid	(1,068.08)	(622.02)
Net Cash from Operating Activities (A)	5,064.71	1,942.83
Cash flow from Investing Activities		
Purchase of Fixed Assets	(1,312.26)	(485.25)
Sale of assets	3.53	3.96
Investments disposed	-	-
Interest Received	43.98	44.02
Net cash used in Investing Activities (B)	(1,264.75)	(437.27)
Cash Flow from Financing Activities		
Increase in Share Capital/Premium/Share Application Money	92.21	35.98
Increase/(Decrease) in short-term credit facilities/borrowings	(1,534.07)	(266.76)
Term Loan availed	168.55	1,270.93
Repayments of Term Loan	(1,217.26)	(534.50)
Interest paid	(287.65)	(460.99)
Dividend (including Dividend Distribution Tax) Paid	(173.40)	(207.64)
Net Cash from/(used in) Financing Activities (C)	(2,951.62)	(162.98)
Exchange Difference on translation of cash and cash equivalents (D)	64.91	(25.70)
Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	913.25	1,316.88
Opening Cash & Cash Equivalents	2,823.16	1,506.28
Closing Cash & Cash Equivalents	3,736.41	2,823.16
Note: Closing Cash and Cash Equivalents includes ₹ 480.51 lakhs (Previous Year: ₹ 508.14 lakhs) in Fixed Deposits with Banks held as Margin Money for BG & LC/Security		

In terms of our report of even date annexed

For BRAHMAYYA & CO.

Chartered Accountants

ICAI Registration No. 000511S

P. BABU

Partner

Membership No. 203358

Place : Chennai

Date : 14th June, 2021

For and on behalf of the Board of Directors

K.J. JOSEPH

Chairman

DIN 00434410

M.D. RAVIKANTH

Chief Financial Officer &

Secretary

THOMAS JOHN

Vice Chairman

DIN 00435035

V.A. GEORGE

Managing Director

DIN 01493737

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

Note - 1**Corporate Information (Parent and Subsidiary Companies)**

Thejo Engineering Limited (formerly known as Thejo Engineering Services Private Limited) (“the Company” / “Parent Company”) was incorporated on 26th March, 1986 as a private limited company, with its Registered Office at Aysa Building, No. 41, Whites Road, Royapettah, Chennai, 600014. The name of the Company was changed to Thejo Engineering Private Limited vide Certificate of Incorporation dated 17th June, 2008. The Company was subsequently converted into a public limited company with consequent change of name as Thejo Engineering Limited vide special resolution passed by the Members at their meeting held on 20th June, 2008. Thejo Engineering Limited made an Initial Public Offer (IPO) of 4,72,800 equity shares of the face value of ₹ 10/- each at a premium of ₹ 392/- per share in September 2012 and the shares got listed on the EMERGE SME platform of NSE. The share capital of the Company increased to ₹ 171.68 lakhs in the Financial Year 2012-13. During the year 2013-14, the Company issued Bonus Shares in the ratio of 1:1 and the paid-up capital of the Company further increased to ₹ 343.36 lakhs. The Company shifted its Registered Office to VDS House, 41, Cathedral Road, Chennai 600086 with effect from 28th May, 2018 vide a resolution passed by the Board of Directors at their meeting held on that date.

The Company is an Engineering Solutions provider for Bulk Material Handling, Mineral Processing and Corrosion Protection to the Core Sector Industries like mining, power, steel, cement, ports and fertilizers. The Company’s services include belt conveyor installation, maintenance and operations, while its product portfolio covers design, manufacture and supply of engineering products for Bulk Material Handling, Mineral Processing and Corrosion Protection.

The Company has a Branch in Perth, Australia and four overseas subsidiaries namely, Thejo Hatcon Industrial Services Company, Saudi Arabia, Thejo Australia Pty Ltd, Australia, Thejo Brasil Comercio E Servicos Ltda, Brazil and Thejo Engineering Latinoamerica SpA, Chile. Thejo Hatcon Industrial Services Company is primarily engaged in rubber lagging and industrial services, Thejo Australia Pty Ltd in conveyor splicing, maintenance and related services, Thejo Brasil Comercio E Servicos Ltda and Thejo Engineering Latinoamerica SpA in sale of products used in core sector industries for Bulk Material Handling, Mineral Processing and Corrosion Protection.

Note – 2**Significant Accounting Policies****2.1 Basis of Accounting**

The financial statements (except cash flow statement) have been prepared under the historical cost convention on an accrual basis and in accordance with applicable Accounting Standards as specified in the Annexure to the Companies (Accounting Standards) Rules, 2006 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 of Ministry of Corporate Affairs. The cash flow statement has been prepared in accordance with AS 3 on “Cash flow statements” issued by the Institute of Chartered Accountants of India. Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

2.2 Principles of Consolidation

- (i) The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, “Consolidated Financial Statements”.
- (ii) The financial statements of the Parent Company and its subsidiaries are consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting therefrom and are presented to the extent possible, in the same manner as the Company’s independent financial statements.
- (iii) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances except the method of depreciation as adopted by the subsidiary companies has been retained for the purpose of consolidation.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

- (iv) The excess of cost to the Parent Company of its investment in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the consolidated financial statements as 'goodwill on consolidation' and carried in the consolidated balance sheet as an asset. Where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the company, it is recognised as 'capital reserve' and shown under the head Reserves and Surplus, in the consolidated financial statements.
- (v) Minority interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- (vi) The transactions of sale and purchase between the Parent Company and the Subsidiaries are eliminated by reducing both sales and purchases/expenses. The unrealized profit on the closing inventory and fixed assets held by the Subsidiaries out of the sales made by the Parent Company is reduced from the closing inventory and fixed assets on consolidation as per AS 21.
- (vii) In order to harmonize the accounting policies followed so as to bring in uniformity in consolidation process, adjustments are made wherever required/possible.

2.3 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, future obligations under employee retirement benefit plans, provisions for doubtful debts, income-tax, post-sales customer support and the useful lives of fixed tangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of any changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.4 Foreign currency transactions

- (a) The reporting currency is Indian Rupees.
- (b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction or the average of opening and closing rates. At each balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (c) Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.
- (d) Where financial statements of the foreign operations are treated as integral operations, they are translated as in the same manner as foreign currency transactions, as described above. Exchange differences arising on such translations are recognized as income or expenses of the period in which they arise.
- (e) Where financial statements of foreign subsidiaries are treated as non-integral operations, their financial statements are translated at the following exchange rates:
 - (i) Share capital: At the original rate when the capital was infused.
 - (ii) Fixed assets: Exchange rate prevailing at the end of the year.
 - (iii) Current/Non current assets and current/Non current liabilities: Exchange rate prevailing at the end of the year.
 - (iv) Revenues and expenses: At the average rate during the year.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

The resultant exchange difference is accounted as foreign currency translation reserve until the disposal of the net investment

2.5 Presentation and disclosure of Consolidated financial statements

The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013. The Company has set a policy of classifying assets and liabilities into current and non-current portion based on the time frame of 12 months from the date of Balance Sheet.

2.6 Fixed AssetsTangible Assets (Property, Plant and Equipment)

The Company follows Cost model for its Tangible Assets. Tangible Assets are capitalised at acquisition cost of bringing the assets to their working condition for their intended use. Subsequent expenses related to an item of tangible assets are added to its book value if they increase the future benefits from the existing assets beyond its previously assessed standard of performance. Assets which are not ready for intended use are disclosed under capital work-in-progress.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. The cost comprises purchase price, permissible borrowing cost and any cost directly attributable to bring the asset to its working condition for its intended use.

2.7 Depreciation

a. Parent Company

Tangible Assets (Property, Plant and Equipment)

Pursuant to the enactment of the Companies Act, 2013, depreciation on Tangible Assets is charged under written down value method based on the useful life of individual asset as prescribed in Schedule II of the Act, retaining a residual value of 5% of the cost of the assets. The estimated useful life of some of the assets is arrived at on the basis of technical evaluation/advice. In respect of additions made during the year, depreciation is charged on pro-rata basis from the date of their being ready for use.

Intangible Assets

They are amortized/ depleted over the useful life of the underlying assets and/ or as prescribed under Accounting Standards.

b. Foreign Subsidiaries

Depreciation has been provided on written down value or straight line method at the rates or on the basis of useful life of assets as evaluated and estimated by the Management.

2.8 Inventories

Inventories are valued at lower of cost and net realisable value under FIFO basis.

The cost of inventory comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase consist of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rebates, duty drawbacks and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs of materials used in production, direct labour, and production overheads.

Other costs are included in the cost of inventories only to the extent they are incurred in bringing the inventories to the present location and condition.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021
2.9 Revenue Recognition

- 2.9.1 In respect of sale of products, revenue is recognised at the point of despatch to the customers, when the effective control passes on to the buyer and in respect of services rendered, revenue is recognised based on proportionate completion method, when there is no significant uncertainty regarding the amount of consideration.
- 2.9.2 Exports sales are accounted at the rate of exchange prevailing as on the date of invoicing.
- 2.9.3 Revenue from export benefits (like Duty Drawback) is accounted at the time of receipt.
- 2.9.4 The transactions of sale and purchase between the Parent company and the Subsidiaries are eliminated by reducing both sales and purchases.

2.10 Sales, Works Contracts and Services Income

The amount shown in the Consolidated Statement of Profit and Loss is net of excise duty and all other duties and taxes charged.

2.11 Employee Benefits**Parent Company****2.11.1 Short term employee benefits:**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages and short term compensated absences as also the expected cost of bonus and ex-gratia are recognised in the period in which the employee renders the related service.

2.11.2 Post employment benefits:

2.11.2.1 **Defined Contribution Schemes:** Contribution to Provident Fund is made monthly to the Provident Fund Authorities. Contribution to Superannuation fund for eligible employees is made by way of premium to Life Insurance Corporation of India through the Trust and charged to the Consolidated Statement of Profit and Loss for the year.

2.11.2.2 **Defined Benefit Scheme:** The Company extends defined benefit plan in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India through the Gratuity Fund in accordance with the scheme framed and administered by the Corporation. The present value of the obligation is determined based on actuarial valuation using Projected Unit Credit Method as per the report obtained from independent actuary.

Employee benefits in respect of subsidiaries are provided as per the applicable laws of the country where the subsidiaries are situated.

2.12 Taxes on Income**Parent Company**

Current tax is determined on the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognized on timing differences, being difference between taxable income and the accounting income that originates in one year and reverses in another. Deferred Tax Assets and liabilities are computed on the timing differences applying the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Asset arising on account of unabsorbed depreciation or carry forward of business loss is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Subsidiaries

Generally, the breakup of the major components of the Deferred Tax Assets and Liabilities as at Balance Sheet date of the subsidiary companies is arrived at after setting off deferred tax assets and liabilities where the respective companies have a legally enforceable right to set off assets against liabilities where such assets and liabilities relate to taxes on income levied by the same governing taxation laws of the country concerned.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021**2.13 Impairment of Assets**

Fixed Assets are reviewed for impairment by the Parent Company whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of assets is measured in line with the relevant Accounting Standard.

2.14 Investments

Each category/item of investment is valued as follows:

2.14.1 Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature.

2.14.2 Current investments are carried at the lower of cost and fair value.

The carrying amount of such investments are determined on the basis of weighted average cost of each individual investment.

2.15 Cash and Cash Equivalents

2.15.1 Cash comprises cash on hand and demand deposits with bank.

2.15.2 Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of a past event and it is probable that outflows will be required to settle the obligation, which can be readily estimated. Contingent liabilities are disclosed after an evaluation of the fact and legal aspects of the matter involved. Contingent assets are neither recognized nor disclosed

2.17 Dividend

Dividend is provided/paid after it is approved by the Members at the Annual General Meeting.

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Note 3

Share capital

Particulars	As at 31-03-2021		As at 31-03-2020	
	Number	Amount ₹ in Lakhs	Number	Amount ₹ in Lakhs
Authorised				
Equity Shares of ₹ 10/- each	1,50,00,000	1,500.00	1,00,00,000	1,000.00
Issued				
Equity Shares of ₹ 10/- each	35,16,427	351.64	34,60,352	346.04
Subscribed & Paid-up				
Equity Shares of ₹ 10/- each	35,16,427	351.64	34,60,352	346.04
(Of the above, 92800 Equity Shares were allotted as fully paid-up for consideration other than cash (15/12/86) and 2055326 shares (108520 shares - 22/2/94; 230030 shares -4/10/01 and 1716776 shares - 13/9/13) were allotted as fully paid-up bonus shares by transferring ₹ 33.86 lakhs from Profit & Loss Account and ₹ 171.68 lakhs from Securities Premium Account)				
Total	<u>35,16,427</u>	<u>351.64</u>	<u>34,60,352</u>	<u>346.04</u>

3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31-03-2021		As at 31-03-2020	
	Number	Amount ₹ in Lakhs	Number	Amount ₹ in Lakhs
Shares outstanding at the beginning of the year	34,60,352	346.04	34,36,952	343.70
Shares Issued during the year	56,075	5.61	23,400	2.34
Shares outstanding at the end of the year	<u>35,16,427</u>	<u>351.64</u>	<u>34,60,352</u>	<u>346.04</u>

3.2 Shares in the Company held by each shareholder holding more than 5 percent shares as on 31/3/2021

Name of the Shareholder	As at 31-03-2021		As at 31-03-2020	
	Number	Percentage	Number	Percentage
Girish Gulati HUF	2,74,400	7.80%	2,73,800	7.91%
Mr. K.J. Joseph	2,48,500	7.07%	2,49,400	7.21%
Mr. Thomas John	2,16,868	6.17%	2,16,868	6.27%
Mrs. Celinamma John	2,16,866	6.17%	2,16,866	6.27%
Mr. Rajesh John	2,16,866	6.17%	2,16,866	6.27%
Mrs. Rosamma Joseph	1,80,320	5.13%	1,80,320	5.21%
SIDBI Venture Capital Ltd. A/c India Opportunities Fund	0	0.00%	2,63,672	7.62%

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Note 4		
Reserves and surplus		
a. Securities Premium Account		
Opening Balance	1,897.57	1,851.94
Add: Share premium of shares issued under ESOP	117.34	45.63
Closing Balance	2,014.91	1,897.57
b. Share Option Outstanding Account		
Opening Balance	103.65	62.74
(+) Employee Compensation Cost for the year	35.66	52.90
(-) Capitalized on Exercise of Options	30.74	11.99
Closing Balance	108.57	103.65
c. Surplus (Balance in Statement of Profit and Loss)		
Opening balance	7,105.77	4,845.23
(+) Net Profit/(Net Loss) For the current year	2,740.98	2,513.66
(-) Dividend Distributed	173.40	172.24
(-) Dividend Distribution Tax	0.00	35.40
(-) Transfer to Statutory Reserve	41.53	45.48
Closing Balance	9,631.82	7,105.77
d. Others		
i) General Reserve		
Opening Balance	627.71	627.71
(+) Transfer from Surplus	0.00	0.00
Closing Balance	627.71	627.71
ii) Statutory Reserve		
Opening Balance	97.87	52.39
(+) Transfers from Surplus	41.53	45.48
Closing Balance	139.40	97.87
iii) Foreign Currency Translation Reserve		
Opening Balance	(54.13)	(36.42)
Add: Foreign Currency Translation Reserve during the year	222.09	(17.71)
Closing Balance	167.96	(54.13)
Total	12,690.37	9,778.44

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Note 5		
Minority Interest		
Opening Balance	1,180.42	621.04
Additions during the year		
a. Share of (Loss) / profit of the year	299.22	522.66
b. Foreign currency translation adjustment for the year	58.39	36.72
Closing balance	<u>1,538.03</u>	<u>1,180.42</u>

Note 6

Long Term Borrowings

Secured

Term loans

From Banks	610.05	1,690.76
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Limit/Liability, Terms of Repayment & Security

State Bank of India

Date of Sanction: 1) 28.07.2017 Ref No. RM1/62 2) 16.11.2020 Ref No. CB-CHE/AMT-IV/2020-21/267

Sanctioned Limit - 1) ₹ 200 Lakhs 2) ₹ 72 Lakhs

Purpose: 1) Acquisition of Capital Assets 2) Working Capital under Guaranteed Emergency Credit Line Scheme

Period of Repayment - 1) 48 months with Principal moratorium of 5 months from date of Sanction 2) 36 months with Principal moratorium of 12 months from date of first drawdown

Amount of Instalment: 1) ₹ 4.20 Lakhs per month + Interest 2) ₹ 2 Lakhs per month + Interest

Security:

1) First hypothecation charge over all machinery and equipment purchased under the Term Loan.

First charge on pari-passu basis with Axis & SIB over immovable properties under Equitable Mortgage.

2) Second Charge on the security provided for working capital limits.

1) Personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John

Liability (Incl interest not due) - ₹ 72 Lakhs (₹ 22.98 Lakhs)

Repayable within one year - ₹ 2 Lakhs (₹ 22.98 Lakhs)

Overdues/Defaults - Nil (Nil)

Axis Bank Limited

Date of Sanction: 16.03.2016 Ref No. AXISB/SME/S/MEG/CHN/15-16/65

Sanctioned Limit: ₹ 300 Lakhs

Purpose: Acquisition of Capital Assets

Period of Repayment : 60 monthly instalments of ₹ 5.00 Lakh commencing from 6 months of first drawdown. Interest to be paid as and when debited.

Amount of Instalment - ₹ 5.00 Lakhs per month+interest

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Security (For all loans):		
First hypothecation charge over all machinery and equipment purchased under the Term Loan.		
First charge on pari-passu basis with SBI & SIB over immovable properties under Equitable Mortgage.		
Personal guarantee of Mr. K.J.Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr.Rajesh John		
Liability (Incl interest not due) - ₹ 34.87 Lakhs (₹ 95.91 Lakhs)		
Repayable within one year - ₹ 34.87 Lakhs (₹ 61.05 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Westpac Banking Corporation Term Loan (Thejo Australia Pty Ltd)		
Date of Sanction: March 2018		
Sanctioned Limit: AUD 13,00,000		
Purpose: Term Loan for repayment of Long-term loan from Parent Company		
Period of Repayment : 36 monthly instalments of AUD 15000 per month with balloon payment at the end		
Amount of Instalment - AUD 15000 per month		
Security:		
Stand-by Letter of credit from bankers of Parent Company (State Bank of India).		
General Security agreement over the entire assets of Thejo Australia Pty Ltd.		
Liability (Incl interest not due) - ₹ 423.31 Lakhs (₹ 432.21 Lakhs)		
Repayable within one year - ₹ 100.26 Lakhs (₹ 82.76 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Westpac Banking Corporation Equipment Finance (Thejo Australia Pty Ltd)		
Date of Sanction: 1) March 2018 2) October 2019 & 3) November 2019		
Sanctioned Limit: 1) AUD 7,50,000 2) AUD 1,87,440 & 3) AUD 24,66,792		
Purpose: Acquisition of equipment		
Period of Repayment : 36-60 monthly instalments from date of loan		
Amount of Instalment - 1) AUD 4,712 per month 2) AUD 4,906 per month & 3) AUD 73,344 per month		
Security:		
Equipments purchased under the loan		
Liability (Incl interest not due) - ₹ 79.89 Lakhs (₹ 1,139.66 Lakhs)		
Repayable within one year - ₹ 27.54 Lakhs (₹ 406.40 Lakhs)		
Overdues/Defaults - Nil (Nil)		

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
From Others		
Financial Institutions	114.98	79.13
Sundaram Finance Limited		
Date of Sanction: 12.09.2014		
Sanctioned Limit: ₹ 100 Lakhs		
Purpose: Acquisition of Vehicles		
Period of Repayment : 35 Equated Monthly Instalments(including interest) from date of each loan		
Amount of Instalment - ₹ 1.06 Lakhs per month (including interest) for loan outstanding		
Security:		
Hypothecation of Vehicle purchased under the loan		
Personal guarantee of Mr.Thomas John		
Liability (Incl interest not due) - ₹ 26.17 Lakhs (₹ 28.54 Lakhs)		
Repayable within one year - ₹ 11.04 Lakhs (₹ 24.40 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Toyota Finance Australia Ltd		
Date of Sanction: November 2016 & October 2017		
Sanctioned Limit: AUD 1,27,176		
Purpose: Acquisition of Vehicles		
Period of Repayment : 60 Equated Monthly Instalments(including interest) from date of the loan		
Amount of Instalment - AUD 2,393 per month		
Security:		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 17.23 Lakhs (₹ 26.42 Lakhs)		
Repayable within one year - ₹ 12.72 Lakhs (₹ 12.18 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Toyota Finance Australia Ltd (Thejo Australia Pty Ltd)		
Date of Sanction: March 2017 and June 2020		
Sanctioned Limit: AUD 322387		
Purpose: Acquisition of Vehicles		
Period of Repayment : 28 to 60 Equated Monthly Instalments(including interest) from date of each loan		
Amount of Instalment - AUD 6413 per month		
Security:		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 71.58 Lakhs (₹ 41.36 Lakhs)		
Repayable within one year - ₹ 39.19 Lakhs (₹ 15.55 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Less: Current Maturities (incl interest accrued but not due)		
Banks	(164.66)	(573.19)
Financial Institutions	(62.96)	(48.84)
Total	<u>497.41</u>	<u>1,147.86</u>

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Note 7		
Other Non-Current Liabilities		
Terminal Provision	101.66	78.27
Total	<u>101.66</u>	<u>78.27</u>

Note 8

Short Term Borrowings

Secured

Loans repayable on demand

From Banks	269.75	1,803.82
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The Company was sanctioned Working capital facilities by consortium of bankers namely, State Bank of India, Axis Bank Limited and The South Indian Bank Limited.

Limit/Liability, Terms of Repayment & Security

State Bank of India

Date of Sanction: 22.01.2021 Ref No. CB-CHE/AMT-IV/2020-21/294

Limit: Cash Credit of ₹ 1,435 Lakhs; Stand by CC ₹ 150 Lakhs (Non-fund based limit: Letter of Credit - ₹ 500 lakhs, Bank Guarantee - ₹ 700 lakhs and SBLC - ₹1,300 lakhs)

Period Of Repayment: On Demand

Security:

First Charge on all the current assets on pari-passu basis with Axis Bank Limited and The South Indian Bank Limited

EM of immovable properties belonging to the Company. (First charge on pari-passu basis with Axis Bank Ltd, and The South Indian Bank Limited).

Extension of Second hypothecation charge on pari-passu basis over fixed assets purchased out of term loan from Axis Bank Ltd.

Extension of First hypothecation charge on pari-passu basis over Company's fixed assets (other than those on exclusive charge for the Term Loans).

Lien over fixed deposit of ₹ 1.72 crore on pari-passu basis with Axis Bank Limited and The South Indian Bank Limited.

Personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John

Rate of Interest - 0.95% above External Benchmark Lending Rate

Margin - Cash credit - 25-35%

LC and BG - 15%; SBLC - 5%

Liability - ₹ 49.52 Lakhs (₹ 436.83 Lakhs)

Overdues/Defaults: Nil (Nil)

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Axis Bank Limited		
Date of Sanction: 26.03.2020 Ref No. AXISB/CBG/ANNASALAI/MEG/2019-20/33		
Limit: Cash Credit of ₹1,262.50 Lakhs +Stand by CC ₹112.50 Lakhs (Non-fund based limit: Letter of Credit - ₹ 375 lakhs & Bank Guarantee - ₹ 525 lakhs)		
Period Of Repayment: On Demand		
Security: Same as given to State Bank of India		
Personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		
Rate of Interest - 1.90% above 3 Months MCLR		
Margin - Cash credit - 25%		
LC and BG - 15%		
Liability - ₹ 114.03 Lakhs (₹ 532.69 Lakhs)		
Overdues/Defaults: Nil (Nil)		
The South Indian Bank Limited		
Date of Sanction: 29.01.2021 Ref No. BR/GEN/88A/2020-21		
Limit: Cash Credit of ₹ 1,063.00 Lakhs +Stand by CC ₹ 112.00 Lakhs (Non-fund based limit: Letter of Credit - ₹ 375 Lakhs & Bank Guarantee - ₹ 525 Lakhs)		
Period Of Repayment: On Demand		
Security:		
Same as given to State Bank of India		
Personal guarantee of Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		
Rate of Interest - 1.10% above One Year MCLR		
Margin - Cash credit - 25-35%		
LC and BG - 15%		
Liability - ₹ 106.20 Lakhs (₹ 489.45 Lakhs)		
Overdues/Defaults: Nil (Nil)		
Westpac Banking Corporation (Thejo Australia Pty Ltd)		
Date of Sanction: March 2018		
Sanctioned Limit: AUD 3,00,000		
Period of Repayment : On Demand		
Security:		
Stand-by Letter of credit from bankers of Parent Company (State Bank of India).		
General Security agreement over the entire assets of Thejo Australia Pty Ltd.		
Rate of Interest - 7.25%		
Liability - ₹ Nil (₹ Nil)		
Overdues/Defaults - Nil (Nil)		

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Citibank (Thejo Australia Pty Ltd)		
Date of Sanction: August 2019		
Sanctioned Limit: AUD 14,75,000		
Period of Repayment : On Demand		
Security:		
Stand-by Letter of credit from Citibank India		
Rate of Interest - 2.00% above BBSY Rate		
Liability - ₹ Nil (₹ 344.85 Lakhs)		
Overdues/Defaults - Nil (Nil)		
Total	<u>269.75</u>	<u>1,803.82</u>
Note 9		
Trade payables		
Acceptances	511.95	319.10
Other than Acceptances	3,476.48	2,451.36
(Payables to micro and small enterprises - Nil (PY: Nil))		
Total	<u>3,988.43</u>	<u>2,770.46</u>
Note 10		
Other Current Liabilities		
Current Maturities on Long Term Debt (Refer Note 6 for details of security extended)	227.53	620.87
Interest accrued but not due on Term Loan	0.09	1.15
Other payables		
Salary and Other Employee Benefits	1,173.75	1,048.41
Statutory Dues	998.04	686.26
Others	141.86	167.16
Outstanding Liabilities	629.37	987.55
Total	<u>3,170.64</u>	<u>3,511.40</u>
Note 11		
Short Term Provisions		
(a) Provision for employee benefits		
Provision for Leave Encashment	378.26	283.57
Gratuity Liability (Net)	14.82	138.66
(b) Others		
Direct Taxes (Net)	421.66	435.02
Total	<u>814.74</u>	<u>857.25</u>

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Note 12 PROPERTY, PLANT AND EQUIPMENT

NATURE OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK				
	As at 01.04.2020 ₹ in Lakhs	Addition for the year ₹ in Lakhs	Deduction ₹ in Lakhs	Diff in forex rate conversion ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs	Upto 31.03.2020 ₹ in Lakhs	Addition ₹ in Lakhs	Deduction ₹ in Lakhs	Diff in forex rate conversion ₹ in Lakhs	Unrealized profit ₹ in Lakhs	Upto 31.03.2021 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs	As at 31.03.2020 ₹ in Lakhs
TANGIBLE ASSETS													
Land	65.72	0.00	0.00	0.00	65.72	0.00	0.00	0.00	0.00	0.00	0.00	65.72	65.72
Factory Building	1,532.81	75.57	0.00	15.99	1,624.37	640.92	83.38	0.00	2.45	0.00	726.75	897.62	891.89
Office Building	695.62	0.00	0.00	(19.45)	676.17	431.24	83.03	0.00	(13.14)	0.00	501.13	175.04	264.38
Plant & Machinery													
Plant & Machinery	3,563.60	799.75	17.71	155.02	4,500.66	2,392.27	280.41	17.60	49.72	17.84	2,722.64	1,778.02	1,171.33
Boiler	76.62	2.75	0.00	0.00	79.37	59.38	3.32	0.00	0.00	0.00	62.70	16.67	17.24
Dyes & Moulds	479.94	82.66	0.00	0.00	562.60	221.23	50.59	0.00	0.00	0.00	271.82	290.78	258.71
Vehicle Four Wheelers	802.28	116.42	13.23	21.82	927.29	570.48	96.60	12.57	10.99	0.00	665.50	261.79	231.80
Vehicle Two Wheelers	44.81	1.40	0.39	0.00	45.82	33.61	2.92	0.37	0.00	0.00	36.16	9.66	11.20
Office Equipments	75.02	5.51	0.00	(0.09)	80.44	59.19	7.86	0.00	(0.04)	0.00	67.01	13.43	15.83
Electrical Fittings	218.88	52.84	0.23	0.00	271.49	182.51	9.72	0.22	0.00	0.00	192.01	79.48	36.37
Furniture & Fittings	454.92	30.77	0.00	7.74	493.43	311.06	36.60	0.00	2.77	0.00	350.43	143.00	143.91
Computer	258.95	46.09	0.17	9.11	313.98	216.94	30.14	0.17	6.17	0.00	253.08	60.90	42.01
Computer Server	7.97	3.24	0.00	0.00	11.21	7.57	0.16	0.00	0.00	0.00	7.73	3.48	0.40
Generator	43.18	22.65	0.00	0.00	65.83	39.52	1.83	0.00	0.00	0.00	41.35	24.48	3.66
Total Tangible Assets(Current Year)	8,320.32	1,239.65	31.73	190.14	9,718.38	5,165.92	686.56	30.93	58.92	17.84	5,898.31	3,820.07	3,154.45
Total Tangible Assets(Previous Year)	7,998.98	475.32	195.62	41.64	8,320.32	4,670.12	622.96	151.39	31.14	(6.91)	5,165.92	3,154.40	3,328.86
INTANGIBLE ASSETS													
Technical Knowhow	1.75	0.00	0.00	0.00	1.75	1.75	0.00	0.00	0.00	0.00	1.75	0.00	0.00
Computer Software	142.35	1.60	0.00	0.13	144.08	119.43	11.47	0.00	0.13	0.00	131.03	13.05	22.92
Total Intangible Assets(Current Year)	144.10	1.60	0.00	0.13	145.83	121.18	11.47	0.00	0.13	0.00	132.78	13.05	22.92
Total Intangible Assets(Previous Year)	136.26	18.23	10.02	(0.37)	144.10	104.08	17.14	0.00	(0.04)	0.00	121.18	22.92	32.18
CAPITAL WORK IN PROGRESS													
Assets Under Construction	14.26	85.25	14.27	0.00	85.24	0.00	0.00	0.00	0.00	0.00	0.00	85.24	14.26
Total Capital Work In Progress(Current Year)	14.26	85.25	14.27	0.00	85.24	0.00	0.00	0.00	0.00	0.00	0.00	85.24	14.26
Total Capital Work In Progress(Previous Year)	22.61	13.86	22.21	0.00	14.26	0.00	0.00	0.00	0.00	0.00	0.00	14.26	22.61
GRAND TOTAL	8,478.70	1,326.49	46.01	190.27	9,949.45	5,287.10	698.03	30.93	59.05	17.84	6,031.09	3,918.36	3,191.63
PREVIOUS YEAR	8,157.85	507.41	227.85	41.27	8,478.68	4,774.20	640.10	151.39	31.10	(6.91)	5,287.10	3,191.58	3,383.65

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Note 13

NON-CURRENT INVESTMENTS

	Particulars	As at	
		31-03-21	31-03-20
			(₹ in Lakhs)
A Trade Investments (Unquoted)			
	Investments in Equity Instruments	2,330.18	2,126.05
	Less : Adjusted on Consolidation of subsidiaries	2,330.18	2,126.05
	Total	0.00	0.00

Details of Trade Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount	Whether stated at Cost Yes / No	
			As at 31/3/21	As at 31/3/20			As at 31/3/21	As at 31/3/20			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Investment in Equity Instruments										
1	Thejo Hatcon Industrial Services Company	Subsidiary	2,040	2,040	Unquoted	Fully Paid	51%	51%	333.72	333.72	Yes
2	Thejo Australia Ply Ltd	Subsidiary	22,20,000	22,20,000	Unquoted	Fully Paid	74%	74%	1,202.45	1,202.45	Yes
3	Thejo Brasil Comercio E Servicos Ltda	Subsidiary	5,01,406	5,01,406	Unquoted	Fully Paid	99.99%	99.99%	98.62	98.62	Yes
4	Thejo Engineering LatinoAmerica SpA	Subsidiary	725	509	Unquoted	Fully Paid	99.86%	99.80%	695.39	491.26	Yes
	Total								2,330.18	2,126.05	

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Note 14		
Long Term Loans and Advances		
a. EMD and Security Deposits		
Unsecured, considered good	264.52	196.09
b. Other Deposits		
Unsecured, considered good		
Rental Deposit	193.49	182.96
Deposit with Government Agencies	7.36	6.75
Others	73.26	105.92
Total	538.63	491.72
Note 15		
Inventories (As certified by Management)		
a. Raw Materials and components	1,486.51	1,129.37
b. Work-in-progress	405.49	371.05
c. Finished goods	1,827.97	1,907.12
d. Stock in Trade	86.97	78.46
e. Stock in Transit	205.22	75.88
Less: Profit element on stock transfer to subsidiary	187.22	167.24
Total	3,824.93	3,394.64
Note 16		
Trade Receivables		
Unsecured, considered good		
Outstanding for more than six months from the date they are due	396.36	423.34
Others	9,065.65	9,757.75
Less: Provision for Doubtful Debts	63.50	63.50
Total	9,398.51	10,117.59

Notes forming part of the Consolidated Financial Statements as at 31st March, 2021

Particulars	₹ in Lakhs	
	As at 31-03-2021	As at 31-03-2020
Note 17		
Cash and Cash Equivalents		
a. Balances with banks		
(i) In Current Accounts	2,915.15	2,166.16
(ii) In Deposit Accounts (₹ 480.51 lakhs (PY ₹ 508.14 lakhs) Held as Margin Money for BG & LC/security. Deposits maturing after 12 months - ₹ 1.18 lakhs (PY ₹ 25.25 lakhs))	805.27	626.85
b. Cheques, drafts on hand	0.00	0.00
c. Cash on hand	15.99	30.15
Total	3,736.41	2,823.16

Note 18**Short-term loans and advances****Others (unsecured, considered good)**

EMD & Security deposits	379.13	375.97
Advance to Suppliers	933.84	404.21
Indirect taxes Asset (input tax credit, TDS, etc)	475.28	328.21
Prepaid expenses	149.79	172.78
Staff advance	27.66	50.72
Others	33.32	33.27
Total	1,999.02	1,365.16

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

Particulars	₹ in Lakhs	
	For the year ended 31-03-2021	For the year ended 31-03-2020
Note 19		
Revenue from operations		
Sale of Products	12,929.07	14,401.99
Sale of Services & Works Contract	19,712.30	15,865.68
Other Operating Income	65.86	122.09
Less: Excise duty	0.00	0.00
Total	<u>32,707.23</u>	<u>30,389.76</u>
Note 20		
Other income		
Interest	44.19	43.83
Difference in foreign exchange (gain)	37.85	7.07
Miscellaneous Income	178.60	8.38
Profit on sale of assets	2.64	0.00
Total	<u>263.28</u>	<u>59.28</u>
Note 21		
Cost of materials consumed		
Opening Stock of Raw Materials	1,129.37	991.19
Add: Purchases made during the year	5,605.00	5,364.98
	<u>6,734.37</u>	<u>6,356.17</u>
Less: Closing Stock of Raw Materials	1,486.51	1,129.37
	<u>5,247.87</u>	<u>5,226.80</u>
Add: Consumables	1,248.93	755.30
Total	<u>6,496.81</u>	<u>5,982.10</u>
Purchase of Traded Goods	108.29	93.02

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

Particulars	₹ in Lakhs	
	For the year ended 31-03-2021	For the year ended 31-03-2020
Note 22		
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock :		
Work-in-Progress	371.05	308.01
Finished Goods	1,907.12	2,039.29
Stock-in-Trade	78.46	111.84
Stock in Transit	75.88	386.01
Less: Unrealised gain in stock sold from parent to subsidiary	167.24	211.91
	<u>2,265.27</u>	<u>2,633.24</u>
Closing Stock :		
Work-in-Progress	405.49	371.05
Finished Goods	1,827.97	1,907.12
Stock-in-Trade	86.97	78.46
Stock in Transit	205.22	75.88
Less: Unrealised gain in stock sold by parent to subsidiary	187.23	167.24
	<u>2,338.42</u>	<u>2,265.27</u>
Total	<u>(73.15)</u>	<u>367.97</u>
Note 23		
Employee Benefits Expense		
(a) Salaries and incentives	10,133.86	8,092.62
(b) Contributions to PF, Superannuation, Gratuity & ESI	1,033.30	1,092.73
(c) Staff welfare expenses	1,007.85	968.33
(d) LTA, Ex-gratia, & Leave Encashment	366.23	284.77
(e) Employee Stock Option Expense	35.66	52.90
Total	<u>12,576.90</u>	<u>10,491.35</u>
Note 24		
Finance costs		
Interest	137.70	309.37
Other finance costs	148.88	149.92
Total	<u>286.58</u>	<u>459.29</u>

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

Particulars	₹ in Lakhs	
	For the year ended 31-03-2021	For the year ended 31-03-2020
Note 25		
Other expenses		
A. Manufacturing & Other Direct Expenses		
Power and fuel	320.27	326.16
Machinery Maintenance and Leasing	520.25	489.54
Factory Maintenance	47.82	48.96
Electrical maintenance	12.71	8.47
Testing charges	6.65	5.50
Dyes & Moulding charges	65.89	85.89
Cartage, Coolie & Freight charges	370.07	480.29
Packing materials & charges	234.38	214.50
Service & Labour charges	4,452.43	4,095.99
Total Manufacturing & Other Direct Expenses	6,030.47	5,755.30
B. Administrative & Selling Expenses		
Professional Service Charges	262.00	286.37
Rent	461.56	446.39
Repairs & Maintenance	112.36	104.89
Travelling, Conveyance & Vehicle hire charges	650.36	676.63
Foreign Travel expenses	0.10	76.83
Vehicle Maintenance	202.94	190.75
Telephone, Telex & Postage	61.63	74.96
Printing & Stationery	38.08	39.09
Office Maintenance	62.61	59.22
Books & Periodicals	10.42	6.37
Computer Maintenance	66.25	60.46
Seminar & Conference	26.30	24.22
Electricity	24.59	36.16
Legal Fee & Charges	2.85	8.70
Donation	2.50	9.32
Recruitment, Training & Development	46.16	80.39
ECGC Premium	2.43	2.55

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

Particulars	₹ in Lakhs	
	For the year ended 31-03-2021	For the year ended 31-03-2020
CSR Expenses	34.00	27.00
Insurance	107.53	81.37
Rates and taxes	64.42	48.03
Directors Sitting Fees	33.75	31.25
Commission	18.31	23.12
Advertisement	11.69	20.42
Sales Promotion Expenses	11.29	15.47
Freight on Exports	202.85	117.66
Loading & Unloading charges	22.26	28.09
Late Delivery Charges	34.71	31.89
Bad Debts	11.48	92.28
Loss on Sale of Assets	0.00	50.30
Payments to the Auditors		
a. Statutory Audit	12.50	12.50
b. Tax Audit	2.00	2.00
c. For certification & other services	13.93	16.12
Miscellaneous expenses	3.87	0.31
Total Administration & Selling Expenses	2,617.73	2,781.11
Sales Tax, Service Tax, & Other Indirect Tax Expenses	41.49	43.69
Total	8,689.69	8,580.10

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021
Note 26 ADDITIONAL INFORMATION TO CONDOLIDATED FINANCIAL STATEMENTS

Note 26.1 Contingent Liabilities (to the extent not provided for)

Particulars	₹ in lakhs	
	2020-21	2019-20
26.1.1 Claims against the Company not acknowledged as debts	0.00	0.00
26.1.2 Guarantees issued by the Banks	1,117.22	1,586.00
26.1.3 Stand-by Letter of Credit issued by bank (for loan availed by Thejo Australia Pty Ltd)	913.45	1,526.53
	<u>2,030.67</u>	<u>3,112.53</u>

26.1.4 Others

All amounts in ₹ in lakhs

Name of Statute	Amount of Dispute (31/3/21)	Amount of Dispute (31/3/20)	Amount Deposited (31/3/21)	Period to which it relates	Forum where dispute is pending
Commercial Taxes	59.85	59.85	4.95	Various	Various
Customs	12.50	12.50	0.00	2001	Commissioner of Customs
Income-tax	115.41	104.91	37.03	Various	Various
Total	187.76	177.26	41.98		

26.1.5 Commitments

Estimated amount of contracts remaining to be executed on capital account: ₹ 97.83 lakhs (Previous Year - ₹ 23.00 lakhs)

Note 26.2 Employee Benefits

The Company has accounted for the Long term defined benefits and contribution schemes as under:

Parent Company:

26.2.1 Defined Contribution Schemes

Contribution to Provident Fund is made monthly to the Provident Fund Authorities. Contribution to Superannuation fund for eligible employees is made by way of premium to Life Insurance Corporation of India through the Trust and charged to the Consolidated Statement of Profit and Loss for the year.

26.2.2 Defined Benefit Scheme

The Parent Company has defined benefit scheme in the form of gratuity to employees.

Contribution to gratuity is made to Life Insurance Corporation of India through the Gratuity Fund as per the scheme framed by the Corporation. The disclosure under AS -15(Revised) in this regard is given hereunder:

Assumptions	2020-21	2019-20
Discount Rate	6.85%	6.61%
Salary Escalation	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Expected return on plan assets	6.91%	8.00%

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
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Table Showing Changes In Present Value Of Obligations

Present value of obligations at the beginning of the year	796.93	588.90
Interest Cost	52.01	43.43
Current Service Cost	76.21	57.57
Benefits Paid	(19.97)	(27.29)
Actuarial (Gain) / Loss on obligations	(66.28)	134.32
Present value of obligations as at end of the year	838.90	796.93

Table Showing Changes In Fair Value Of Plan Assets

Fair value of plan assets at the beginning of the year	658.27	501.59
Expected return on plan assets	57.26	44.75
Contributions	134.89	142.72
Benefits Paid	(19.97)	(27.29)
Actuarial Gain / (Loss) on plan assets	(6.37)	(3.50)
Fair value of plan assets at the end of the year	824.08	658.27

Table Showing Fair Value Of Plan Assets

Fair value of plan assets at the beginning of the year	658.28	501.59
Actual return on plan assets	50.88	41.25
Contributions	134.89	142.72
Benefits Paid	(19.97)	(27.29)
Fair value of plan assets at the end of the year	824.08	658.27
Funded Status	(14.82)	(138.66)
Excess of Actual over Estimated return on plan assets	(6.37)	(3.50)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
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Actuarial Gain / Loss Recognized

Actuarial gain / (loss) on obligations	66.28	(134.32)
Actuarial gain / (loss) for the year – plan assets	(6.37)	(3.50)
Total gain / (loss) for the year	59.91	(137.82)
Actuarial gain / (loss) recognized in the year	59.91	(137.82)

Particulars	As at 31 st March 2021	As at 31 st March 2020
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Amounts To Be Recognized In Consolidated Balance Sheet & Statement of Profit and Loss

Present value of obligations as at the end of the year	838.90	796.93
Fair value of plan assets as at the end of the year	824.08	658.27
Funded Status	(14.82)	(138.66)
Net asset / (liability) recognized in balance sheet	(14.82)	(138.66)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

Particulars	₹ in Lakhs	
	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Expenses Recognized In Consolidated Statement of Profit and Loss		
Current Service Cost/Past Service Cost(Vested)	76.21	57.57
Interest Cost	52.01	43.43
Expected return on plan assets	(57.26)	(44.75)
Net Actuarial (gain) / loss recognized in the year	(59.91)	137.82
Expenses recognized in statement of profit and loss	11.05	194.07

Note: Entire plan assets are lying in the Gratuity Fund administered through Life Insurance Corporation of India (P & GS Department).

Subsidiaries

Contribution towards superannuation/other statutory contributions have been deposited/dealt with in accordance with statutory requirements of respective countries.

Note 26.3 Segment Reporting

Primary Segment Information (Business Segment) ₹ in Lakhs

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others		2020-21	2019-20
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20		
Segment Revenue	10,704.49	10,304.14	23,944.55	21,956.80	2,274.96	2,525.47	36,924.00	34,786.41
Less: Inter segment Revenue	4,206.37	4,342.93	0.79	40.60	9.61	13.12	4,216.77	4,396.65
Total Revenue	6,498.12	5,961.21	23,943.76	21,916.20	2,265.35	2,512.35	32,707.23	30,389.76
Segment Results	2,265.65	1,957.97	3,313.87	3,832.90	214.03	161.66	5,493.55	5,952.53
Less : Finance Cost							286.58	459.29
Un allocable Expenses (net of income)							1,337.45	1,651.22
Total Profit Before Tax							4,169.52	3,842.02
Tax Expenses							1,129.32	805.70
Profit after Tax							3,040.20	3,036.32
Segment Assets	7,596.98	6,983.12	14,393.76	13,112.94	1,380.52	1,636.70	23,371.26	21,732.76
Segment Liabilities	3,255.98	1,809.37	4,855.00	5,467.35	739.24	1,230.71	7,950.22	8,507.43
Capital Employed	5,241.00	5,173.75	9,538.76	7,645.59	641.28	405.99	15,421.04	13,225.33
Un allocated Capital Employed							(2,379.03)	(3,100.85)
Total Capital Employed							13,042.01	10,124.48

Secondary Segment (Geographic Segment):

₹ in Lakhs

Particulars	India		Outside India		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue from external customers	18,027.98	16,395.11	14,679.25	13,994.65	32,707.23	30,389.76
Carrying amount of Segment Assets	13,827.25	12,026.64	9,544.01	9,706.12	23,371.26	21,732.76
Cost incurred to acquire tangible and intangible fixed assets	544.78	381.65	710.15	94.84	1,254.93	476.49

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

Note 26.4 Related Party Disclosures

List of Related Parties

Name of the Party	Relationship
Mr. K.J. Joseph	Key Management Personnel
Mr. Thomas John	Key Management Personnel
Mr.V.A.George	Key Management Personnel
Mr. Manoj Joseph	Key Management Personnel
Mr. Rajesh John	Key Management Personnel
Mr. M.D. Ravikanth	Key Management Personnel
Mr. Manesh Joseph	Relative of Key Management Personnel
Mrs. Rosamma Joseph	Relative of Key Management Personnel
Mrs. Celinamma John	Relative of Key Management Personnel
Mr. K. John Joseph	Relative of Key Management Personnel

Related Party Transaction Details:

₹ in Lakhs

Related Party	Nature of Payment	Current Year Transaction	Outstanding as on 31st March, 2021
Mr. K.J. Joseph	Sitting Fee	3.75	0.00
Mr. Thomas John	Sitting Fee	3.75	0.00
Mr. V.A. George	Remuneration	92.25	(18.79)
Mr. Manoj Joseph	Remuneration	47.25	(6.65)
Mr. Rajesh John	Remuneration	29.61	(4.38)
Mr. M.D. Ravikanth	Remuneration	54.32	(0.81)
Mr. Manesh Joseph	Remuneration	46.67	(1.14)
Mrs. Rosamma Joseph	Remuneration	11.15	(0.86)
Mrs. Celinamma John	Remuneration	11.05	(0.98)
Mr. K. John Joseph	Remuneration	0.78	(0.33)

Note: Remuneration excludes retirement benefits

Related Party Transaction Details:

₹ in Lakhs

Related Party	Nature of Payment	Previous Year Transaction	Outstanding as on 31st March, 2020
Mr. K.J. Joseph	Sitting Fee	1.75	0.00
Mr. Thomas John	Sitting Fee	3.50	0.00
Mr. V.A. George	Remuneration	84.00	(2.76)
Mr. Manoj Joseph	Remuneration	51.26	(1.88)
Mr. Rajesh John	Remuneration	44.59	(1.30)
Mr. M.D. Ravikanth	Remuneration	32.83	(0.79)
Mr. Manesh Joseph	Remuneration	31.99	(0.86)
Mrs. Rosamma Joseph	Remuneration	12.09	(0.86)
Mrs. Celinamma John	Remuneration	11.95	(0.98)

Note: Remuneration excludes retirement benefits

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

Note 26.5 Details of Subsidiaries

Name	Ownership by the Parent Company	Minority Interest	Relationship	Reporting Date	Different Accounting policies applied	Reason for not consolidating the accounts of the subsidiary, if any
Thejo Hatcon Industrial Services Company	51% (51%)	49% (49%)	Direct Control	31 st March, 2021	Depreciation on Fixed Assets – Computed on SLM over the estimated useful life of the asset	Not Applicable
Thejo Australia Pty Ltd	74% (74%)	26% (26%)	Direct Control	31 st March, 2021	Depreciation on Fixed Assets – Computed on SLM or Diminishing value basis over the estimated useful life of the asset	Not Applicable
Thejo Brasil Comercio E Servicos Ltda	99.99% (99.99%)	0.01% (0.01%)	Direct Control	31 st March, 2021	Depreciation on Fixed Assets – Computed on SLM or Diminishing value basis over the estimated useful life of the asset	Not Applicable
Thejo Engineering LatinoAmerica SpA	99.86% (99.80%)	0.14% (0.20%)	Direct Control	31 st March, 2021	Depreciation on Fixed Assets – Computed on SLM or Diminishing value basis over the estimated useful life of the asset	Not Applicable

Note 26.6 Calculation of Deferred Tax

₹ in Lakhs

Particulars	DTA	DTL	DTA	DTL
	31 st March, 2021		31 st March, 2020	
Opening Balance	90.11	0.00	52.15	0.00
Timing Difference in Depreciation	12.37	79.47	17.44	0.00
Profit on sale of asset	0.00	0.66	0.00	0.80
Timing Difference on provision for leave encashment	5.90	0.00	12.42	0.00
Timing Difference on provision for doubtful debts	0.00	0.00	15.98	0.00
Previous deferred tax reversed on account of tax rate changes/others	(1.19)	20.25	(7.08)	0.00
Total	107.19	100.38	90.91	0.80
DTA/DTL set-off	(0.66)	(0.66)	(0.80)	(0.80)
Net Deferred Tax Liability/Asset	106.53	99.72	90.11	0.00
Total DTA/DTL during the year	17.08	100.38	38.76	0.80
Forex rate difference of subsidiary	0.00	(8.70)	0.00	0.00
Net DTA/DTL during the year	0.00	74.60	37.96	0.00

Note 26.7 Earnings Per Share

Particulars	2020-21	2019-20
Basic:		
Net Profit after Tax (₹ in Lakhs)	2,740.98	2,513.66
Weighted Average Number of Equity Shares during the year (Nos.)	34,83,455	34,47,635
Earnings per Share (FV of ₹ 10/- each fully paid up) (₹)	78.69	72.91
Diluted:		
Net Profit after Tax (₹ in Lakhs)	2,740.98	2,513.66
Weighted Average Number of Equity Shares during the year (Nos.)	35,10,765	34,81,418
Earnings per Share (FV of ₹ 10/- each fully paid up) (₹)	78.07	72.20

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

Note 26.8 Thejo Employee Stock Option Plan 2015

Information in respect of Options granted under Thejo Employee Stock Option Plan 2015

Name of the Plan	Thejo Employee Stock Option Plan 2015 (“ESOP 2015”)
Date of Shareholders’ Approval	August 26, 2015
Number of options approved under the Scheme	3,00,000 options equivalent to 3,00,000 Equity shares of ₹ 10/- each.
Vesting Schedule	1/6th of Options granted on completion of one year of grant; balance in 6 equal instalments on completion of 18, 24, 30, 36, 42 and 48 months of grant.
Pricing Formula	The Members have authorised the Board to decide the Pricing in line with SEBI guidelines. The Board has decided that the pricing will be not less than 75% of the prevailing market value of the Shares on the date of grant of Options as fixed by Compensation/Nomination and Remuneration Committee based on the closing market price one day prior to date of grant.
Maximum Term of Options granted	60 Months from the date of granting of the Options.
Source of Shares	Primary
Method of Settlement	Equity Shares
Variation in terms of Options	None
Method used for accounting	Intrinsic Value Method
Impact of Fair Value Method	Had the Company used Fair Value Method (under Black Scholes Method) to expense the employee compensation cost, the Employee Stock Option Expense would have been ₹ 67.95 lakhs, which is ₹ 32.29 lakhs higher than the expense under Intrinsic Value Method of ₹ 35.66 lakhs. Had fair value been considered for expensing ESOP cost, the profit for the year and EPS (Basic and Diluted, FV of ₹ 10/- each fully paid) would have been ₹ 2,708.69 lakhs, ₹ 77.76/- and ₹ 77.15/- respectively (as against ₹ 2,740.98 lakhs, ₹ 78.69/- and ₹ 78.07/- under intrinsic value method).
Option Movement during the year	Number of Options at the beginning of the period – 1,88,915 Number of Options Granted during the year – Nil Number of Options forfeited/lapsed during the year – 4,658 Number of Options vested during the year – 42,353 Number of Options exercised during the year – 56,075 Number of Shares arising as a result of exercise of options – 56,075 Money Realized by exercise of Option – ₹ 92.21 lakhs Loan Repaid by the Trust from exercise price received – NA Number of Options outstanding at the end of the year – 1,28,182 Number of Options exercisable at the end of the year – 73,832
Weighted Average Exercise Price	₹ 313.47/- per share (for outstanding options)
Weighted Average Fair Value/Option	₹ 195.50/- (for outstanding options)
Details of Options Granted to specified employees during the year	(A) Senior Managerial Personnel: Nil (B) Any other employee granted options amounting to 5% or more of option granted during the year: Nil (C) Identified employee who was granted option during the year equal to or exceeding 1% of issued capital: Nil

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

Method and Significant Assumptions to estimate fair value	<p>Method Used: Black Scholes Method</p> <p>Significant Assumptions Used:</p> <p>Lot 1: Options granted in FY 15-16</p> <p>Weighted Average Value of Share Price: ₹ 205/-</p> <p>Weighted Average Price of Exercise Price: ₹ 153.75/-</p> <p>Expected Volatility: 35.40%-38.50%</p> <p>Expected Option Life: 3-4.5 years</p> <p>Expected Dividends: 1.81%</p> <p>Risk-free interest rate: 6.93%-7.07%</p> <p>Lot2: Options granted in FY 19-20</p> <p>Weighted Average Value of Share Price: ₹ 564/-</p> <p>Weighted Average Price of Exercise Price: ₹ 423/-</p> <p>Expected Volatility: 41.70%-44.60%</p> <p>Expected Option Life: 3-4.5 years</p> <p>Expected Dividends: 1.18%</p> <p>Risk-free interest rate: 6.65%-6.85%</p> <p>Method to determine Expected Volatility: Standard deviation of the continuously compounded rate of return of the stock during the expected option life based on historic value.</p>				
Status of Options					
Particulars		As at 31/3/2021		As at 31/3/2020	
		No. of Options	WAEP (₹)	No. of Options	WAEP(₹)
Outstanding at the beginning of the year		1,88,915	267.55	75,859	153.75
Add: Granted during the year		0	NA	79,848	423.00
Less: Forfeited/Lapsed during the year		4,658	245.31	0	NA
Less: Exercised during the year		56,075	164.44	23,400	153.75
Outstanding at the end of the year		1,28,182	313.47	1,88,915	267.55
Exercisable at the end of the year		73,832	232.83	90,201	153.75
<p>WAEP – Weighted Average Exercise Price / Option</p> <p>NA – Not Applicable</p>					
Summary of Options Outstanding:					
Thejo ESOP 2015					
As at 31/3/2021			As at 31/3/2020		
No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining Contractual Life	No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining Contractual Life
52,146	153.75	2 Months	1,09,067	153.75	14 Months
76,036	423.00	38 Months	79,848	423.00	50 Months
Diluted EPS as per AS 20		Diluted EPS (Per Equity Share of face value of ₹ 10/- each fully paid) – ₹ 78.07/-			
Price of underlying shares in Market at the time of grant of option		<p>Lot 1 (Granted in FY 15-16): ₹ 205/- per equity share</p> <p>Lot 2 (Granted in FY 19-20): ₹ 564/- per equity share</p>			

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021
Note 26.9 Payments to Auditors

₹ in Lakhs

Particulars	2020-21	2019-20
For Audit	12.50	12.50
For Tax Audit	2.00	2.00
For Other Services	13.93	16.12
Total	28.43	30.62

Note 26.10 Other Disclosures

26.10.1 As the estimated recoverable amounts of the assets/cash generating units of the Company and its subsidiaries are higher than their carrying amount, no impairment of assets has been recognized in the consolidated accounts of the Company in line with AS – 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India.

26.10.2 Additional Information, as required under Schedule III to the Companies Act, 2013 in respect of subsidiaries whose accounts are consolidated.

Amount ₹ In Lakhs

Name of the Enterprise	Net Assets i.e. Total assets minus total liabilities		Share in profit or (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Thejo Engineering Limited	87.91%	12,817.41	73.73%	2,241.60
Subsidiaries				
Foreign				
1 Thejo Hatcon Industrial Services Company	6.58%	959.64	5.42%	164.67
2. Thejo Australia Pty Ltd	12.03%	1,753.26	13.20%	401.34
3. Thejo Brasil Comercio E Servicos Ltda	(0.21%)	(31.32)	(1.00%)	(30.33)
4. Thejo Engineering LatinoAmerica SpA	0.64%	92.67	0.06%	1.69
Minority Interest	10.55%	1,538.03	9.84%	299.22
Inter-company eliminations	(17.49%)	(2,549.64)	(1.25%)	(37.99)
Total	100.00%	14,580.05	100.00%	3,040.20

26.10.3 In respect of taxes on income, Deferred Tax Asset has not been considered in respect of the Subsidiaries.

26.10.4 The outbreak of COVID-19 and the resultant lockdown/restrictions affected the business/economic activities globally during the initial part of the Financial Year 2020-21. The business momentum which dipped in the first few months of FY2020-21, gradually bounced back by the second half of the financial year.

During the second wave of COVID-19 in India in April-May 2021, the lockdowns/restrictions were more localized and the Company carried its operations in line with statutory restrictions/guidelines. As on date, the Group is carrying its operations complying with the applicable statutory guidelines and following all required safety and sanitary norms.

Based on the current trends and estimates, taking into account external and internal information that are available up to the date of the approval of the financial statements, the Company expects the carrying amount of the assets of the Group 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.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

26.10.5 Other income for the year ended 31st March, 2021 includes an amount of ₹ 94.80 lakhs (AUD 1.84 lakhs) received by Perth Branch as Jobkeeper Subsidy and ATO (Australian Tax Office) Cash Booster and ₹ 50.84 lakhs (AUD 1 lakh) received by Thejo Australia Pty Ltd as ATO Cash Booster as part of the stimulus/relief package extended by the Australian/West Australian Government to support the business entities to overcome the adverse impact of COVID-19.

26.10.6 Dividend and Dividend Distribution Tax will be treated as an appropriation from Reserves & Surplus during the period in which it is approved by the Members. No provision is being made in the accounts for the current financial year in respect of dividend recommended by the Board after the balance sheet date.

Note 27 Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For BRAHMAYYA & CO.

Chartered Accountants
(ICAI Registration No. 000511S)

P. BABU

Partner

Membership No. 203358

Place : Chennai

Date : 14th June, 2021

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410

M.D. RAVIKANTH
Chief Financial Officer &
Secretary

THOMAS JOHN
Vice Chairman
DIN 00435035

V.A. GEORGE
Managing Director
DIN 01493737

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013														
[Pursuant to Section 129(3) of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014 - AOC 1]														
₹ in lakhs														
Sr. No.	Name of Subsidiary Company	Reporting Period	Reporting Currency and Exchange rate*	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Proposed Dividend	% of Shareholding
1	Thejo Hatcon Industrial Services Company	01 st April '20 to 31 st March '21	1 SAR = ₹ 19.5112	654.35	1,132.67	2,375.20	2,375.20	0.00	1,626.18	518.05	195.18	322.87	0.00	51.00
2	Thejo Australia Pty Ltd	01 st April '20 to 31 st March '21	1 AUD = ₹ 55.6981	1,624.94	480.47	5,119.94	5,119.94	0.00	9,856.05	728.04	185.69	542.35	0.00	74.00
3	Thejo Brasil Comercio E Servicos Ltda	01 st April '20 to 31 st March '21	1 BRL = ₹ 12.6680	98.62	(136.43)	75.73	75.73	0.00	105.85	(28.91)	1.42	(30.33)	0.00	99.99
4	Thejo Engineering LatinoAmerica SpA	01 st April '20 to 31 st March '21	1 USD = ₹ 73.1670	696.42	(521.60)	718.16	718.16	0.00	897.88	1.69	0.00	1.69	0.00	99.86

*Following exchange rates are adopted for converting Reporting currency to INR:

- Share Capital is disclosed based on average rate of investment.
- Reserves and Surplus is computed on the following basis:
 - Opening Balance : INR of previous year of respective balance sheet and
 - Current year Profit or Loss : Average rate of FY 2020-2021 .
- Assets and liabilities are disclosed based on closing rate as on 31st March 2021.
- Turnover and Profit and Loss are disclosed based on average rate for the FY 2020-2021.
- The rates given in the table are exchange rate as on 31st March 2021.

For BRAHMAYYA & CO.
Chartered Accountants
ICAI Registration No. 000511S
P. BABU
Partner
Membership No. 203358
UDIN: 21203358AAAAKB9597

For and on behalf of the Board of Directors

THOMAS JOHN
Vice Chairman
DIN 00435035

K.J. JOSEPH
Chairman
DIN 00434410

V.A. GEORGE
Managing Director
DIN 01493737

M.D. RAVIKANTH
CFO & Secretary

Place : Chennai
Date : 14th June, 2021

AWARDS/RECOGNITIONS





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Website: www.thejo-engg.com