THEJO



Annual Report
2015-16



New Finished Goods Stores.



New Raw Materials Stores.

THEJO ENGINEERING LIMITED

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
Shareholders' Grievance Committee	C.N. RAMCHAND V.K. SRIVASTAVA K.J. JOSEPH THOMAS JOHN
Auditors	M/s. JOSEPH & RAJARAM Chartered Accountants, Chennai.
Internal Auditors	M/s. S. VISWANTHAN LLP Chartered Accountants, Chennai
Secretarial Auditor	G. 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 Ltd., Chennai Indian Overseas Bank, Chennai

REGISTERED OFFICE

Aysha Building, No. 41, Whites Road,
Royapettah, Chennai - 600 014.
CIN: L27209TN1986PLC012833
Phone : 044 - 42221900 Fax : 044 - 42221910
E-mail : investor@thejo-engg.com
Website: www.thejo-engg.com

CORPORATE OFFICE

VDS House,
III Floor, 41, Cathedral Road,
Chennai - 600 086.

FACTORIES

Unit – I & IV:

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

Unit – II:

Survey No. 101/5C & 101/5D
Jagannathapuram Road,
Athipedu Village, Ponneri Taluk,
Chennai - 600 067.

Unit – 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	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Sales	**15698.96**	16854.97	14885.98	13338.12	11536.44	9521.95	6432.30	6113.67	4568.45	3724.15
Other Income	**123.44**	112.31	144.68	211.58	249.63	98.61	164.15	65.64	65.73	95.63
Sales & Other Income	**15822.40**	16967.28	15030.66	13549.70	11786.07	9620.56	6596.45	6179.31	4634.18	3819.77
Profit before interest, depreciation, amortisation and tax[1]	**1807.91**	1774.59	2067.52	2020.66	1529.81	1003.28	757.31	633.36	471.92	401.24
Profit before interest & tax[1]	**1389.77**	1322.00	1792.58	1817.79	1368.33	855.06	608.46	492.01	360.89	296.12
Profit before tax[1]	**812.01**	805.32	1342.36	1437.63	1001.26	577.74	350.93	225.50	160.66	146.48
Profit after tax[1]	**559.03**	546.67	895.79	974.78	671.83	382.96	226.98	121.51	86.25	79.71
Net fixed assets	**2144.80**	2239.75	2338.04	1504.89	1132.10	905.54	889.66	883.50	766.88	645.88
Share Capital	**343.36**	343.36	343.36	171.68	118.47	118.47	118.47	108.47	108.47	100.01
Reserves and Surplus	**6474.13**	6059.73	5718.23	5159.45	2456.33	1610.80	1276.03	997.42	907.64	786.03
Networth	**6817.49**	6403.09	6061.59	5331.13	2574.80	1729.27	1394.50	1105.89	1016.11	886.03
Total borrowings	**3694.18**	3515.91	3092.85	2582.83	2134.70	1961.45	1993.57	1627.40	1390.12	1097.83
Earnings per share[2&3] (in ₹)	**16.28**	15.92	25.37	32.93	28.35	16.16	9.58	5.60	3.98	3.99
Dividend per share[2] (in ₹)	**3.50**	3.50	3.50	5.00	4.00	3.50	3.00	2.50	2.50	2.00
Book value per share[2&3] (in ₹)	**198.55**	186.48	176.54	155.27	108.67	72.98	58.86	50.98	46.84	44.30
EBITDA / turnover (%)	**11.43**	10.46	13.76	14.91	12.98	10.43	11.48	10.25	10.18	10.50
Profit before tax / turnover (%)	**5.13**	4.75	8.93	10.61	8.50	6.01	5.32	3.65	3.47	3.83
Return on capital employed (%)	**13.22**	13.33	19.58	22.97	29.05	23.17	17.96	18.00	15.00	14.93
Return on net worth (%)	**8.20**	8.54	14.78	18.28	26.09	22.15	16.28	10.99	8.49	9.00

Notes: [1] Excluding exceptional items

[2] During FY 2011-12, Equity Shares of face value of ₹ 100/- each were sub-divided into 10 equity shares of face value of ₹10/- each. EPS, Dividend/Share and book value / share are re-stated for periods prior to FY 2011-12 to give effect to the sub-division.

[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.

THEJO ENGINEERING LIMITED

Regd. Office : 41, Whites Road, Chennai - 600 014.
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 Thirtieth Annual General Meeting of the Members of Thejo Engineering Limited will be held at 10 AM on Wednesday, the 3rd August, 2016 at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India, 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, 2016, the Reports of the Board of Directors and Auditors thereon; and
   b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016.
2. To declare a dividend on Equity Shares for the Financial Year ended 31st March, 2016.
3. To appoint a Director in place of Mr. Thomas John (DIN 00435035), who retires by rotation and, being eligible, seeks re-appointment.
4. To appoint a Director in place of Mr. V.A. George (DIN 01493737), who retires by rotation and, being eligible, seeks re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT M/s. Joseph & Rajaram , Chartered Accountants (Firm Registration No. 001375S), be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors."

SPECIAL BUSINESS:

6. To re-appoint Mr. Rajesh John 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 an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 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 of the Company be and is hereby accorded 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, 2017 on the following terms and conditions:

   Remuneration:

   a) Basic Salary: ₹ 1,00,000/- (Rupees One Lakh Only) per month in the scale of ₹ 1,00,000 – ₹ 7,500[2] - ₹ 10,000[3]– ₹ 1,45,000 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.

NOTICE TO MEMBERS

b) Allowances:

i. Dearness Allowance (DA): 30% of the basic salary per month

ii. House Rent Allowance: 50% of the basic salary plus DA per month

iii. Food Plus Card – ₹ 3,000 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 finalization 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 hospitalization 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.

ii. Leave Travel Assistance: Entitlement for Leave Travel Assistance for self and family, once in two years, equivalent to two months' 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 and laptop, 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, payment of salary and perquisites and other allowances stated herein shall be paid as minimum remuneration for that year, subject however 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.

NOTICE TO MEMBERS

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized 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 authorized 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 : 30th May, 2016

M.D. RAVIKANTH
CFO & Secretary

NOTES :

1. An Explanatory Statement in respect of the Special Business is annexed to this Notice in pursuance of Section 102(1) of the Companies Act, 2013.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a Member.
3. The form of proxy duly completed in all respects shall be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting ("Meeting"). A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a Member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
4. Members / proxies are requested to bring the duly filled Attendance Slip along with their copy of annual report to the Meeting.
5. Documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays, Sundays and Public Holidays upto the date of the Meeting.
6. The Register of Members and Share Transfer Books will remain closed from 29th July, 2016 to 1st August, 2016 (both days inclusive).
7. Additional information pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking appointment / re-appointment at the Meeting is furnished in the Explanatory Statement annexed to this Notice. The two Directors have furnished their consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
8. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution, authorizing their representatives to attend and vote on their behalf at the Meeting and/or at any adjournment thereof.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Cameo Corporate Services Limited.

NOTICE TO MEMBERS

10. Members may also note that the Notice of the 30th Annual General Meeting and the Annual Report for the Financial Year 2015-16 are available on the Company's website www.thejo-engg.com for download. The physical copies of the aforesaid documents are open for inspection at the Company's Registered Office during normal business hours on working days except Saturdays, Sundays and Public Holidays upto date of the Meeting. They will also be available for inspection by the Members at the venue of the Meeting. The Members may also send their requests to the Company's designated email id: investor@thejo-engg.com.

11. Members having any query or desiring any information pertaining to Annual Accounts are requested to write to the Company at an early date to enable the Company to answer the queries at the Meeting.

12. The Company is pleased to offer e-voting facility which will enable the Members to cast their votes electronically on all the resolutions set out in the Notice.

13. E Voting Facility:

    (i) The e-voting period commences on Sunday, 31st July, 2016 (9 a.m.) and ends on Tuesday, 2nd August, 2016 (5 p.m.). The cut -off date for determining the eligibility of Members for the remote e-voting and poll is Thursday, 28th July, 2016.The e-voting module shall be disabled for voting after the end of the e-voting period.

    (ii) During the 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 28th July, 2016, 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.

    (iii) The Company has engaged Central Depository Services (India) Limited ("CDSL") to offer E-voting facility to all its Members to enable them to cast their vote electronically.

    (iv) 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. 28th July, 2016. 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 only shall be entitled to avail the facility of remote e-voting/ poll.

    (v) 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.

    (vi) Members desiring to exercise their vote by using E-voting facility, should follow carefully the instructions given below.

        (a) The shareholders should log on to the e-voting website: www.evotingindia.com

        (b) Click on Shareholders Tab.

        (c) Enter your User ID (For CDSL: 16 digits beneficiary ID; For NSDL: 8 Character DP ID followed by 8 Digits Client ID; Members holding shares in Physical Form should enter Folio Number registered with the Company).

        (d) Next enter the Image Verification as displayed and Click on Login.

        (e) If you are holding shares in demat form and had logged on to www.evotingindia.com and have cast your vote earlier for EVSN of any company, then your existing password is to be used.

NOTICE TO MEMBERS

(f) If you are a first time user, follow the steps given below and fill the appropriate boxes:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For example, if your name is Ramesh Kumar with sequence number 1, then enter RA00000001 in the PAN field.
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. 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.

(g) After entering these details appropriately, click on "SUBMIT" tab.

(h) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

(i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(j) Click on the relevant EVSN for Thejo Engineering Limited on which you choose to vote.

(k) 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.

(l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(m) 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.

(n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(o) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(p) If a Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

NOTICE TO MEMBERS

(q) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(r) Note for Non - Individual Shareholders and Custodians: Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates. 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.

(s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help Section or write an email to helpdesk.evoting@cdslindia.com

14. Pursuant to Section 107 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, there will not be voting by show of hands on any of the agenda items at the Meeting and the Company will conduct voting at the Meeting.

15. The Board of Directors has appointed Mr. G. Porselvam, Practising Company Secretary (FCS 9322, CP 3187) as Scrutinizer for conducting the remote electronic voting process in a fair and transparent manner.

16. The Scrutinizer shall submit his report to the Chairman, on the votes cast in favour or against, after scrunity.

17. 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 Exchanges.

By Order of the Board
For THEJO ENGINEERING LIMITED

M.D. RAVIKANTH
CFO & Secretary

Place : Chennai
Date : 30th May, 2016

NOTICE TO MEMBERS

Explanatory Statement annexed to the Notice dated 30th May, 2016 convening the Annual General Meeting of the Company, pursuant to Section 102 of the Companies Act, 2013

Item No. 6

The Members of the Company at the Extraordinary General Meeting held on 09th April, 2012, approved the appointment of Mr. Rajesh John as Whole-time Director for a period of five years which comes to an end on 15th January, 2017.

Accordingly, on the recommendation of the Compensation / Nomination and Remuneration Committee, the Board of Directors at their meeting held on 30th May, 2016 re-appointed Mr. Rajesh John as Whole-time Director of the Company for a period of 5 years with effect from 16th January, 2017, subject to the approval of the Members in the General Meeting, 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 Mr.Rajesh John's remuneration and other terms and conditions as set out in the Ordinary Resolution under Item No.6, subject to the approval of the Members in the General Meeting.

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

Name of the Director	Mr. Rajesh John
Director Identification Number	05161087
Date of joining of the Board	16th January, 2012
Profile of the Director	Mr. Rajesh John 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. He joined Thejo Engineering Limited in 2002. Mr.Rajesh John has worked in the Company's various Departments such as Purchase, Finance and Accounts and is, at present, in charge of Sales.
No. of shares held in the Company	1,50,540 equity shares as on 31st March, 2016
Directorship and Committee Membership in other Companies*	Nil

**Directorship and Committee Membership in Thejo Engineering Limited and its Committees are not included in the aforesaid disclosure. Also, alternate directorship, directorships in Private Limited Companies, Foreign Companies, Section 8 Companies and Companies registered under Section 25 of the Companies Act, 1956 and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees and Stakeholders' Relationship Committees of only Public Limited Companies have been included in the aforesaid table.*

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

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the proposed resolution except Mr. Rajesh John, and his relatives. It may be noted that Mr. Thomas John, Vice Chairman and Mr. Rajesh John are related as father and son. 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.

NOTICE TO MEMBERS

Additional information on Directors recommended for re-appointment under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Information about Mr. Thomas John :

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 3 decades in manufacturing / services areas.

Companies (other than Thejo Engineering Limited and its subsidiaries) in which Mr. Thomas John holds Directorship and Committee Membership :

Directorship	:	None
Chairman of Board Committees	:	None
Member of Board Committees	:	None
Shareholding in the Company	:	4,75,660 equity shares as on 31st March, 2016.

Mr. Thomas John and Mr. Rajesh John, Whole-time Director, are related as father and son.

Information about Mr. V.A. George :

Mr. V. A. George joined the Company on 15th December, 2007. He holds a Degree in Mechanical Engineering and a Post Graduate Diploma in Management, in addition to being a Certified Associate of the Indian Institute of Banking and Finance. He has experience of more than three and half decades in corporate and banking sectors (both public and private) out of which more than two decades in senior management positions. He is an Adjunct Faculty at Loyola Institute of Business Administration, Chennai and Rajagiri Business School, Kochi. He is also the Chairman of an educational initiative, Knowledge Xchange. Prior to joining the Company, he was President, India Cements Capital Limited.

Companies (other than Thejo Engineering Limited and its subsidiaries) in which Mr. V. A. George holds Directorship and Membership / Chairmanship in Audit Committee and Stakeholders' Relationship Committee :

Directorship	:	Equitas Finance Limited
Chairman of Board Committees	:	Nil
Member of Board Committees	:	Nil
Shareholding in the Company	:	50,000 equity shares as on 31st March, 2016.

Mr. V.A. George is not related to any other Director of the Company.

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 30th May, 2016

M.D. RAVIKANTH
CFO & Secretary

BOARD'S REPORT

The Directors have pleasure in presenting their 30th Annual Report together with Audited Accounts for the year ended 31st March, 2016. The summarized financial results for the year are given below :

₹ in Lakhs

	Standalone		Consolidated	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015	**Year Ended 31st March, 2016**	Year Ended 31st March, 2015
Profit before Exceptional Items, Interest, Depreciation and Tax	**1,807.91**	1,774.59	**1,320.43**	1,204.18
Less: Exceptional Item	**-**	-	**-**	-
Profit before Interest, Depreciation and Tax	**1,807.91**	1,774.59	**1,320.43**	1,204.18
Less: Interest	**577.76**	516.68	**603.36**	563.04
Profit before Depreciation and Tax	**1,230.15**	1,257.91	**717.07**	641.12
Less: Depreciation	**418.14**	452.59	**568.30**	621.11
Net Profit before Taxes	**812.01**	805.32	**148.77**	20.01
Less: Taxation (Including Deferred Tax)	**252.98**	258.65	**222.15**	248.67
Net Profit After Tax before Transfer to Minority Interest	**559.03**	546.67	**(73.38)**	(228.66)
Less: Transfer to Minority Interest	**-**	-	**(94.52)**	(205.56)
Net Profit After Tax and Transfer to Minority Interest	**559.03**	546.67	**21.14**	(23.10)
Add: Brought forward from previous year	**3,642.61**	3,355.78	**2,356.42**	2,631.87
Balance Available for Appropriations	**4,201.64**	3,902.45	**2,377.66**	2,608.77
Appropriations:				
Adjustments relating to Fixed Assets	**-**	60.54	**-**	60.54
Transfer to General Reserve	**55.91**	54.67	**55.91**	54.67
Proposed Dividend	**120.17**	120.17	**120.17**	120.17
Dividend Distribution Tax	**24.46**	24.46	**24.46**	24.46
Foreign Currency Translation Reserve	**-**	-	**19.93**	(7.49)
Balance Carried over to Balance Sheet	**4,001.10**	3,642.61	**2,157.09**	2,356.42

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

STANDALONE

During the financial year 2015-16, your Company achieved an EBITDA of ₹ 1,807.91 lakhs (previous year ₹ 1,774.59 lakhs) resulting in a net profit of ₹ 559.03 lakhs (previous year ₹ 546.67 lakhs) on a turnover of ₹15,698.96 lakhs (previous year ₹16,854.97 lakhs). The dip in turnover during the year was mainly due to reduction in the trading of raw rubber.

CONSOLIDATED

The Company's consolidated EBITDA during the year under review was ₹ 1,320.43 lakhs (previous year ₹ 1,204.18 lakhs) resulting in a net profit (after transfer to Minority Interest) of ₹ 21.14 lakhs (as against net loss of ₹ 23.10 lakhs in the previous year) on a turnover of ₹17,499.82 lakhs (previous year ₹18,552.20 lakhs).

BOARD'S REPORT

DIVIDEND

Your Directors are pleased to recommend payment of dividend of 35% i.e. ₹ 3.50 per Equity Share of ₹ 10 each for the Financial Year ended 31st March, 2016 (same as in the previous year). The dividend amount of ₹ 120.17 lakhs (same as in the previous year) together with dividend distribution tax of ₹ 24.46 lakhs (same as in the previous year) will absorb a sum of ₹ 144.63 lakhs (same as in the previous year).

TRANSFER TO RESERVES

Your Directors propose to transfer ₹ 55.91 lakhs to the General Reserve (i.e., 10% of Net Profit after Tax). Surplus retained after Appropriations amounts to ₹ 4,001.10 lakhs (₹ 3,642.61 lakhs).

EMPLOYEES STOCK OPTION SCHEME

Your Directors, at their meeting held on 30th May, 2016, granted 1,50,007 options to eligible employees under the Employee Stock Option Scheme, approved by the Members at the last Annual General Meeting.

CREDIT RATING

CRISIL has renewed the rating 5/5 (Fundamental Grade) and 3/5 (Current Market Price Grade) for the equity shares of the Company under SME IER.

The below table shows the SME IER rating assigned by CRISIL since May 2014:

Date	Nature of Report	Fundamental Grade	Current Market Price Grade (on the date of report)
09th May, 2014	Detailed Report	5/5	3/5
27th June, 2014	H2FY14 Result Update	5/5	3/5
08th December, 2014	Detailed Report	5/5	4/5
13th July, 2015	H2FY15 Result Update	5/5	3/5
5th January, 2016	H1FY16 Result Update	5/5	3/5

Fundamentals Grading: 5/5 – Excellent Fundamentals

Valuation Grading: 3/5 – Align (+-10% from CMP)

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

ENVIRONMENT

The current financial year (FY 2015-16) has been one of the toughest years for our industry in its history since the customers across all segments uniformly faced hostile environment.

Most of the projects in the core sector industries to which the Company caters, have been stalled. Commodity prices have fallen drastically across the globe. Steel sector, which is one of the key sectors catered by the Company, had faced severe pressure due to falling demands and increased dumping from China. Other clients in copper, coal, iron ore sectors also faced similar situation.

Given the headwinds in the seaborne market for iron ore, and the weak demand from domestic steel companies, NMDC Ltd. has continued to cut iron ore prices in Q3 FY16 as well, further revising down the price of lumps by 12% in October 2015, and again in December 2015, when lump prices were reduced by a sharper 16%. The December 2015 correction marks the 10th rate cut initiated by NMDC since November 2014, with prices of fines declining by 51% and lumps by 52% during the period.

The minimum import prices for steel announced by the Government in February 2016 is expected to give the much required boost to the steel sector to recuperate from the current fall.

Some of our key clients reduced their production levels and certain mining units were closed temporarily. This adversely affected our business volume and flow of our receivable as well.

Internationally, the major Australian miners are undertaking cost cutting initiatives and weaker Australian dollar has created uncertainty in that region. The impact of current recession is also felt in Brazil and Chile.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Uncertain global economic conditions and problems in core sector in India had its impact in our domestic and international product sales. Due to decline in prices of crude oil and rubber, there is a pressure from the clients to reduce the current prices. This has adversely affected our service and sales turnover.

The Company has focussed its attention on value added products and has reduced the raw rubber trading activity during FY 2015-16 due to the steep fall in the prices of raw rubber. In line with economic slowdown, all the activities of the Company including manufacturing, services and Operation & Maintenance saw a marginal dip in terms of turnover in FY 15-16 compared to the previous year.

COMPANY PERFORMANCE AND KEY DEVELOPMENTS

As the Members are aware, the Company is engaged in rubber and polyurethane based engineered products manufacturing, marketing and servicing activities, all under one roof. The services business caters to installation and maintenance of conveyor belts and allied services such as belt splicing, pulley lagging, belt reconditioning, rubber lining, etc. 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.

STATUS OF UTILIZATION OF PROCEEDS RAISED FROM IPO

As on 31st March, 2016, the funds raised by the Company from IPO were utilized fully for the purposes stated in RHP as follows:

(₹ in lakhs)

Purpose	Amount Utilized
Setting up of Polyurethane Unit	**68.28**
Expansion of existing Manufacturing Unit	**686.59**
Setting up of in-house R&D Centre	**283.06**
Setting up of Lining Unit	**169.04**
Investment in Thejo Australia Pty Ltd	**642.00**
IPO Issue Expenses	**218.68**
General Corporate Purposes	**33.01**
Total	**2,100.66**

RESEARCH AND DEVELOPMENT

The approval of Department of Scientific and Industrial Research for the R&D Centre was renewed during 2016. The R&D Centre is focussing on developing new and innovative products as well as bringing continuous improvement of existing products so as to meet the needs of the customers and to tap new markets. The sustained efforts of Research and Development team helped the Company to develop diverse product ranges under varied conditions such as mill liners, and high tension belt splicing compounds capable of withstanding some of the hardest working conditions in leading mines.

BOARD'S REPORT

SAFETY

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

OPPORTUNITIES AND THREATS

OPPORTUNITIES

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

Despite the current sluggishness in the domestic core sector, the prospects of the core sector industries are expected to be bright in the medium term. Moreover, the Company's portfolio includes installation and maintenance services and products catering to both the categories. As a result, even during the period of sluggishness, any loss of business in installation-related work is expected to be compensated to a fair extent by increased maintenance works as the maintenance of existing systems would be given due importance during periods of slowdown.

The Company has started its Operations & Maintenance Division under which it offers comprehensive services. Despite the dip in turnover during FY 2015-16, there is a perceptible momentum in favour of the concept of Operations & Maintenance and the market is expected to grow exponentially. The Company expects to tap a sizeable portion of the increasing demand for Operations & Maintenance Services.

On the export front, the Company has explored International Markets and has accordingly set up its branch office in Perth, Australia and subsidiaries in Brazil and Chile. It takes considerable time to achieve breakthrough in these markets and we expect good business and returns from them in the medium term.

THREATS

There are only limited number of organized players in the service segment in which the Company operates. However, competition from the unorganized sector is a challenge for the services business of the Company. In Operation & Maintenance, there is intense competition from organized segment especially during times of cyclical downturn.

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

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

FUTURE OUTLOOK

The policy framework formulated by the new Government during last year is expected to create a conducive environment for the growth of commerce and industry in our country. However, speedy and successful implementation of key components such as GST, Land Acquisition Amendment Bill, Labour Code on Industrial Relations Bill, etc will determine the pace at which the impact will be felt at the grass root level.

FINANCIAL PERFORMANCE

The financial performance of the Company in the year under review has remained in line with the previous year but for the fall in turnover on account of the conscious decision taken to slow down trading in raw rubber. While the manufacturing division has maintained the turnover, the Services Division saw a fall of

about 6% and Trading Division about 33% in terms of turnover. Export has shown a growth of about 61% on product front compared to the previous year. Your Company is expanding its business in overseas markets through its subsidiaries and branch, which is expected to improve the export turnover further.

The production of moulded and extruded rubber products was 1,062 tonnes during 2015-16, registering a negative growth of 2.66% over the previous year (1,091 tonnes). The production of adhesives during the year under review was 262 tonnes, showing a negative growth of 4% over the previous year (273 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 25.4 forming part of the Financial Statements.

RISK AND CONCERNS

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

However, continuing uncertainty in domestic and global markets, constraints in infrastructure, recent developments in the price of gold and iron ore adversely affecting gold and iron ore mining activities across the globe and latest developments in global mining activities 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

During the year, the Company, as part of on-going exercise in skill upgradation, deputed different classes of its employees to programmes and seminars which would help them to add to their professional knowledge and skills. The Company has also conducted in-house skill development programme for workers in association with National Skill Development Corporation of India.

In order to increase the linear relationship between performance and reward, increments / incentives and ESOP are being provided based on performance. The Company continued to identify and implement initiatives which enhance productivity and efficiency.

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 statement. The Company undertakes no obligation to update any of the forward looking statements, whether as a result of any future events, change in assumptions or for any other reason, whatsoever. The forward looking statements are purely intended to put certain things in perspective based on the assumptions and estimates of the

Management and in no way solicit investment. Members and others are requested to make their own judgment before taking any decision to invest in the shares of the Company.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses were observed.

SUBSIDIARY COMPANIES

As on 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 99.62% shareholding.

The Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2016 are annexed to the Financial Statements. These Statements have been prepared as per Accounting Standard 21 issued by the Institute of Chartered Accountants of India.

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 01st April, 2015 to 31st March, 2016, Thejo Hatcon achieved a turnover of SAR 2.42 million (₹ 415.48 lakhs) with a loss of SAR 0.90 million (₹ 149.66 lakhs). During the year, Thejo Hatcon has bagged an order for SAR 2.9 million from M/s Cleveland, which would be executed in FY 2016-17.

Thejo Australia Pty Ltd (Thejo Australia) is a servicing Company, primarily engaged in belt splicing, belt jointing and related activities. During the period 01st April, 2015 to 31st March, 2016, Thejo Australia achieved a turnover of AUD 3.60 million (₹ 1,771.63 lakhs) with a loss of AUD 0.53 million (₹ 239.57 lakhs).

Thejo Brasil Comercio E Servicos Ltda (Thejo Brasil) is primarily engaged in selling of bulk material handling products. During the period 01st April, 2015 to 31st March, 2016, Thejo Brasil achieved a turnover of BRL 0.13 million (₹ 24.76 lakhs) and it incurred a loss of BRL 0.25 million (₹ 48.32 lakhs).

Thejo Engineering LatinoAmerica SpA (Thejo Chile) is primarily engaged in selling bulk material handling products. During the period 01st April, 2015 to 31st March, 2016 Thejo Chile achieved a turnover of USD 0.07 million (₹ 44.54 lakhs) and had incurred a loss of USD 0.33 million (₹ 211.56 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) comprising Mr. K.J. Joseph, Mr. Thomas John, Mr. V.A. George and Mr. V.K. Srivastava as Members.

The Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy), indicating the activities to be undertaken by the

BOARD'S REPORT

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 2015-16, the Company was required to incur CSR expenditure of ₹ 23.74 lakhs being 2% of the average net profits for the immediately preceding three financial years. In compliance with this requirement, the Company spent ₹ 24.18 lakhs on the eligible projects approved by the Board on the recommendation of the CSR Committee, thus fully meeting the CSR target for the year under review. A brief outline of the Company's CSR Policy and Projects undertaken are given in Annexure 2 to Board's Report.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return in Form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is attached as Annexure 3 forming part of the Board's Report.

NUMBER OF MEETINGS OF BOARD

The Board of Directors met five times during the Financial Year 2015-16. Further details are given in the Corporate Governance Report forming 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, 2016, 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, 2016 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 maters 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, 2016 does not contain any qualification.

AUDITORS

M/s. Joseph & Rajaram, Chartered Accountants, Chennai, retire at ensuing Annual General Meeting and are eligible for re-appointment.

BOARD'S REPORT

SECRETARIAL AUDIT

The Board appointed Mr. G. Porselvam, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2015-16. The Secretarial Audit Report for the Financial Year is attached as Annexure 4 to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

COMMITTEES OF THE BOARD

Currently, the Company has four Committees of the Board of Directors, namely the Audit Committee, Compensation / Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Shareholders' and Investors' Grievance 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	Independent Director, Chairman
	Mr. N Ganga Ram	Independent Director, Member
	Mr. A Satyaseelan	Independent Director, Member
Compensation / Nomination and Remuneration Committee	Mr. N Ganga Ram	Independent Director, Chairman
	Mr. V K Srivastava	Independent Director, Member
	Mr. M P Vijay Kumar	Independent Director, Member
Corporate Social Responsibility Committee	Mr. V K Srivastava	Independent Director, Chairman
	Mr. K J Joseph	Non-executive Director, Member
	Mr. Thomas John	Non-executive Director, Member
	Mr. V A George	Managing Director, Member
Shareholders' and Investors' Grievance Committee	Dr. C N Ramchand	Independent Director, Chairman
	Mr. V K Srivastava	Independent Director, Member
	Mr. K J Joseph	Non-executive Director, Member
	Mr. Thomas John	Non-executive Director, Member

All the recommendations made by the Audit Committee 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 - Head EMD & Mr. Thomas K Abraham – Head 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

On the recommendation of the Compensation / Nomination and Remuneration Committee, Mr. Rajesh John (DIN 05161087) was reappointed by the Board as Whole-time Director for a period of five years with effect from 16th January, 2017, subject to the approval of the Members at the ensuing Annual General Meeting *vide* Item 6 of the Notice dated 30th May, 2016 convening the ensuing Annual General Meeting. None of the Company's Directors have any family relationship with him, save and except that Mr. Thomas John and Mr. Rajesh John are related as father and son.

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

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

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. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent Directors is to be done by the Board of Directors, excluding the Director being evaluated.

Accordingly, the performance evaluation was done by the Board of Directors during the year under review. 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.

PERSONNEL

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

Disclosures pertaining to the 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 7b to the Board's Report.

CORPORATE GOVERNANCE

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

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. Issue of shares (including sweat equity shares) to the employees of the Company under any scheme.
4. Receipt of remuneration or commission by the Managing Director or the Whole-time Directors of the Company from any of its subsidiaries.
5. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

	K J JOSEPH	THOMAS JOHN	V.A. GEORGE
Place : Chennai	Chairman	Vice Chairman	Managing Director
Date : 30th May, 2016	DIN 00434410	DIN 00435035	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 generator in case of emergency and as stand-by.
- The Manufacturing Units utilised about 23% of the energy requirement from Wind Energy.

iii. Capital Investments on energy conservation equipment

During the Financial Year, your Company has not invested on 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.
- 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	**2015-16**
Capital	0.20
Revenue (excluding depreciation)	88.12
Total	88.32
Total R&D expenditure as a % of total turnover	0.56%

ANNEXURE TO BOARD'S REPORT

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Payments in foreign currency towards Imports ₹ in lakhs

Imports at CIF Value	2015-16	2014-15
Raw Materials and Traded Goods	**400.73**	318.80
Capital Goods	**18.54**	-

b) Payments in foreign currency towards Expenditure ₹ in lakhs

Expenditure in foreign currency	2015-16	2014-15
Professional and consultation fees	**8.77**	245.66
Foreign Tour	**3.75**	13.74
Salaries & Incentives of Perth Branch	**175.91**	131.54
Other Expenditure of Perth Branch	**164.40**	154.99
Others	**37.08**	4.94

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

Earnings in foreign currency	2015-16	2014-15
Exports – Products	**1659.91**	1,032.86
Exports – Services	**4.50**	7.70

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

Description	2015-16	2014-15
Profit / (Loss) on Foreign Currency Translation	**23.60**	(47.71)

ANNEXURE 2 TO BOARD'S REPORT

[Pursuant to Section 135 of the Companies Act, 2013]

Brief outline of the Company's CSR policy, projects and programs 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 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 *http://thejo-engg.com/invest/CSR%20Policy.pdf* for more details related to our CSR Policy.

The details of CSR activities undertaken by the Company are available in our web link *http://www.thejo-engg.com/invest/CSR%20Activity%202015-16.pdf*.

ANNEXURE TO BOARD'S REPORT

Composition of CSR Committee:

Our CSR Committee consists of Mr. V.K. Srivastava, Chairman, Mr. K.J. Joseph, Mr. Thomas John and Mr. V.A. George, Members.

Average Net Profits of the Company for the last three Financial Years: ₹ 1,186.86 lakhs

Prescribed CSR Expenditure (2% of the above amount): ₹ 23.74 lakhs

Details of CSR spend during the Financial Year

a) Total amount to be spent for the Financial Year : **₹ 23.74 lakhs**

b) Amount spent : **₹ 24.18 lakhs**

c) Amount unspent, if any : Nil

The manner in which the amount was spent during the Financial Year is detailed below : ₹ in lakhs

CSR Project/ activity/ beneficiary	Sector	Location of the project/ program	Amount outlay (Budget)	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent directly / implementing agency
Government Primary School	Education	Alinjivakkam	0.29	0.29	0.29	Directly
Government High School	Education	Jaganathapuram	6.04	6.04	6.04	Directly
Government Kindergarten School	Education	MGR Nagar	0.09	0.09	0.09	Directly
Government Primary School & Library	Education	Jaganathapuram	0.17	0.17	0.17	Directly
National Relief Fund	Contribution	Prime Minister's National Relief Fund	1.35	1.35	1.35	Directly
Rehabilitation during flood relief	Disaster Relief	Chennai	1.16	1.16	1.16	Directly
Sponsoring Education Fee	Education	Chennai	0.42	0.42	0.42	Directly
Sri Ramachandra University	Sports Facility	Chennai	7.50	7.50	7.50	Directly
The Akshaya Patra Foundation	Malnutrition and hunger eradication	Chennai	5.00	5.00	5.00	Directly
Vidya Sagar	Education	Chennai	1.00	1.00	1.00	Directly
Vrindavan Nagar, Alinjivakkam	Rural Development/ Sanitation	Chennai	1.16	1.16	1.16	Directly
Total			**24.18**	**24.18**	**24.18**	

Responsibility Statement

The responsibility statement of CSR Committee of the Board of Directors of the Company is reproduced below:

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with the CSR Objectives and Policy of the Company".

V.A. GEORGE
Managing Director
DIN 01493737

V.K. SRIVASTAVA
Chairman of CSR Committee
DIN 00611678

Place : Chennai
Date : 30th May, 2016

ANNEXURE TO BOARD'S REPORT

ANNEXURE 3 TO BOARD'S REPORT

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L27209TN1986PLC012833
ii.	Registration Date	26th March, 1986
iii.	Name of the Company	Thejo Engineering Limited
iv.	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	Aysha Building, No. 41, Whites Road, Chennai – 600 014, Tamil Nadu, India Tel: +91 44 42221900 Fax: +91 44 42221910
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building No. 1, Club House Road, Chennai – 600 002, Tamil Nadu, India Tel:+91 44 28460390 Fax:+91 44 28460129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10% or more of the total turnover of the Company are as follows:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Maintenance & Repair Services	3312 / 3319	51.52%
2	Other Rubber Products	2219	15.92%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN/ GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Thejo Hatcon Industrial Services Company	P.O. Box No. 991, Alkhobar 31952, Kingdom of Saudi Arabia.	N.A	Subsidiary	51	2(87)
2	Thejo Australia Pty Ltd	No. 5, Kalmia Road, Bibra Lake, WA - 6163.	N.A	Subsidiary	74	2(87)
3	Thejo Brasil Comercio E Servicos Ltda	AV Brasil, 839, Sala:4, Vinhedo, CEP 13280-000, SP, Brasil.	N.A	Subsidiary	99.99	2(87)
4	Thejo Engineering LatinoAmerica SpA	Hernando de Aguirre 128, Providencia, Santiago de Chile.	N.A	Subsidiary	99.62	2(87)

ANNEXURE TO BOARD'S REPORT

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. *Category-wise Share Holding*

Category of Shareholders		No. of Shares held at the beginning of the year (As on 01st April, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters									
(1)	Indian									
a)	Individual/HUF	18,23,080	1,42,160	19,65,240	57.24	19,65,240	-	19,65,240	57.24	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt (s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1)	**18,23,080**	**1,42,160**	**19,65,240**	**57.24**	**19,65,240**	**-**	**19,65,240**	**57.24**	**-**
(2)	Foreign									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**18,23,080**	**1,42,160**	**19,65,240**	**57.24**	**19,65,240**	**-**	**19,65,240**	**57.24**	**-**
B.	Public Shareholding									
1.	Institiutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks/FI	-	-	-	-	-	-	-	-	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	5,65,472	-	5,65,472	16.47	5,65,472	-	5,65,472	16.47	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	2,25,600	-	2,25,600	6.57	2,02,200	-	2,02,200	5.89	(0.68)
	Sub-total (B)(1)	**7,91,072**	**-**	**7,91,072**	**23.04**	**7,67,672**	**-**	**7,67,672**	**22.36**	**(0.68)**

ANNEXURE TO BOARD'S REPORT

i. *Category-wise Share Holding* - (Contd.)

Category of Shareholders		No. of Shares held at the beginning of the year (As on 01st April, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	45,000	-	45,000	1.31	39,000	-	39,000	1.14	(0.17)
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,62,550	2,000	1,64,550	4.79	1,66,750	2,000	1,68,750	4.91	0.12
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,74,880	1,80,760	4,55,640	13.27	3,63,960	1,18,680	4,82,640	14.06	0.79
c)	Others (specify)									
i)	Clearing Members	-	-	-	-	-	-	-	-	-
ii)	Hindu Undivided Family	10,850	-	10,850	0.32	9,050	-	9,050	0.26	(0.06)
iii)	Non-resident Indians	1,200	-	1,200	0.03	1,200	-	1,200	0.03	-
	Sub-total (B)(2)	**4,94,480**	**1,82,760**	**6,77,240**	**19.72**	**5,79,960**	**1,20,680**	**7,00,640**	**20.40**	**0.68**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**12,85,552**	**1,82,760**	**14,68,312**	**42.76**	**13,47,632**	**1,20,680**	**14,68,312**	**42.76**	**-**
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**31,08,632**	**3,24,920**	**34,33,552**	**100**	**33,12,872**	**1,20,680**	**34,33,552**	**100**	**-**

ANNEXURE TO BOARD'S REPORT

ii. *Shareholding of Promoters*

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01st April, 2015)			Shareholding at the end of the year (As on 31st March, 2016)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	
1	Mr. K. J. Joseph	3,55,380	10.35	-	3,55,380	10.35	-	-
2	Mr. Thomas John	4,75,660	13.85	-	4,75,660	13.85	-	-
3	Mr. Manoj Joseph	1,65,860	4.83	-	1,65,860	4.83	-	-
4	Mr. Rajesh John	1,50,540	4.38	-	1,50,540	4.38	-	-
5	Mrs. Rosamma Joseph	93,240	2.72	-	93,240	2.72	-	-
6	Mrs. Celinamma John	84,400	2.46	-	84,400	2.46	-	-
7	Mr. Manesh Joseph	1,65,860	4.83	-	1,65,860	4.83	-	-
8	Mrs. Meena Kavil	1,42,160	4.14	-	1,42,160	4.14	-	-
9	Mrs. Maya Philip	1,54,020	4.49	-	1,54,020	4.49	-	-
10	Mrs. Rithu Johnson	87,600	2.55	-	87,600	2.55	-	-
11	Mr. Sebastian Thomas	88,520	2.58	-	88,520	2.58	-	-
12	Mrs. Rosamma Joseph	2,000	0.06	-	2,000	0.06	-	-

iii. *Change in Promoters' Shareholding*

Particulars	Shareholding at the beginning of the year (As on 01st April, 2015)		Cumulative Shareholding during the year (01st April, 2015 to 31st March, 2016)	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	19,65,240	57.24	19,65,240	57.24
Changes in Promoters Shareholding during the year	-	-	19,65,240	57.24
At the end of the year	19,65,240	57.24	19,65,240	57.24

ANNEXURE TO BOARD'S REPORT

iv. *Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)*

Sl. No.	Name	Shareholding at the beginning of the year (As on 01st April, 2015)		Cumulative Shareholding during the year (01st April, 2015 to 31st March, 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	M/s. SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND				
	At the beginning of the year	3,17,072	9.23	3,17,072	9.23
	Changes in Shareholding during the year	-	-	3,17,072	9.23
	At the end of the year	3,17,072	9.23	3,17,072	9.23
2	M/s. EMERGING INDIA GROWTH FUND CVCF V				
	At the beginning of the year	2,48,400	7.23	2,48,400	7.23
	Changes in Shareholding during the year	-	-	2,48,400	7.23
	At the end of the year	2,48,400	7.23	2,48,400	7.23
3	M/s. IDBI CAP MKT SERV LTD				
	At the beginning of the year	2,25,600	6.57	2,25,600	6.57
	Transaction (Net of purchase / (sale)) during the year	(23,400)	(0.68)	2,02,200	5.89
	At the end of the year	2,02,200	5.89	2,02,200	5.89
4	Mr. S.P. GEORGE				
	At the beginning of the year	1,24,000	3.61	1,24,000	3.61
	Changes in Shareholding during the year	-	-	1,24,000	3.61
	At the end of the year	1,24,000	3.61	1,24,000	3.61
5	Mr. ANAND T. PETHE				
	At the beginning of the year	62,420	1.82	62,420	1.82
	Changes in Shareholding during the year	-	-	62,420	1.82
	At the end of the year	62,420	1.82	62,420	1.82
6	Mr. O.J. LUKOSE				
	At the beginning of the year	62,080	1.81	62,080	1.81
	Changes in Shareholding during the year	-	-	62,080	1.81
	At the end of the year	62,080	1.81	62,080	1.81

ANNEXURE TO BOARD'S REPORT

iv. *Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)* - (Contd.)

Sl. No.	Name	Shareholding at the beginning of the year (As on 01st April, 2015)		Cumulative Shareholding during the year (01st April, 2015 to 31st March, 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Mr. JOSE KOZHIPAT				
	At the beginning of the year	43,140	1.26	43,140	1.26
	Changes in Shareholding during the year	-	-	43,140	1.26
	At the end of the year	43,140	1.26	43,140	1.26
8	M/s. N R GOLD PRIVATE LTD.				
	At the beginning of the year	37,200	1.08	37,200	1.08
	Transaction (Net of purchase / (sale)) during the year	(2,400)	(0.07)	34,800	1.01
	At the end of the year	34,800	1.01	34,800	1.01
9	Mrs. JYOTI ANAND PETHE				
	At the beginning of the year	32,160	0.94	32,160	0.94
	Changes in Shareholding during the year	-	-	32,160	0.94
	At the end of the year	32,160	0.94	32,160	0.94
10	Mrs. SUMY JOHN				
	At the beginning of the year	25,540	0.74	25,540	0.74
	Changes in Shareholding during the year	-	-	25,540	0.74
	At the end of the year	25,540	0.74	25,540	0.74

v. *Shareholding of Directors and Key Managerial Personnel*

Sl. No.	Name	Shareholding at the beginning of the year (As on 01st April, 2015)		Cumulative Shareholding during the year (01st April, 2015 to 31st March, 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. K.J. JOSEPH CHAIRMAN				
	At the beginning of the year	3,55,380	10.35	3,55,380	10.35
	Changes in Shareholding during the year	-	-	3,55,380	10.35
	At the end of the year	3,55,380	10.35	3,55,380	10.35
2	Mr. THOMAS JOHN VICE CHAIRMAN				
	At the beginning of the year	4,75,660	13.85	4,75,660	13.85
	Changes in Shareholding during the year	-	-	4,75,660	13.85
	At the end of the year	4,75,660	13.85	4,75,660	13.85

ANNEXURE TO BOARD'S REPORT

v. *Shareholding of Directors and Key Managerial Personnel* - (Contd.)

Sl. No.	Name	Shareholding at the beginning of the year (As on 01st April, 2015)		Cumulative Shareholding during the year (01st April, 2015 to 31st March, 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Mr. V.A. GEORGE MANAGING DIRECTOR				
	At the beginning of the year	50,000	1.46	50,000	1.46
	Changes in Shareholding during the year	-	-	50,000	1.46
	At the end of the year	50,000	1.46	50,000	1.46
4	Mr. MANOJ JOSEPH EXECUTIVE DIRECTOR				
	At the beginning of the year	1,65,860	4.83	1,65,860	4.83
	Changes in Shareholding during the year	-	-	1,65,860	4.83
	At the end of the year	1,65,860	4.83	1,65,860	4.83
5	Mr. RAJESH JOHN EXECUTIVE DIRECTOR				
	At the beginning of the year	1,50,540	4.38	1,50,540	4.38
	Changes in Shareholding during the year	-	-	1,50,540	4.38
	At the end of the year	1,50,540	4.38	1,50,540	4.38

The following directors / key managerial personnel (KMP) did not hold any shares during the Financial Year 2015 -16 :

- Mr. N. Ganga Ram – Director
- Mr. V.K. Srivastava – Director
- Mr. A. Satyaseelan – Director
- Mr. M.P. Vijay Kumar – Director
- Dr. C.N. Ramchand – Director
- Mrs. Sujatha Jayarajan – Director
- Mr. M.D. Ravikanth – CFO & Secretary

ANNEXURE TO BOARD'S REPORT

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year (01st April, 2015)				
i) Principal Amount	3,618.42	-	-	3,618.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.31	-	-	6.31
Total (i+ii+iii)	**3,624.73**	**-**	**-**	**3,624.73**
Change in Indebtedness during the Financial Year				
• Addition	2,310.13	-	-	2,310.13
• Reduction	2,042.08	-	-	2,042.08
Net Change	268.05	-	-	268.05
Indebtedness at the end of the Financial Year (31st March, 2016)				
i) Principal Amount	3,882.15	-	-	3,882.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10.63	-	-	10.63
Total (i+ii+iii)	**3,892.78**	**-**	**-**	**3,892.78**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. V.A. George	Mr. Manoj Joseph	Mr. Rajesh John	
1.	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	42.00	28.11	19.19	89.30
(b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, Retiral benefits	-	5.72	3.97	9.69
	Total (A)	**42.00**	**33.83**	**23.16**	**98.99**
	Remuneration excluding retiral benefits				89.30
	Ceiling as per the Act				90.00

ANNEXURE TO BOARD'S REPORT

B. Remuneration to other Directors:

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. K.J. Joseph	Mr. Thomas John	Mr. N. Ganga Ram	Mr. V.K. Srivastava	Mr. A. Satyaseelan	Mr. M.P. Vijay Kumar	Dr. C.N. Ramchand	Mrs. Sujatha Jayarajan	
1	**Independent Directors**									
	Fee for attending board / committee meetings	-	-	2.00	1.00	1.90	2.00	1.20	0.60	8.70
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	**-**	**-**	**2.00**	**1.00**	**1.90**	**2.00**	**1.20**	**0.60**	**8.70**
2	**Other Non-Executive Directors**									
	Fee for attending board / committee meetings	1.20	1.50	-	-	-	-	-	-	2.70
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	**1.20**	**1.50**	**-**	**-**	**-**	**-**	**-**	**-**	**2.70**
	Total (B)=(1+2)	**1.20**	**1.50**	**2.00**	**1.00**	**1.90**	**2.00**	**1.20**	**0.60**	**11.40**
	Total Managerial Remuneration[1]									**98.99**
	Overall Ceilings as per the Act									99

1. Pursuant to Section 197(2) of the Companies Act, 2013, the Sitting Fees paid to the Directors were excluded from the total managerial remuneration.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

₹ in lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Mr. M.D. Ravikanth, CFO & Secretary	
1.	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	18.26	18.26
(b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, Retiral benefits	2.73	2.73
	Total (A)	**20.99**	**20.99**

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ended 31st March, 2016.

ANNEXURE TO BOARD'S REPORT

ANNEXURE 4 TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2016

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

To,

The Members,
THEJO ENGINEERING LIMITED

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 31/03/2016 complied with the statutory provisions listed here under 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 31/03/2016 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 1956 / 2013, forms, returns in this connection have been duly filed, 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (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

(vi) As informed to me the following other Laws specifically applicable to the Company as under:

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

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 SME Listing Agreement & 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 Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

The Company has duly complied with the various provisions contained in the Act and there are no remarks as on date of issue of the report.

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, One Women Director on the Board are properly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 : 30/05/2016

Name : G. PORSELVAM
C P No. : 3187

ANNEXURE TO BOARD'S REPORT

ANNEXURE 5 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 loan given as at 31st March, 2016 are as follows: ₹ in lakhs

Name of the Company	As at 31st March, 2016	Purpose
Thejo Australia Pty Ltd, Australia	494.93	Working Capital Requirement
Thejo Hatcon Industrial Services Company, Saudi Arabia	209.39	Working Capital Requirement

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

Name of the Company and Country	During FY 15-16	As at 31st March, 2016
Thejo Hatcon Industrial Services Company, Saudi Arabia	0.00	333.72
Thejo Australia Pty Ltd, Australia	0.00	1,202.45
Thejo Brasil Comercio E Servicos Ltda, Brazil	32.77	64.17
Thejo Engineering LatinoAmerica SpA, Chile	223.90	261.52

The details of guarantee given during the Financial Year are as follows:

Name of the Company	As at 31st March, 2016	Purpose
Thejo Australia Pty Ltd, Australia	Upto USD 10,00,000	An irrevocable and unconditional corporate guarantee given in favour of Exim Bank towards Buyers Credit facility extended to Thejo Australia Pty Ltd for purchase of capital equipment. (Outstanding as on 31/3/2016 – USD 75009/-)

The Company has created a *pari passu* first charge on the fixed assets and second *pari passu* charge over entire current assets including receivables in favour of Exim Bank.

ANNEXURE TO BOARD'S REPORT

ANNEXURE 6 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 2015-16, which were not at arm's length.

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

The details of material contracts or arrangements or transactions at arm's length basis during the Financial Year 2015-16, are as follows: ₹ in lakhs

Name of related Party	Nature of relationship	Duration	Nature of Contract & Salient Terms, if any	Amount
Thejo Hatcon Industrial Services Company, Saudi Arabia	Subsidiary	Based on Orders	Sale of Products net of collections	(90.03)
		Based on requirement	Loan	209.39
		Till repayment of loan	Interest Received	1.11
Thejo Australia Pty Ltd, Australia	Subsidiary	Based on Orders	Sale of Products/ Service net of purchase/ collections	43.28
		Based on requirement	Loan	316.56
		Till repayment of loan	Interest Received	30.07
Thejo Brasil Comercio E Servicos Ltda, Brazil	Subsidiary	Not Applicable	Investments	32.77
		Based on Orders	Sale of Products	22.70
Thejo Engineering LatinoAmerica SpA, Chile	Subsidiary	Not Applicable	Investments	223.90
		Based on Orders	Sale of Products	67.48
Mr. V. A. George, Managing Director	Key Managerial Personnel	14th July, 2018	Remuneration	42.00
Mr. Manoj Joseph	Executive Director	19th June, 2020	Remuneration	33.83
Mr. Rajesh John	Executive Director	15th January, 2017	Remuneration	23.16
Mr. M. D. Ravikanth, CFO & Secretary	Key Managerial Personnel	Not Applicable	Remuneration	20.99
Mrs. Rosamma Joseph	Relative of Director	Not Applicable	Remuneration	12.09
Mrs. Celinamma John	Relative of Director	Not Applicable	Remuneration	11.95
Mr. Manesh Joseph	Relative of Director	Not Applicable	Remuneration	17.96

For and on behalf of the Board

THOMAS JOHN
Vice Chairman
DIN 00435035

V.A. GEORGE
Managing Director
DIN 01493737

Place : Chennai
Date : 30th May, 2016

ANNEXURE TO BOARD'S REPORT

ANNEXURE 7a 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 2015-16 and the percentage increase in remuneration of each Director and KMP, ratio of the remuneration of each Director to the median remuneration of the employees for the Financial Year 2015-16 and the comparison of remuneration of each KMP against the performance of the Company are as follows:

Name of the Director / KMP	Remuneration of Director/ KMP for the F.Y. 2015-16	% increase in Remuneration in the F.Y. 2015-16	Ratio of Remuneration of each director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company	Remuneration of Director / KMP for the F.Y. 2014-15
Mr. K. J. Joseph	1.20	(25.00)	0.65		1.60
Mr. Thomas John	1.50	(6.25)	0.82		1.60
Mr. V. A. George	42.00	2.59	22.83	Profit before tax increased by 1% and Profit after tax increased by 2% in Financial Year 2015-16	40.94
Mr. Manoj Joseph	33.83	29.77	18.39		26.07
Mr. Rajesh John	23.16	7.17	12.59		21.61
Mr. N. Ganga Ram	2.00	(16.67)	1.09		2.40
Mr. V. K. Srivastava	1.00	(47.37)	0.54		1.90
Mr. A. Satyaseelan	1.90	(9.52)	1.03		2.10
Mr. M. P. Vijay Kumar	2.00	(16.67)	1.09		2.40
Dr. C. N. Ramchand	1.20	9.09	0.65		1.10
Mrs. Sujatha Jayarajan#	0.60	200.00	0.33		0.20
Mr. M. D. Ravikanth	20.99	6.27	Not Applicable	Profit before tax increased by 1% and Profit after tax increased by 2% in Financial Year 2015-16	19.78

 # During the financial year 2014-15, Mrs. Sujatha Jayarajan was appointed as Additional Director with effect from 06th March, 2015.

ii. The median remuneration of employees of the Company for the Financial Year was ₹ 1.84 lakhs.

iii. There was an increase of 2% in the median remuneration of employees in the Financial Year.

iv. There were 1,392 permanent employees on the rolls of the Company as on 31st March, 2016.

v. Relationship between average increase in remuneration and company performance: Profit before tax increased by 1% in the Financial Year 2015-16, whereas the Company retained the talented employees with an average increase in remuneration of 22% in line with Company's Policy considering the lower percentage of increase in remuneration given in the previous year.

vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: The total remuneration of Key Managerial Personnel has increased by about 4% from ₹ 60.72 lakhs in 2014-15 to ₹ 62.99 lakhs in 2015-16 and the Profit before tax has increased by about 1% in the Financial Year 2015-16.

ANNEXURE TO BOARD'S REPORT

vii. Variations in the market Capitalisation: The market capitalisation as at 31st March, 2016 was ₹ 6,592.42 lakhs (₹ 6,695.43 lakhs as at 31st March, 2015)

viii. Price earnings ratio of the Company were 11.79X as at 31st March, 2016 and 12.25X as at 31st March, 2015.

ix. The Closing price of the Company's equity share on the NSE Emerge Platform as of 31st March, 2016 was ₹ 192, which was lower by 4.48% than the IPO Price of ₹ 201, adjusted for the issue of bonus shares.

x. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2015-16 was 28% whereas the managerial remuneration increased by 11.70% (from ₹ 88.62 lakhs in 2014-15 to ₹ 98.99 lakhs in 2015-16).

xi. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Compensation / Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

xii. During the Financial Year, no employee received remuneration in excess of the highest-paid Director.

xiii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE 7b TO BOARD'S REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES:

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.

ANNEXURE TO BOARD'S REPORT

ANNEXURE 8 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 maximizing the Shareholders' value. The Company believes that good corporate governance system enables it to retain the trust of the Members.

The code of conduct and governance 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 Insiders, Code of practices and procedures for fair disclosure of unpublished price sensitive information, 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, 2016, 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, 2016 were as under -

Sl. 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	1	Nil	Nil
4	Mr. Manoj Joseph	Nil	Nil	Nil
5	Mr. Rajesh John	Nil	Nil	Nil
6	Mr. N. Ganga Ram	3	2	2
7	Mr. V.K. Srivastava	Nil	Nil	Nil
8	Mr. M.P. Vijay Kumar	Nil	Nil	Nil
9	Mr. A. Satyaseelan	Nil	Nil	Nil
10	Dr. C.N. Ramchand	Nil	Nil	Nil
11	Mrs. Sujatha Jayarajan	1	2	Nil

Notes:

1) *None of the Directors hold chairmanship of the Board Committees in excess of the maximum ceiling of five and Membership in excess of the maximum ceiling of ten.*

2) *For the purpose of reckoning the ceiling, Chairmanship/Membership of the Audit Committee and the Stakeholders' Relationship Committee 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 have 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 have any shareholding in our Company as on 31st March, 2016 except as disclosed below:

S.No.	Name of the Director	No. of Shares	% of Equity Share Capital
1	Mr. K.J. Joseph	3,55,380	10.35
2	Mr. Thomas John	4,75,660	13.85
3	Mr. V.A. George	50,000	1.46
4	Mr. Manoj Joseph	1,65,860	4.83
5	Mr. Rajesh John	1,50,540	4.38

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 5 times. The meetings of the Board of Directors were held on 07th April, 2015, 27th May, 2015, 26th August, 2015, 07th November, 2015 and 07th March, 2016. The attendance of each Director at the Board Meetings and at the last Annual General Meeting is as under:

S. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Last Annual General Meeting held on 26th August, 2015
1	Mr. K.J. Joseph	5	4	Yes
2	Mr. Thomas John	5	5	Yes
3	Mr. V.A. George	5	5	Yes
4	Mr. Manoj Joseph	5	4	Yes
5	Mr. Rajesh John	5	5	Yes
6	Mr. N. Ganga Ram	5	5	Yes
7	Mr. V.K. Srivastava	5	3	Yes
8	Mr. M.P. Vijay Kumar	5	5	Yes
9	Mr. A. Satyaseelan	5	5	Yes
10	Dr. C.N. Ramchand	5	4	Yes
11	Mrs. Sujatha Jayarajan	5	3	Yes

III. COMMITTEES

i) Audit Committee

The Audit Committee of the Board of Directors was constituted on 16th January, 2012. The Committee consists of three 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

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Audit Committee of the Board were held on 27th May, 2015, 26th August, 2015, 07th November, 2015 and 07th March, 2016.

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.

ANNEXURE TO BOARD'S REPORT

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. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
   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 audit commences, about 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 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.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ANNEXURE TO BOARD'S REPORT

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. The 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 26th August, 2015

ii) Compensation / Nomination and Remuneration Committee

The Compensation / Nomination and Remuneration Committee of the Board was formed on 16th January, 2012 and the Committee consists of three Independent Directors. The Committee was re-designated as Compensation / Nomination and Remuneration Committee with effect from 27th May, 2015. The status of the Independent Directors and attendance at the meeting 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	1	1
2	Mr. V.K. Srivastava	Independent Director, Member	1	1
3	Mr. M.P. Vijay Kumar	Independent Director, Member	1	1

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Compensation / Nomination and Remuneration Committee of the Board was held on 27th May, 2015.

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 a defined criteria for identification, screening, recruiting and recommending candidates for election as a 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 are intended to be market competitive with a strong linkage to the performance.

ANNEXURE TO BOARD'S REPORT

Details of Remuneration paid to the Directors for the year 2015-16 were as follows:

₹ in lakhs

Name of Director	Sitting Fee[1]	Salary	Contribution to Statutory & Other Funds	Performance Linked Incentive	Total
Promoters / Non-executive Directors					
Mr. K.J. Joseph	1.20	-	-	-	1.20
Mr. Thomas John	1.50	-	-	-	1.50
Executive Directors					
Mr. V.A. George	-	42.00	-	-	42.00
Mr. Manoj Joseph	-	28.11	5.72	-	33.83
Mr. Rajesh John	-	19.19	3.97	-	23.16
Independent Directors					
Mr. N. Ganga Ram	2.00	-	-	-	2.00
Mr. V.K. Srivastava	1.00	-	-	-	1.00
Mr. A. Satyaseelan	1.90	-	-	-	1.90
Mr. M.P. Vijay Kumar	2.00	-	-	-	2.00
Dr. C.N. Ramchand	1.20	-	-	-	1.20
Mrs. Sujatha Jayarajan	0.60	-	-	-	0.60

Note:

1. *Excludes Service Tax 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	15th July, 2013 to 14th July, 2018	Not Applicable	Nil	Nil
Mr. Manoj Joseph[1]	20th June, 2015 to 19th June, 2020	Not Applicable	Nil	Nil
Mr. Rajesh John[2]	16th January, 2012 to 15th January, 2017	Not Applicable	Nil	Nil

Notes:

1. *During the year, Mr. Manoj Joseph was re-appointed as a whole-time Director for a period of five years commencing from 20th June, 2015.*
2. *The Board of Directors at their Meeting held on 30th May, 2016, recommended the re-appointment of Mr. Rajesh John as a whole-time director for a period of five years commencing from 16th January, 2017, subject to the approval of the Members at the ensuing Annual General Meeting.*

ANNEXURE TO BOARD'S REPORT

iii) Shareholders' and Investors' Grievance Committee

The Shareholders' and Investors' Grievance Committee of the Board was formed on 16th January, 2012, and 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	3
2	Mr. V. K. Srivastava	Independent Director, Member	4	2
3	Mr. K.J. Joseph	Promoter & Non-executive Non-Independent Director, Member	4	3
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 of the Board of Directors were held on 27th May, 2015, 26th August, 2015, 07th November, 2015 and 07th March, 2016.

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 certificate, 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 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 Insiders.

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 2015-16, the Company has not received any complaints from the Shareholders. There were no complaints outstanding as on 31st March, 2016.

ANNEXURE TO BOARD'S REPORT

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
2014-15	26th August, 2015	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 14.	1) Alteration of Memorandum of Association of the Company. 2) Approval for Employee Stock Option Plan and grant of Employee Stock Options. 3) Approval for the grant of Employee Stock Options to the employees of the subsidiary companies.
2013-14	25th August, 2014	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 14.	Alteration of Memorandum of Association of the Company
2012-13	30th August, 2013	10.00 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 14.	Payment of commission to the Non-executive Directors

(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 2015-16.

(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 25.5 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.

ANNEXURE TO BOARD'S REPORT

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

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.

It is further affirmed that no personnel has been denied access to the Audit Committee.

Compensation / Nomination and Remuneration Committee

As already stated, the Company has constituted Compensation / Nomination and Remuneration Committee and it consists of three 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

As per Section 135 of the Companies Act, 2013, all Companies having a net worth of ₹ 500 Crore or more or turnover of ₹ 1,000 Crore or more or a net profit of ₹ 5 Crore or more during any Financial Year are required to constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors at least one of whom shall be Independent Director. Accordingly, the Board constituted the CSR Committee 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 26th August, 2015.

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 specified by the Companies Act, 2013 from time to time.

ANNEXURE TO BOARD'S REPORT

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 attendance of non-Independent Directors and members of the Management, was held on 07th March, 2016 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 2015-16 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.

WHISTLE BLOWER POLICY

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. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

Designated Exclusive email-id

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

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 SME / 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)

Wednesday, 3rd August, 2016 at 10.00 AM

The Music Academy, Kasturi Srinivasan Hall (Mini Hall)

New No. 168 (Old No. 306), T.T.K Road,

Royapettah, Chennai – 600 014, Tamil Nadu, India.

Financial Year: April to March

Date of Book Closure: Friday, 29th July, 2016 to Monday, 1st August, 2016 (both days inclusive) for payment of dividend.

Dividend Payment: Credit / Dispatch of dividend warrants will be completed on or before 24th August, 2016.

ANNEXURE TO BOARD'S REPORT

Listing on Stock Exchanges & Stock Code:

Shares	Code	Stock Exchanges
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 Ltd. (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 2015	210.00	190.00
May 2015	190.00	190.00
June 2015	200.00	190.00
July 2015	211.10	190.00
August 2015	210.00	192.00
September 2015	191.00	180.00
October 2015	170.00	126.00
November 2015	200.00	131.00
December 2015	195.00	163.00
January 2016	199.00	161.00
February 2016	N.A.[1]	N.A.[1]
March 2016	200.00	160.00

Note:

1. There was no trading in the equity shares of the Company during the month of February 2016.

Performance in comparison to broad-based indices: Not Applicable, since NSE - SME Index is yet to be launched by NSE.

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

ANNEXURE TO BOARD'S REPORT

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, 2016:

Nominal Value of Shares (in ₹)		Number of Holders	% of Total Holders	Total Face Value (in ₹)	% of Total Face Value
From	To				
10	5,000	8	3.42	6,000	0.02
5,001	10,000	157	67.09	9,42,000	2.74
10,001	20,000	26	11.11	3,70,000	1.08
20,001	30,000	8	3.42	2,10,000	0.61
30,001	40,000	1	0.43	36,000	0.10
40,001	50,000	1	0.43	42,000	0.12
50,001	1,00,000	4	1.71	2,46,000	0.72
1,00,001	Above	29	12.39	3,24,83,520	94.61
	Total	**234**	**100.00**	**3,43,35,520**	**100.00**

Shareholding Pattern as on 31st March, 2016:

Sl. No.	Category	No. of Shares	As a percentage of (A+B)
A	Promoters' & Promoter Group Holding		
	Individuals	19,65,240	57.24
B	Non-Promoters' Holding		
	Venture Capital Funds	5,65,472	16.47
	Bodies Corporate	2,41,200	7.03
	Individuals	6,51,390	18.97
	Hindu Undivided Family	9,050	0.26
	Non-Resident Indians	1,200	0.03
	Total	**34,33,552**	**100.00**

Dematerialisation of Shares and Liquidity as on 31st March, 2016:

Sl. No.	Mode of Holding	No. of Shares	% to total equity shares
1	NSDL	28,08,920	81.81
2	CDSL	5,03,952	14.68
3	Physical	1,20,680	3.51
	Total	**34,33,552**	**100.00**

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

ANNEXURE TO BOARD'S REPORT

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	Unit – II situated at, Survey No. 101/5C & 101/5D Jagannathapuram Road, Athipedu Village, Ponneri Taluk, Chennai – 600 067.
3	Unit – III situated at, Survey No. 100/5, Athipedu Village, Jagannathapuram Road, Ponneri Taluk, Chennai – 600 067.	4	PU Division situated at, Survey No. 179/3B, Jagannathapuram Road, Irulipattu Village, Alingivakkam Post, Ponneri Taluk, Chennai – 600 067.
5	Lining Division situated at, Survey No. 234/2C Jaganathapuram-II, Ponneri Taulk, Tiruvallur District, Chennai – 600 067.	6	Research & Development centre situated at, Survey No. 179/3B, Jagannathapuram Road, Irulipattu Village, Ponneri Taulk, 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

V.A. GEORGE
Managing Director
DIN 01493737

Place : Chennai
Date : 30th May, 2016

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, 2016 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

M.D. RAVIKANTH
CFO & Secretary

V.A. GEORGE
Managing Director
DIN 01493737

Place : Chennai
Date : 30th May, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THEJO ENGINEERING LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THEJO ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2016, its profit and its cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

   c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;

   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;

   e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 Operating effectiveness of such controls, we give our separate report in Annexure-B; and

   g) With respect to the other matters to be included in the Auditors' 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 Company has disclosed the impact of pending litigations on its financial position as referred to in Note 25.1.4 to the standalone 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 required to be transferred, to the Investor Education and Protection Fund by the Company.

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

R. LAKSHMINARAYANAN
Partner
M. No. : 016246

Date : 30.05.2016
Place : Chennai

ANNEXURE-A TO THE AUDITORS' REPORT

This is the Annexure referred to in our report to the members of **THEJO ENGINEERING LIMITED** ("the Company") on the standalone financial statements for the year ended on 31.03.2016. We report that:

(i) (a) The Company has maintained proper records showing particulars, and situation of fixed assets.

(b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.

(iii) (a) The Company has granted unsecured advance, to one of its subsidiary companies, covered in the Register maintained under section 189 of the Act for which there are no terms of agreement for repayment of advance or payment of interest. The Company has also granted unsecured loan to another subsidiary, covered in the Register maintained under section 189 of the Act, the receipt of principal and interest whereof is regular.

(b) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(c) There is no overdue amount in respect of the loans mentioned in para (a) above.

(iv) Provisions of section 185 and 186 of the Act have been complied with in respect of loans, investments, guarantees, and security.

(v) The Company has not accepted any deposits from the Public.

(vi) Company maintains cost records as specified by the Central Government under sub-section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2016 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 or sales tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, the amounts involved and the forum where dispute is pending are mentioned below:

ANNEXURE-A TO THE AUDITORS' REPORT

₹ in Lakhs

Name of statute	Amount of Dispute (31/3/16)	Amount of Dispute (31/3/15)	Amount Deposited (31/3/16)	Period to which it relates	Forum where dispute is pending
APGST	8.40	8.40	1.00	2002-03	Commercial Tax Officer, Naidupet
APGST	9.92	9.92		2003-04	Commercial Tax Officer, Naidupet
Central Excise	29.69	29.69		1996-2000	Supreme Court
Central Excise	18.25	18.25		July 2000 - June 2004	CESTAT, Bangalore
Central Excise	3.49	3.49		July 2004 - Jan 2005	CESTAT, Bangalore
Central Excise	1.23	1.23		Feb 2005 - Aug 2005	CESTAT, Bangalore
Central Excise	0.66	0.66		Jan 2007 - April 2007	CESTAT, Bangalore
CST	2.36	2.36	1.00	2002 – 03	Commercial Tax Officer, Naidupet
CST	16.18	16.18		2000 -01	High Court of Judicature at Andhra Pradesh
Customs	12.50	12.50		Oct – 01	Commissioner of Customs
Income Tax	5.43	5.43		AY 2003-04 to AY 2008-09	Income Tax Department
Service Tax	5.33	5.33		2011-12	Service Tax Department
Central Excise	0.45	0.45	0.22	Sep 2005 - March 2006	CESTAT, Bangalore
CST	0.42	0.42		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Central Excise	1.36	1.36	0.68	April - Dec. 2006	CESTAT, Bangalore
Jharkhand Sales Tax	5.31	5.31		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Income Tax	58.47	58.47	30.00	A.Y 2001-02	CIT(A)
MP Sales Tax	1.04	1.04			Commissioner of Commercial Taxes

ANNEXURE-A TO THE AUDITORS' REPORT

Name of statute	Amount of Dispute (31/3/16)	Amount of Dispute (31/3/15)	Amount Deposited (31/3/16)	Period to which it relates	Forum where dispute is pending
IT – TDS – Salary	0.58	0.52			TDS – AO
IT – TDS – Non-Salary	1.31	1.00			TDS – AO
Service Tax	5.62	5.62		Apr-Sep 2014	Assistant Commissioner – Service Tax
West Bengal VAT	2.95	0.00	2.95		VAT Tribunal
Uttar Pradesh VAT	3.91	0.00		2011-12	Assistant Commissioner - Appeals
Total	**194.86**	**187.63**	**35.85**		

(viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(ix) Moneys raised by way of initial public offer and term loans were applied for the purposes for which those were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the 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 given to us and on the basis of 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 on the basis of our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

R. LAKSHMINARAYANAN
Partner
M. No. : 016246

Date : 30.05.2016
Place : Chennai

ANNEXURE-B TO THE AUDITORS' REPORT

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 at 31st March, 2016 in conjunction with our audit of the standalone 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 issued by the Institute of Chartered Accountants of India. 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 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 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, both issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 were established and maintained and such control operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 when 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 auditors' judgement, 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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 controls 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;

ANNEXURE-B TO THE AUDITORS' REPORT

(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 expenses of the Company are being made only in accordance with authorisations of management/ 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 management override of control, material misstatements due to fraud or error 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 controls 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 system of internal financial controls over financial reporting and such system was operating effectively as at 31st March, 2016, based on the details furnished by the Company and internal financial controls 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.

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

R. LAKSHMINARAYANAN
Partner
M. No. : 016246

Date : 30.05.2016
Place : Chennai

Balance Sheet as at 31st March, 2016

₹ in lakhs

Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
I. **EQUITY AND LIABILITIES**			
1 Shareholders' funds			
(a) Share capital	3	**343.36**	343.36
(b) Reserves and surplus	4	**6,474.13**	6,059.73
2 Share application money pending allotment		**0.00**	0.00
3 Non-current liabilities			
(a) Long-term borrowings	5	**802.15**	600.93
(b) Deferred tax liabilities (Net)	25.6	**4.12**	29.30
4 Current liabilities			
(a) Short-term borrowings	6	**2,892.03**	2,914.98
(b) Trade payables	7	**1,315.80**	1,539.66
(c) Other current liabilities	8	**1,456.97**	1,207.37
(d) Short-term provisions	9	**1,709.71**	2,238.06
TOTAL		**14,998.27**	14,933.39
II. **ASSETS**			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		**2,083.11**	2,165.98
(ii) Intangible assets		**30.32**	35.66
(iii) Capital work-in-progress		**31.37**	38.12
(b) Non-current investments	11	**1,862.28**	1,605.19
(c) Long-term loans and advances	12	**1,136.49**	493.55
2 Current assets			
(a) Inventories	13	**1,702.06**	1,410.63
(b) Trade receivables	14	**5,205.08**	5,422.42
(c) Cash and cash equivalents	15	**558.30**	795.41
(d) Short-term loans and advances	16	**1,042.07**	1,086.61
(e) Other current assets	17	**1,347.19**	1,879.82
TOTAL		**14,998.27**	14,933.39
Notes including significant accounting policies	1-26		

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

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

R. LAKSHMINARAYANAN
Partner
Membership No. 16246

Place : Chennai
Date : 30th May, 2016

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

M.D. RAVIKANTH
Chief Financial Officer &
Secretary

V.A. GEORGE
Managing Director
DIN 01493737

Profit and Loss Statement for the year ended 31st March, 2016

₹ in lakhs

Particulars	Note No.	For the year ended 31-03-2016	For the year ended 31-03-2015
I. Revenue from operations	18	**15,734.93**	16,894.18
II. Other income	19	**87.47**	73.10
III. Total Revenue (I+II)		**15,822.40**	16,967.28
IV. Expenses:			
Cost of materials consumed	20	**2,516.68**	2,829.63
Purchase of Traded Goods	20	**824.35**	1,933.58
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	**(225.21)**	(109.84)
Employee benefits expense	22	**5,628.22**	5,257.10
Finance costs	23	**577.76**	516.68
Depreciation and amortization expense	10	**418.14**	452.59
Other expenses	24	**5,270.45**	5,282.22
Total expenses		**15,010.39**	16,161.96
V. Profit before exceptional and extraordinary items and tax (III-IV)		**812.01**	805.32
VI. Exceptional items:		**-**	-
VII. Profit before extraordinary items and tax (V-VI)		**812.01**	805.32
VIII. Extraordinary Items		**-**	-
IX. Profit before tax (VII-VIII)		**812.01**	805.32
X. Tax expense:			
(1) Current tax		**278.16**	284.43
(2) Deferred tax	25.6	**(25.18)**	(25.77)
XI. Profit / (Loss) for the period (IX-X)		**559.03**	546.67
XII. Earnings per equity share (before & after extraordinary items)			
(1) Basic (in ₹)		**16.28**	15.92
(2) Diluted (in ₹)		**16.28**	15.92
Notes Including significant accounting policies	1-26		

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

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

R. LAKSHMINARAYANAN
Partner
Membership No. 16246

Place : Chennai
Date : 30th May, 2016

For and on behalf of the Board of Directors

K.J. JOSEPH
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Chief Financial Officer &
Secretary

V.A. GEORGE
Managing Director
DIN 01493737

Cash Flow Statement for the year ended 31st March, 2016

₹ in lakhs

Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
Cash Flow from Operating Activities		
Profit before tax as per Profit and Loss Statement	**812.01**	805.32
Adjustment for:		
Depreciation	**418.14**	452.59
Loss/(Profit) on sale of asset	**(5.46)**	(2.64)
Interest Paid	**577.76**	516.68
Interest on Fixed Deposit	**(58.36)**	(69.38)
Operating Profit before working capital changes	**1,744.09**	1,702.57
Adjustment for:		
Trade and Other Receivables	**223.86**	(579.66)
Inventories	**(291.43)**	(182.71)
Trade Payables and Other Liabilities	**(198.84)**	392.95
Cash Generated from Operations	**1,477.68**	1,333.16
Direct Taxes Paid	**(276.95)**	(287.67)
Net Cash from Operating Activities (A)	**1,200.74**	1,045.49
Cash Flow from Investing Activities		
Purchase of Fixed Assets	**(346.60)**	(448.58)
Sale of assets	**28.93**	5.21
Investments made	**(869.00)**	(687.47)
Interest on Fixed Deposit	**58.36**	69.38
Net cash used in Investing Activities (B)	**(1,128.31)**	(1,061.46)
Cash Flow from Financing Activities		
Increase in Term loan & Other credit facilities	**268.22**	478.88
Interest paid	**(577.76)**	(516.68)
Net Cash from/(used in) Financing Activities (C)	**(309.54)**	(37.80)
Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	**(237.11)**	(53.77)
Opening Cash & Cash Equivalents	**795.41**	849.18
Closing Cash & Cash Equivalents	**558.30**	795.41

Note: Closing Cash and Cash Equivalents includes ₹ 217.92 lakhs (Previous Year: ₹ 208.34 lakhs) in Fixed Deposits with Banks held as Margin Money for BG & LC.

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

R. LAKSHMINARAYANAN
Partner
Membership No. 16246

Place : Chennai
Date : 30th May, 2016

For and on behalf of the Board of Directors

K.J. JOSEPH
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Managing Director
DIN 01493737

Notes forming part of Financial Statements for the year ended 31st March, 2016

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, 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 to the existing shareholders in the ratio of 1:1 and the paid-up capital of the Company increased to ₹ 343.36 lakhs.

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.

The Company has 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 is primarily engaged in conveyor splicing, maintenance and related services. Thejo Brasil Comercio E Servicos Ltda and Thejo Engineering LatinoAmerica SpA are primarily engaged in sale of products manufactured by the Company.

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 annexure to the Companies (Accounting Standards) Rules,2006 and Section 133 of 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 Presentation and disclosure of financial statements

The Balance Sheet and the Profit and Loss Statement are prepared and presented in the format prescribed in the 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.

2.3 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires 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, provisions for doubtful debts, future obligations under employee retirement benefit plans, income tax, post-sales customer support and the useful lives of fixed tangible assets and intangible assets.

Notes forming part of Financial Statements for the year ended 31st March, 2016

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 changes in 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 Assets

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, borrowing cost and any cost directly attributable to bring the asset to its working condition for its intended use.

2.5 Depreciation

Tangible Assets

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 on year to year basis. 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.

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 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.

Notes forming part of Financial Statements for the year ended 31st March, 2016

2.10 Sales, Works Contracts and Services Income

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

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 Profit and Loss Statement, for the year.

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 given by the Corporation.

2.12 Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction or the average 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 Profit and Loss Statement. 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 Profit and Loss Statement 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 fact and legal aspects of the matter involved. Even if there is certainty of the obligation not falling on the Company, the same is considered as contingent liability. Contingent assets are neither recognized nor disclosed.

2.16 Dividend

Provision is made in the accounts for the dividend recommended by the Board of Directors, pending approval of the Shareholders at the Annual General Meeting. Provision for Dividend Distribution Tax is made at appropriate rate on the amount of provision made for dividend.

Notes forming part of Financial Statements as at 31st March, 2016

Note 3

SHARE CAPITAL

Particulars	As at 31-03-2016		As at 31-03-2015	
	Number	**Amount ₹ in lakhs**	Number	Amount ₹ in lakhs
Authorised				
Equity Shares of ₹ 10/- each	**1,00,00,000**	**1,000.00**	1,00,00,000	1,000.00
Issued				
Equity Shares of ₹ 10/- each	**34,33,552**	**343.36**	34,33,552	343.36
Subscribed & Paid up				
Equity Shares of ₹ 10/- each	**34,33,552**	**343.36**	34,33,552	343.36
(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 Profit & Loss & ₹ 171.68 lakhs from Securities Premium Account)				
Total	**34,33,552**	**343.36**	34,33,552	343.36
3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period				
Shares outstanding at the beginning of the year	**34,33,552**	**343.36**	34,33,552	343.36
Shares Issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**34,33,552**	**343.36**	34,33,552	343.36

3.2 Shares in the Company held by each shareholder holding more than 5 percent shares

Name of Shareholder	As at 31-03-2016		As at 31-03-2015	
	Number	**Percentage**	Number	Percentage
Mr. K.J. Joseph	**3,55,380**	**10.35%**	3,55,380	10.35%
Mr. Thomas John	**4,75,660**	**13.85%**	4,75,660	13.85%
SIDBI Venture Capital Ltd A/c India Opportunities Fund	**3,17,072**	**9.23%**	3,17,072	9.23%
Canbank Venture Capital Ltd A/c Emerging India Growth Fund	**2,48,400**	**7.23%**	2,48,400	7.23%
IDBI Capital Market Services Limited	**2,02,200**	**5.89%**	2,25,600	6.57%

Notes forming part of Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 4		
RESERVES AND SURPLUS		
a. Securities Premium Account		
Opening Balance	**1,845.32**	1,845.32
Add / Less: Adjustment	**0.00**	0.00
Closing Balance	**1,845.32**	1,845.32
b. General Reserve		
Opening Balance	**571.80**	517.13
(+) Appropriated from Profit and Loss Account	**55.91**	54.67
Closing Balance	**627.71**	571.80
c. Surplus from Profit and Loss Account		
Opening balance	**3,642.61**	3,355.78
(-) Book Value of Fixed Assets with no further useful life as on 01.04.2014 (Net)	**0.00**	60.54
(+) Net Profit / (Net Loss) For the current year	**559.03**	546.67
(-) Proposed Dividend	**120.17**	120.17
(-) Dividend Distribution Tax	**24.46**	24.46
(-) Transfer to General Reserve	**55.91**	54.67
Closing Balance	**4,001.10**	3,642.61
Total	**6,474.13**	**6,059.73**

Notes forming part of Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 5		
LONG TERM BORROWINGS		
Secured		
Term loans		
From Banks	**952.80**	688.68
Limit / Liability, Terms of Repayment & Security		
State Bank of Mysore		
Liability (incl Interest Not due) - Nil (₹ 165.06 Lakhs)		
Repayable within one year	**0.00**	41.91
Overdues / Defaults - Nil (Nil)		
Term loan from State Bank of Mysore has been taken over by Axis Bank Limited during the year.		
Axis Bank Limited		
1. Date of Sanction:15.03.2013 Ref No. AXISB/SME/S/CHN/12-13/642 &		
2. Date of Sanction: 03.02.2015 Ref No. AXISB/SME/S/CHN/14-15/69		
Sanctioned Limit : 1. ₹ 100 Lakhs & 2. ₹ 170 Lakhs		
Purpose : 1. Acquisition of Capital Assets & 2. Take over of Term Loan from State Bank of Mysore taken for acquisition of Capital Assets.		
Period of Repayment : 1. 60 monthly instalments commencing from 3 months from the date of last drawdown. 2. 51 monthly instalments of ₹ 3.33 lakhs per month. Interest to be paid as and when debited for both loan		
Amount of Instalment - 1. ₹ 1.67 Lakhs per month + interest & 2. ₹ 3.33 Lakhs per month + interest		
Security (For both loans) :		
First hypothecation charge over all machinery and equipment purchased under the Term Loan.		
Pari-passu charge with SBI & IOB over immovable properties under EM.		
Personal guarantee of : Mr. K.J. Joseph, Mr.Thomas John, Mr.Manoj Joseph, Mr. Rajesh John and Mrs. Celinamma John		
Liability (Incl interest not due) - ₹ 181.81 Lakhs (₹ 84.31 Lakhs)		
Repayable within one year	**60.00**	20.97
Overdues / Defaults - Nil (Nil)		
Export Import Bank of India		
Date of Sanction : 20.01.2014 Ref. CBG: OIF-715 : 321		
Sanctioned Limit : USD 1.25 million (Equi ₹ 753.48 Lakhs)		
Purpose : Onward lending to Thejo Australia Pty Ltd and Thejo Hatcon Industrial Services Company to meet their long term working capital requirements.		
Period of Repayment : 16 stepped up quarterly instalments commencing from 12 months after the date of first disbursement with interest to be paid quarterly on debit advice.		

Notes forming part of Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	**As at 31-03-2016**	As at 31-03-2015
Amount of Instalment - 2.5% of the loan amount per quarter in the first year; 5% of the loan amount per quarter in the second year; 7.5% of the loan amount per quarter in the third year and 10% of the loan amount per quarter in the fourth year after moratorium period.		
Security :		
Pari-passu first charge on the fixed assets of the Company and second charge on the current assets of the Company		
Personal guarantee of : Mr. K.J. Joseph, Mr.Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		
Liability (Incl interest not due) - ₹ 751.05 Lakhs (₹ 403.15 Lakhs)		
Repayable within one year	**109.26**	33.21
Overdues / Defaults - Nil (Nil)		
ICICI Bank Limited - Auto Loan		
Date of Sanction : 03.06.2014		
Sanctioned Limit : ₹ 28 Lakhs		
Purpose: Acquisition of Vehicle		
Period of Repayment : 60 Equated Monthly Instalments(including interest) from July 2014. Last Instalment June 2019		
EMI Payable - ₹ 0.60 Lakh per month		
Security :		
Hypothecation of Vehicle purchased under the loan		
Liability (Incl interest not due) - ₹ 19.94 Lakhs (₹ 24.87 Lakhs)		
Repayable within one year	**5.57**	5.09
Overdues / Defaults - Nil (Nil)		
From Others		
Financial Institutions	**47.94**	21.07
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 - ₹ 2.29 Lakhs per month for loan availed till 31.03.2016		
Security :		
Hypothecation of Vehicle purchased under the loan		
Personal guarantee of : Mr. Thomas John		
Liability (Incl interest not due) - ₹ 47.94 Lakhs (₹ 21.07 Lakhs)		
Repayable within one year	**23.76**	7.64
Overdues / Defaults - Nil (Nil)		
Total	**802.15**	**600.93**

Notes forming part of Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 6		
SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
From Banks	**2,892.03**	2,914.98

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

Limit / Liability, Terms of Repayment & Security

State Bank of Mysore

Liability - ₹ Nil (₹ 1,644.22 Lakhs)

Overdues / Defaults : Nil (Nil)

The Company has shifted its working capital facilities to the new consortium - State Bank of India, Axis Bank Limited and Indian Overseas Bank from its earlier consortium comprising State Bank of Mysore and Axis Bank Limited.

State Bank of India

Date of Sanction : 09.01.2015 Ref No. RM1/337

Limit: Cash Credit of ₹ 1,360 Lakhs +Stand by CC ₹ 136 Lakhs

Period of Repayment : On Demand

Security :

Charge on all the current assets on pari-passu basis. EM of immovable properties belonging to the Company and of plots nos. 41 & 42 and 39 & 40 at Kuttisseril Lake View Garden, Korattur Village, Saidapet Taluk in the name of Mr. Manesh Joseph and Mrs.Celinamma John respectively on pari-passu basis.

Hypothecation of movable fixed assets on pari-passu basis (Security to be shared with Axis Bank Limited and Indian Overseas Bank)

Personal guarantee of : Mr. K.J. Joseph, Mr.Thomas John, Mr. Manoj Joseph, Mr. Rajesh John, Mr. Manesh Joseph and Mrs.Celinamma John

Rate of Interest - 2.00% above base rate

Margin - Cash credit - 25% LC and BG - 15%

Liability - ₹ 1,050.47 Lakhs (₹ 384.73 Lakhs)

Overdues / Defaults : Nil (Nil)

Axis Bank Limited

Date of Sanction : 03.02.2015 Ref No. AXISB/SME/S/MEG/CHN/2014-15/69

Limit : Cash Credit of ₹ 1,020 Lakhs +Stand by CC ₹ 102 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, Mr. Rajesh John, Mr. Manesh Joseph and Mrs.Celinamma John

Rate of Interest - 1.85% above base rate

Margin - Cash credit - 25% LC and BG - 15%

Liability - ₹ 909.79 Lakhs (₹ 868.39 Lakhs)

Overdues / Defaults : Nil (Nil)

Indian Overseas Bank

Date of Sanction : 03.03.2015

Limit : Cash Credit of ₹ 1,000 Lakhs

Notes forming part of Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
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, Mr. Rajesh John, Mr. Manesh Joseph and Mrs.Celinamma John Rate of Interest - 1.75% above base rate Margin - Cash credit - 25% LC and BG - 15% Liability - ₹ 931.78 Lakhs (₹ 17.64 Lakhs) Overdues / Defaults : Nil (Nil)		
Total	**2,892.03**	2,914.98

Note 7

TRADE PAYABLES

Trade payables:		
Other than Acceptances	**1,315.80**	1,539.66
Total	**1,315.80**	1,539.66

Note 8

OTHER CURRENT LIABILITIES

Other payables		
Salary and Other Employee Benefits	**644.18**	586.74
Statutory Dues		
Commercial Tax	**48.99**	62.95
Service Tax	**17.34**	17.14
ESI	**5.78**	6.24
EPF	**35.41**	32.47
Profession Tax	**5.94**	4.98
TDS	**50.28**	33.73
Others	**53.34**	36.58
Outstanding Liabilities	**397.12**	317.72
Term Loan Instalments Repayable within 12 months	**192.45**	102.51
Interest accrued but not due on Term Loan	**6.14**	6.31
Total	**1,456.97**	1,207.37

Note 9

SHORT TERM PROVISIONS

(a) Provision for employee benefits		
Provision for Bonus / Ex-gratia	**113.21**	103.15
(b) Others		
Direct Taxes	**1,451.87**	1,990.27
Proposed Dividend (₹ 3.50/- per equity share of face value of ₹ 10/- each)	**120.17**	120.17
Dividend Distribution Tax	**24.46**	24.46
Total	**1,709.71**	2,238.06

Notes forming part of Financial Statements as at 31st March, 2016

Note 10 FIXED ASSETS

₹ in lakhs

NATURE OF ASSETS	GROSS BLOCK				DEPRECIATION					ADJUST-MENT	NET BLOCK	
	As at 01.04.2015	Addition for the year	Deduction	As at 31.03.2016	Useful Life	Upto 31.03.2015	Addition	Deduction	Upto 31.03.2016		As at 31.03.2016	As at 31.03.2015
					in years							
TANGIBLE ASSETS												
Land	65.72	0.00	0.00	65.72	NA	0.00	0.00	0.00	0.00	0.00	65.72	65.72
Factory Building	935.50	139.28	0.00	1,074.78	30	239.58	67.75	0.00	307.33	0.00	767.45	695.92
Office Building	39.72	0.00	0.00	39.72	30	17.91	2.83	0.00	20.74	0.00	18.98	21.80
Plant & Machinery												
Plant & Machinery at Factories	1,313.52	31.07	0.00	1,344.59	15	686.56	119.08	0.00	805.64	0.00	538.95	626.96
Plant & Machinery at Branches/Sites - Category 1	51.11	23.18	0.00	74.29	5	44.22	2.71	0.00	46.93	0.00	27.36	6.89
Plant & Machinery at Branches/Sites - Category 2	59.87	3.48	0.00	63.35	4	49.00	6.11	0.00	55.11	0.00	8.24	10.87
Plant & Machinery at Branches/Sites - Category 3	29.87	1.43	0.00	31.30	3	14.03	10.32	0.00	24.35	0.00	6.95	15.84
Plant & Machinery at Branches/Sites - Category 4	126.37	7.20	0.00	133.57	1	116.07	7.35	0.00	123.42	0.00	10.15	10.30
Plant & Machinery at Branches/Sites - Category 5	522.51	0.16	44.38	478.29	15	249.85	47.36	22.50	274.71	0.00	203.58	272.66
Boiler	71.13	0.00	0.00	71.13	15	38.98	5.73	0.00	44.71	0.00	26.42	32.15
Dyes & Moulds	165.92	40.97	0.00	206.89	15	63.52	20.28	0.00	83.80	0.00	123.09	102.41
Vehicle Four Wheelers	338.65	56.21	34.29	360.57	8	243.29	42.91	32.75	253.45	0.00	107.12	95.36
Vehicle Two Wheelers	28.46	4.16	0.00	32.62	10	19.99	2.56	0.00	22.55	0.00	10.07	8.47
Office Equipments - Category 1	30.43	5.97	0.00	36.40	5	24.56	3.92	0.00	28.48	0.00	7.92	5.87
Office Equipments - Category 2	9.83	0.37	0.92	9.28	2	7.76	1.61	0.87	8.50	0.00	0.78	2.06
Electrical Fittings	186.14	9.05	0.00	195.19	10	123.72	17.64	0.00	141.36	0.00	53.83	62.42
Furniture & Fittings	216.91	9.93	0.00	226.84	10	120.20	26.51	0.00	146.71	0.00	80.13	96.71
Computer	147.96	8.51	0.00	156.47	3	133.24	9.85	0.00	143.09	0.00	13.38	14.72
Computer Server	7.97	0.00	0.00	7.97	6	4.42	1.33	0.00	5.75	0.00	2.22	3.55
Generator	43.18	0.00	0.00	43.18	10	27.84	4.57	0.00	32.41	0.00	10.77	15.33
Total Tangible Assets (Current Year)	4,390.77	340.97	79.59	4,652.15		2,224.74	400.42	56.12	2,569.04	0.00	2,083.11	2,166.00
Total Tangible Assets (Previous Year)	3,982.25	433.84	25.33	4,390.77		1,711.20	444.61	22.76	2,133.05	91.71	2,166.00	2,271.05
INTANGIBLE ASSETS												
Technical Knowhow	1.75	0.00	0.00	1.75		1.75	0.00	0.00	1.75	0.00	0.00	0.00
Computer Software	77.06	12.38	0.00	89.44		41.41	17.71	0.00	59.12	0.00	30.32	35.65
Total Intangible Assets (Current Year)	78.81	12.38	0.00	91.19		43.16	17.71	0.00	60.87	0.00	30.32	35.64
Total Intangible Assets (Previous Year)	48.67	30.14	0.00	78.81		35.19	7.97	0.00	43.16	0.00	35.64	13.49
CAPITAL WORK IN PROGRESS												
Assets Under Construction	38.12	21.86	28.61	31.37	NA	0.00	0.00	0.00	0.00	0.00	31.37	38.12
Total Capital Work In Progress (Current Year)	38.12	21.86	28.61	31.37		0.00	0.00	0.00	0.00	0.00	31.37	38.12
Total Capital Work In Progress (Previous Year)	53.51	19.67	35.06	38.12		0.00	0.00	0.00	0.00	0.00	38.12	53.51
GRAND TOTAL	**4,507.70**	**375.21**	**108.20**	**4,774.71**		**2,267.90**	**418.13**	**56.12**	**2,629.91**	**0.00**	**2,144.80**	**2,239.75**
PREVIOUS YEAR	4,084.43	483.64	60.39	4,507.70		1,746.39	452.58	22.76	2,176.20	91.71	2,239.75	2,338.05

Notes forming part of Financial Statements as at 31st March, 2016

Note 11

NON-CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
A Trade Investments (Unquoted)	**1,862.28**	1,605.19
Investments in Equity Instruments	**1,862.28**	1,605.19
Total	**1,862.28**	1,605.19

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 31-3-2016	As at 31-3-2015			**As at 31-3-2016**	As at 31-3-2015	**As at 31-3-2016**	As at 31-3-2015	
									₹ in lakhs		
(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 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	**3,12,798**	1,39,070	Unquoted	Fully Paid	**99.99%**	99.99%	**64.17**	31.40	Yes
4	Thejo Engineering LatinoAmerica SpA	Subsidiary	**265**	40	Unquoted	Fully Paid	**99.62%**	97.50%	**261.52**	37.62	Yes
5	Saks Power P Ltd	Others	**4,200**	0	Unquoted	Fully Paid	**4.20%**	NA	**0.42**	0.00	Yes
	Total								**1,862.28**	1,605.19	

Notes forming part of Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 12		
LONG TERM LOANS AND ADVANCES		
a. EMD and Security Deposits		
Unsecured, considered good	**166.19**	151.76
b. Other Deposits		
Unsecured, considered good		
Rental Deposit	**107.86**	108.31
Deposit with Government Agencies	**10.26**	9.97
Others	**61.89**	45.13
c. Long Term Loans & Advances to related parties		
Unsecured, considered good		
Thejo Australia Pty Ltd	**582.16**	178.38
Thejo Hatcon Industrial Services Company	**208.13**	0.00
Total	**1,136.49**	493.55
Note 13		
INVENTORIES (As certified by Management)		
a. Raw Materials and components	**613.47**	547.25
b. Work-in-progress	**389.27**	168.62
c. Finished goods	**620.01**	653.05
d. Stock in Trade	**50.81**	32.22
e. Scrap stock from fire accident	**0.00**	9.49
f. Stock in Transit	**28.50**	0.00
Total	**1,702.06**	1,410.63
Note 14		
TRADE RECEIVABLES		
Trade receivables outstanding for a period less than six months from the date they are due for payment.		
Unsecured, considered good	**4,337.42**	4,739.68
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**867.66**	682.74
Total	**5,205.08**	5,422.42

Notes forming part of Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 15		
CASH AND CASH EQUIVALENTS		
a. Balances with banks		
(i) In Current Accounts	**211.22**	450.66
(ii) In Deposit Accounts (₹ 217.92 lakhs (PY ₹ 208.34 lakhs) Held as Margin Money for BG & LC)	**316.63**	313.79
b. Cheques, drafts on hand	**6.00**	0.00
c. Cash on hand	**24.45**	30.96
Total	**558.30**	795.41
Note 16		
SHORT-TERM LOANS AND ADVANCES		
Others (unsecured, considered good)		
EMD & Security deposits	**517.56**	474.27
Others	**524.51**	612.34
Total	**1,042.07**	1,086.61
Note 17		
OTHER CURRENT ASSETS		
Direct Tax payments	**1,325.11**	1,864.73
Balance with Central Excise Authority	**22.08**	15.09
Total	**1,347.19**	1,879.82

Notes forming part of Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
Note 18		
REVENUE FROM OPERATIONS		
Sale of Products	**7,478.54**	7,987.22
Sale of Services & Works Contract	**8,650.28**	9,238.15
Other Operating Income	**35.97**	39.21
Less:		
Excise duty	**429.86**	370.40
Total	**15,734.93**	16,894.18
Note 19		
OTHER INCOME		
Interest	**58.36**	69.38
Miscellaneous Income	**23.65**	1.08
Profit on sale of assets	**5.46**	2.64
Total	**87.47**	73.10
Note 20		
COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	**547.25**	474.38
Add: Purchases made during the year	**2,269.31**	2,529.24
	2,816.56	3,003.62
Less: Closing Stock of Raw Materials	**613.47**	547.25
	2,203.09	2,456.37
Add: Consumables	**313.59**	373.26
Total	**2,516.68**	2,829.63
Purchase of Traded Goods	**824.35**	1,933.58

Notes forming part of Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	**For the year ended 31-03-2016**	For the year ended 31-03-2015
Note 21		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock :		
Work-in-Progress	**168.62**	290.78
Finished Goods	**653.05**	423.60
Stock-in-Trade	**32.22**	9.72
Scrap Stock from fire accident	**9.49**	29.44
Closing Stock :		
Work-in-Progress	**389.27**	168.62
Finished Goods	**620.01**	653.05
Stock-in-Trade	**50.81**	32.22
Scrap Stock from fire accident	**0.00**	9.49
Stock in Transit	**28.50**	0.00
Total	**(225.21)**	(109.84)
Note 22		
EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and incentives	**4,421.27**	4,205.30
(b) Contributions to PF, Superannuation, Gratuity & ESI	**431.11**	363.87
(c) Staff welfare expenses	**629.12**	570.74
(d) LTA, Ex-gratia, & Leave Encashment	**146.72**	117.19
Total	**5,628.22**	5,257.10
Note 23		
FINANCE COSTS		
Interest	**455.60**	428.68
Other finance costs	**122.16**	88.00
Total	**577.76**	516.68

Notes forming part of Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	**For the year ended 31-03-2016**	For the year ended 31-03-2015
Note 24		
OTHER EXPENSES		
A. Manufacturing & Other Direct Expenses		
Power and fuel	**245.52**	238.53
Machinery Maintenance	**113.93**	123.74
Factory Maintenance	**18.66**	16.82
Electrical maintenance	**10.52**	16.22
Testing charges	**2.90**	5.28
Dyes & Moulding charges	**29.06**	23.12
Cartage, Coolie & Freight charges	**312.14**	306.18
Packing materials & charges	**133.02**	129.94
Service & Labour charges	**1,405.45**	1,162.27
Total Manufacturing & Other Direct Expenses	**2,271.20**	2,022.10
B. Administrative & Selling Expenses		
Professional Service Charges	**163.97**	389.70
Rent	**204.70**	192.58
Repairs & Maintenance	**47.27**	46.27
Travelling, Conveyance & Vehicle hire charges	**383.15**	422.84
Foreign Travel expenses	**21.45**	25.10
Vehicle Maintenance	**126.45**	139.43
Difference in foreign exchange (Loss)	**0.00**	47.71
Telephone, Telex & Postage	**74.01**	77.31
Printing & Stationery	**35.07**	29.33
Office Maintenance	**48.30**	39.75
Books & Periodicals	**3.03**	3.77
Computer Maintenance	**17.81**	12.86
Seminar & Conference	**5.31**	4.96
Electricity	**21.86**	18.28
Legal Fee & Charges	**2.21**	3.00
Donation	**9.94**	10.57

Notes forming part of Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	**For the year ended 31-03-2016**	For the year ended 31-03-2015
OTHER EXPENSES (Contd.)		
Recruitment, Training & Development	**13.51**	3.85
ECGC Premium	**1.03**	0.85
ISO Certification Charges	**0.57**	1.48
CSR Expenses	**24.18**	27.01
Insurance	**34.73**	27.42
Rates and taxes	**12.53**	26.41
Directors Sitting Fees	**11.40**	13.30
Commission	**51.58**	14.15
Advertisement	**1.79**	2.17
Sales Promotion Expenses	**18.31**	14.30
Freight on Exports	**19.23**	21.33
Loading & Unloading charges	**12.17**	9.66
Late Delivery Charges	**34.40**	52.29
Bad Debts	**73.26**	1.50
Payments to the Auditors		
a. Statutory Audit	**5.00**	5.00
b. Tax Audit	**1.00**	1.00
c. For certification & other services	**6.11**	4.78
Miscellaneous expenses	**5.74**	5.39
Total Administration & Selling Expenses	**1,491.07**	1,695.35
Sales Tax, Service Tax, & Other Indirect Tax Expenses	**1,508.17**	1,564.77
Total	**5,270.44**	5,282.21

Notes forming part of Financial Statements for the year ended 31st March, 2016

Note 25 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

Note 25.1 Contingent Liabilities (to the extent not provided for)

₹ in lakhs

Particulars	**2015-16**	2014-15
25.1.1 Claims against the company not acknowledged as debts	**-**	-
25.1.2 Guarantees issued by the Banks	**1,049.25**	999.06
25.1.3 Guarantee provided by the Company (for loan availed by Thejo Australia Pty Ltd)	**49.69**	77.66
	1,098.94	1,076.72

25.1.4 Others **₹ in lakhs**

Name of statute	Amount of Dispute (31/3/16)	Amount of Dispute (31/3/15)	Amount Deposited (31/3/16)	Period to which it relates	Forum where dispute is pending
APGST	8.40	8.40	1.00	2002-03	Commercial Tax Officer, Naidupet
APGST	9.92	9.92		2003-04	Commercial Tax Officer, Naidupet
Central Excise	29.69	29.69		1996-2000	Supreme Court
Central Excise	18.25	18.25		July 2000 - June 2004	CESTAT, Bangalore
Central Excise	3.49	3.49		July 2004 - Jan 2005	CESTAT, Bangalore
Central Excise	1.23	1.23		Feb 2005 - Aug 2005	CESTAT, Bangalore
Central Excise	0.66	0.66		Jan 2007 - April 2007	CESTAT, Bangalore
CST	2.36	2.36	1.00	2002 – 03	Commercial Tax Officer, Naidupet
CST	16.18	16.18		2000 -01	High Court of Judicature at Andhra Pradesh
Customs	12.50	12.50		Oct – 01	Commissioner of Customs
Income Tax	5.43	5.43		AY 2003-04 to 2008-09	Income Tax Department
Service Tax	5.33	5.33		2011-12	Service Tax Department
Central Excise	0.45	0.45	0.22	Sep 2005 - March 2006	CESTAT, Bangalore
CST	0.42	0.42		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Central Excise	1.36	1.36	0.68	April - Dec. 2006	CESTAT, Bangalore
Jharkhand Sales Tax	5.31	5.31		2004 – 05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand

Notes forming part of Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Name of statute	Amount of Dispute (31/3/16)	Amount of Dispute (31/3/15)	Amount Deposited (31/3/16)	Period to which it relates	Forum where dispute is pending
Income Tax	58.47	58.47	30.00	A.Y 2001-02	CIT(A)
MP Sales Tax	1.04	1.04			Commissioner of Commercial Taxes
IT – TDS –Salary	0.58	0.52			TDS – AO
IT – TDS –Non-Salary	1.31	1.00			TDS – AO
Service Tax	5.62	5.62		Apr-Sep 2014	Assistant Commissioner – Service Tax
West Bengal VAT	2.95	0.00	2.95		VAT Tribunal
Uttar Pradesh VAT	3.91	0.00		2011-12	Assistant Commissioner - Appeals
Total	**194.86**	**187.63**	**35.85**		

25.1.5. Commitments

Estimated amount of contracts remaining to be executed on capital account: ₹ 31.37 lakhs (Previous Year - ₹ 236.08 lakhs)

₹ in lakhs

Particulars	**2015-16**	2014-15
Note 25.2 Foreign currency transactions		
25.2.1 Payments in foreign currency towards Imports		
Imports at CIF Value		
Raw Materials and Traded goods	**400.73**	318.80
Capital goods	**18.54**	0.00
25.2.2 Payments in foreign currency towards Expenditure		
Expenditure in Foreign currency		
Professional and consultation fees	**8.77**	245.66
Foreign Tour	**3.75**	13.74
Salaries & Incentives of Perth Branch	**175.91**	131.54
Other Expenditure of Perth Branch	**164.40**	154.99
Others	**37.08**	4.94
25.2.3 Earnings in foreign currency on Accrual basis		
Earnings in foreign exchange		
Exports - Products	**1,659.91**	1,032.86
Exports - Services	**4.50**	7.70
Sale of Fixed Asset	**0.00**	0.00

Notes forming part of Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	**2015-16**	2014-15
25.2.4 Net Gain or Loss on Foreign Currency Translation		
Profit/(Loss) on Foreign Currency Translation	**23.60**	(47.71)

Note 25.3 Employee Benefits

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

25.3.1 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 Profit & Loss Statement for the year.

25.3.2 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	**2015-16**	2014-15
Discount Rate	**8.00%**	8.00%
Salary Escalation	**5.00%**	5.00%

₹ in lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Table Showing Changes in Present Value of Obligations		
Present value of obligations at the beginning of the year	**198.04**	173.23
Interest Cost	**15.84**	13.86
Current Service Cost	**24.29**	20.41
Benefits Paid	**(6.53)**	(34.67)
Actuarial (Gain) / Loss on obligations	**25.53**	25.20
Present value of obligations as at end of the year	**257.17**	198.04
Table Showing Changes in Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the year	**174.83**	195.62
Expected return on plan assets	**18.85**	16.42
Contributions	**46.20**	(2.54)
Benefits Paid	**(6.53)**	(34.67)
Actuarial Gain / (Loss) on plan assets	**0.00**	0.00
Fair value of plan assets at the end of the year	**233.35**	174.83

Notes forming part of Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Table Showing Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the year	**174.83**	195.62
Actual return on plan assets	**18.85**	16.42
Contributions	**46.20**	(2.54)
Benefits Paid	**(6.53)**	(34.67)
Fair value of plan assets at the end of the year	**233.35**	174.83
Funded Status	**(23.82)**	(23.20)
Excess of Actual over Estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March, 2016)	**0.00**	0.00

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Actuarial Gain / Loss Recognized		
Actuarial (gain) / loss on obligations	**(25.53)**	(25.20)
Actuarial (gain) / loss for the year - plan assets	**0.00**	0.00
Total (gain) / loss for the year	**25.53**	25.20
Actuarial (gain) / loss recognized in the year	**25.53**	25.20

	As at 31st March, 2016	As at 31st March, 2015
Amounts to be Recognized In Balance Sheet & Profit & Loss Statement		
Present value of obligations as at the end of the year	**257.17**	198.04
Fair value of plan assets as at the end of the year	**233.35**	174.83
Funded Status	**(23.82)**	(23.20)
Net asset / (liability) recognized in balance sheet	**(23.82)**	(23.20)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Expenses Recognized In Profit & Loss Statement		
Current Service Cost	**24.29**	20.41
Interest Cost	**15.84**	13.86
Expected return on plan assets	**(18.85)**	(16.42)
Net Actuarial (gain) / loss recognized in the year	**25.53**	25.20
Expenses recognized in profit and loss statement	**46.81**	43.05

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

Notes forming part of Financial Statements for the year ended 31st March, 2016

Note 25.4 Segment Reporting

Primary Segment Information (Business Segment) **₹ in lakhs**

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others			
	2015-16	2014-15	**2015-16**	2014-15	**2015-16**	2014-15	**2015-16**	2014-15
Segment Revenue	**6,596.23**	6,610.73	**9,416.35**	10,009.54	**1,577.56**	2,353.74	**17,590.14**	18,974.01
Less: Inter segment Revenue	**1,864.76**	2,103.57	**15.53**	1.02	**10.94**	14.45	**1,891.23**	2,119.04
Total Revenue	**4,731.47**	4,507.16	**9,400.82**	10,008.53	**1,566.62**	2,339.29	**15,698.91**	16,854.97
Segment Results	**1,375.66**	1,071.96	**948.12**	1,592.44	**132.16**	(86.41)	**2,455.94**	2,577.99
Less : Finance Cost							**1,066.17**	516.68
Un allocable Expenses (net of income)							**577.76**	1,255.99
Total Profit Before Tax							**812.01**	805.32
Tax Expenses							**252.98**	258.65
Profit after Tax							**559.03**	546.67
Segment Assets	**4,742.62**	4,788.85	**3,565.16**	3,621.70	**464.35**	252.80	**8,772.13**	8,663.36
Segment Liabilities	**779.43**	1,085.35	**197.39**	308.82	**269.24**	65.79	**1,246.06**	1,459.96
Capital Employed	**3,963.19**	3,703.50	**3,367.77**	3,312.88	**195.11**	187.02	**7,526.07**	7,203.40
Less: Un allocated Capital Employed							**(708.58)**	(800.32)
Total Capital Employed							**6,817.49**	6,403.08

There is no reportable secondary segment, i.e., geographic segment.

Note 25.5 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. V.A. George	Key Management Personnel
Mr. K.J. Joseph	Key Management Personnel
Mr. Thomas John	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

Notes forming part of Financial Statements for the year ended 31st March, 2016

Related Party Transaction Details: ₹ in lakhs

Related Party	Nature of Payment	Current Year Transaction	Outstanding as on 31st March, 2016
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	32.77	**64.17**
Thejo Engineering LatinoAmerica SpA	Share Capital	223.90	**261.52**
Thejo Hatcon Industrial Services Company	Loan (including interest thereon)	210.50	**210.50**
Thejo Australia Pty Ltd	Loan (including interest thereon)	346.63	**570.09**
Thejo Hatcon Industrial Services Company	Advance	0.00	**114.15**
Thejo Hatcon Industrial Services Company	Purchase & Sales	(90.03)	**61.37**
Thejo Australia Pty Ltd	Purchase & Sales	43.28	**204.62**
Thejo Brasil Comercio E Servicos Ltda	Purchase & Sales	22.70	**22.70**
Thejo Engineering LatinoAmerica SpA	Purchase & Sales	67.48	**73.45**
Mr. V.A. George	Remuneration	42.00	**0.00**
Mr. Manoj Joseph	Remuneration	33.83	**(1.35)**
Mr. Rajesh John	Remuneration	23.15	**(1.09)**
Mr. M.D. Ravikanth	Remuneration	20.99	**(0.82)**
Mr. K.J. Joseph	Sitting Fee	1.20	**0.00**
Mr. Thomas John	Sitting Fee	1.50	**0.00**
Mr. Manesh Joseph	Remuneration	17.96	**(1.15)**
Mrs. Rosamma Joseph	Remuneration	12.09	**(0.78)**
Mrs. Celinamma John	Remuneration	11.95	**(0.84)**

Note 25.6 Calculation of Deferred Tax ₹ in lakhs

Particulars	DTA	DTL	DTA	DTL
	31st March, 2016		31st March, 2015	
Opening Balance	**0.00**	**29.30**	0.00	86.25
Timing Difference in Depreciation	**26.99**	**0.00**	26.64	0.00
Profit on sale of asset	**0.00**	**1.81**	0.00	0.86
On Account of WDV of Fixed Assets written off against opening Reserves	**0.00**	**0.00**	31.17	0.00
Total	**26.99**	**31.11**	57.81	87.11
Net Deferred Tax Liability/(Asset)	**0.00**	**4.12**	0.00	29.30

Note 25.7 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.

Notes forming part of Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Items	2015-16	2014-15
Note 25.8 Particulars of Stock		
Purchase of Goods (including Trading)		
Rubber Items	**1,279.49**	3,013.34
Others	**2,127.76**	1,822.74
Total	**3,407.25**	4,836.08
Raw Materials Consumed (including Trading)		
Rubber Items	**1,252.97**	3,044.74
Others	**2,088.05**	1,718.47
Total	**3,341.02**	4,763.21
Stock Particulars Raw Materials, WIP & Finished Goods (including Trading)		
Opening Stock		
Rubber Items	**986.39**	885.12
Others	**394.08**	313.36
Total	**1,380.47**	1,198.48
Closing Stock		
Rubber Items	**1,066.36**	986.39
Others	**607.20**	394.08
Total	**1,673.56**	1380.47

Value of Raw Materials, Spare Parts and Components consumed — Value – **₹ in lakhs**

Items	2015-16		2014-15	
	% of Consumption	Value	% of Consumption	Value
Imported	**11.34%**	**378.73**	7.07%	336.92
Indigenous	**88.66%**	**2,962.29**	92.93%	4,426.29
Total		**3,341.02**		4,763.21

₹ in lakhs

Items	2015-16	2014-15
Gross Income from services		
Maintenance & Repair Services	**8,310.09**	8,985.74
Manpower Supply Services	**159.37**	107.61
Others	**180.82**	144.80
Total	**8,650.28**	9,238.15
Stock Particulars Work In Progress		
Opening Stock		
Rubber Items	**128.12**	195.99
Others	**40.50**	94.79
Total	**168.62**	290.78
Closing Stock		
Rubber Items	**350.56**	128.12
Others	**38.71**	40.50
Total	**389.27**	168.62

Notes forming part of Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	**2015-16**	2014-15
Note 25.9 Earnings Per Share		
Basic & Diluted:		
Net Profit after Tax (₹ in Lakhs)	**559.03**	546.67
Weighted Average Number of Equity Shares during the year (Nos.)	**3433552**	3433552
Earnings per Share (₹)	**16.28**	15.92
Note 25.10 Payment to Auditors:		
For Audit	**5.00**	5.00
For Taxation Matters	**1.00**	1.00
For Company Law Matters	**0.00**	0.00
For Management Services	**0.00**	0.00
For Other Services	**6.11**	4.78
For Reimbursement of Expenses	**0.00**	0.00
Total	**12.11**	10.78

Note 25.11 Corporate Social Responsibility

The Company has spent ₹ 24.18 lakhs for various CSR activities.

Note 25.12 Other Disclosures

25.12.1 Utilization of IPO Proceeds	**Upto 2015-16**	Upto 2014-15
IPO Proceeds collected	**2,100.66**	2,100.66
IPO Proceeds utilized		
- Setting up a polyurethane Unit.	**68.28**	68.28
- Expansion of existing facilities	**686.59**	521.40
- Setting up R&D Unit	**283.06**	283.06
- Setting up a Lining Plant	**169.04**	169.04
- Investment in Subsidiary, Thejo Australia Pty Ltd.	**642.00**	642.00
- IPO Issue Expenses	**218.68**	218.68
-Corporate purposes	**33.01**	33.01
Total	**2,100.66**	1,935.47
IPO Proceeds unutilized	**0.00**	165.19

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

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

Notes forming part of Financial Statements for the year ended 31st March, 2016

Asset	Useful Life as Evaluated	Useful Life as per Schedule II
Hardness tester, Welding machines and similar assets (Plant & Machinery at Branch/Sites- Category 1)	5 years	15 years
Chain Pulley Blocks (Plant & Machinery at Branch/Sites- Category 2)	4 years	15 years
Wire Ropes and similar assets (Plant & Machinery at Branch/Sites- Category 3)	3 years	15 years
Pulling lifting machine, Hook chook, drilling, buffing, grinding & sander machines, Hot air gun and similar assets (Plant & Machinery at Branch/Sites- Category 4)	1 year	15 years
Air / Water Cooler and similar assets (Office Equipment - Category 2)	2 years	5 years

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.

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

25.12.5 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.

25.12.6 The Company has incurred a revenue expenditure (excluding depreciation) of ₹ 88.12 lakhs and capital expenditure of ₹ 0.20 lakhs in relation to Research and Development.

Note 26 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 JOSEPH & RAJARAM
(ICAI Registration No. 001375S)
Chartered Accountants

R. LAKSHMINARAYANAN
Partner
Membership No. 16246

Place : Chennai
Date : 30th May, 2016

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

M.D. RAVIKANTH
Chief Financial Officer &
Secretary

V.A. GEORGE
Managing Director
DIN 01493737

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THEJO ENGINEERING LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **THEJO ENGINEERING LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Profit and Loss Statement, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013, (hereinafter referred to as "the Act"), 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the 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 the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

INDEPENDENT AUDITORS' REPORT

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

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 the consolidated state of affairs of the Group as at 31st March, 2016, its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not carry out the audit of the financial statements/financial information of the subsidiary THEJO HATCON INDUSTRIAL SERVICES COMPANY, Saudi Arabia whose financial statements/financial information reflect total assets of Saudi Riyal 85,30,685 (INR 1507.11 lakhs) as at 31st March, 2016, total revenues of Saudi Riyal 24,50,891 (INR 420.04 lakhs) and net cash flows amounting to Saudi Riyal -1,22,823(-INR 18.07 lakhs) for the year ended on that date, as considered in the Consolidated Financial Statements subject to consolidation adjustments. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the certificate given by the Management.

(b) We did not carry out the audit of the financial statements / financial information of the subsidiary THEJO AUSTRALIA PTY LTD, Australia whose financial statements / financial information reflect total assets of AUD 56,33,501 (INR 2865.55 lakhs) as at 31st March, 2016, total revenues of AUD 36,39,048 (INR 1788.33 lakhs) and net cash flows amounting to AUD -2,19,150 (-INR 101.25 lakhs) for the year ended on that date, as considered in the Consolidated Financial Statements subject to consolidation adjustments. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the certificate given by the Management.

(c) We did not carry out the audit of the financial statements / financial information of the subsidiary THEJO BRASIL COMERCIO E SERVICOS LTDA, Brazil whose financial statements / financial information reflect total assets of Brazilian Real 4,35,062(INR 80.35 lakhs) as at 31st March, 2016, total revenues of Brazilian Real 1,31,268(INR 24.89 lakhs) and net cash flows amounting to Brazilian Real -48,806 (-INR 9.61 lakhs) for the year ended on that date, as considered in the Consolidated Financial Statements subject to consolidation adjustments. These financial statements or financial information have been audited by other Auditors whose Report has been furnished to us by the Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the audit report given by the other auditors.

(d) We did not carry out the audit of the financial statements / financial information of the subsidiary THEJO ENGINEERING LATINOAMERICA SPA, Chile whose financial statements / financial information reflect total assets of USD 5,51,535 (INR 365.39 lakhs) as at 31st March, 2016, total revenues of USD 69,294 (INR 44.54 lakhs) and net cash flows amounting to USD -17,374 (-INR 9.95 lakhs) for the year ended on that date, as considered in the Consolidated Financial Statements subject to consolidation adjustments.

INDEPENDENT AUDITORS' REPORT

These financial statements or financial information have been audited by other Auditors whose Report has been furnished to us by the Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the audit report given by the other auditors.

Since the financial statements of two of the subsidiaries for the financial year ended 31st March, 2016, which were compiled by respective management of these companies, were not audited, any adjustments to their balances could have consequential effects on the attached consolidated financial statements.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, are not modified in respect of the above mentioned Other Matters.

Report on Other Legal and Regulatory Requirements

1. The Holding Company does not have any Subsidiary incorporated in India. Hence, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of 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 Act to the extent applicable to the Holding Company.

2. As required by Section143 (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 of the Holding Company and our reliance on the certificate given by the Management in respect of two subsidiaries and audit report given by other auditors in respect of the other two subsidiaries.

   c. The Consolidated Balance Sheet, the Consolidated Profit and Loss Statement, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 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, 2016 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 Group and Operating effectiveness of such controls, we give our separate report in Annexure B, in respect of the Holding Company as Holding Company doesn't have any subsidiary incorporated in India; and

INDEPENDENT AUDITORS' REPORT

g. With respect to the other matters to be included in the Auditors' 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 consolidated financial statements disclose the impact of pending litigations on the financial position of the group as referred to in Note 27.1.3 to the Consolidated Financial Statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and

iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

R. LAKSHMINARAYANAN
Partner
M. No. : 016246

Date : 30.05.2016
Place : Chennai

ANNEXURE-A TO THE AUDITORS' REPORT

This is the Annexure referred to in our report to the members of **THEJO ENGINEERING LIMITED** ("the Holding Company") on the consolidated financial statements for the year ended on 31.03.2016. We report that:

(i) (a) The Holding Company has maintained proper records showing particulars, and situation of fixed assets.

(b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, the title deeds of immovable properties are held in the name of the Holding Company.

(ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.

(iii) (a) The Holding Company has granted unsecured advance, to one of its subsidiary companies, covered in the Register maintained under section 189 of the Act for which there are no terms of agreement for repayment of advance or payment of interest. The Holding Company has also granted unsecured loan to another subsidiary, covered in the Register maintained under section 189 of the Act, the receipt of principal and interest whereof is regular.

(b) The terms and conditions of the grant of such loans are not prejudicial to the Holding Company's interest.

(c) There is no overdue amount in respect of the loans mentioned in para (a) above.

(iv) Provisions of section 185 and 186 of the Act have been complied with in respect of loans, investments, guarantees, and security.

(v) The Holding Company has not accepted any deposits from the Public.

(vi) Holding Company maintains cost records as specified by the Central Government under sub-section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Holding Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2016 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 or sales tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, the amounts involved and the forum where dispute is pending are mentioned below:

ANNEXURE-A TO THE AUDITORS' REPORT

₹ in lakhs

Name of statute	Amount of Dispute (31/3/16)	Amount of Dispute (31/3/15)	Amount Deposited (31/3/16)	Period to which it relates	Forum where dispute is pending
APGST	8.40	8.40	1.00	2002-03	Commercial Tax Officer, Naidupet
APGST	9.92	9.92		2003-04	Commercial Tax Officer, Naidupet
Central Excise	29.69	29.69		1996-2000	Supreme Court
Central Excise	18.25	18.25		July 2000 - June 2004	CESTAT, Bangalore
Central Excise	3.49	3.49		July 2004 - Jan 2005	CESTAT, Bangalore
Central Excise	1.23	1.23		Feb 2005 - Aug 2005	CESTAT, Bangalore
Central Excise	0.66	0.66		Jan 2007 - April 2007	CESTAT, Bangalore
CST	2.36	2.36	1.00	2002-03	Commercial Tax Officer, Naidupet
CST	16.18	16.18		2000-01	High Court of Judicature at Andhra Pradesh
Customs	12.50	12.50		Oct-01	Commissioner of Customs
Income Tax	5.43	5.43		AY 2003-04 to AY 2008-09	Income Tax Department
Service Tax	5.33	5.33		2011-12	Service Tax Department
Central Excise	0.45	0.45	0.22	Sep 2005 - March 2006	CESTAT, Bangalore
CST	0.42	0.42		2004-05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Central Excise	1.36	1.36	0.68	April - Dec. 2006	CESTAT, Bangalore
Jharkhand Sales Tax	5.31	5.31		2004-05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Income Tax	58.47	58.47	30.00	A.Y 2001-02	CIT(A)
MP Sales Tax	1.04	1.04			Commissioner of Commercial Taxes
IT – TDS – Salary	0.58	0.52			TDS – AO

ANNEXURE-A TO THE AUDITORS' REPORT

₹ in lakhs

Name of statute	Amount of Dispute (31/3/16)	Amount of Dispute (31/3/15)	Amount Deposited (31/3/16)	Period to which it relates	Forum where dispute is pending
IT – TDS – Non-Salary	1.31	1.00			TDS – AO
Service Tax	5.62	5.62		Apr-Sep 2014	Assistant Commissioner – Service Tax
West Bengal VAT	2.95	0.00	2.95		VAT Tribunal
Uttar Pradesh VAT	3.91	0.00		2011-12	Assistant Commissioner - Appeals
Total	**194.86**	**187.63**	**35.85**		

(viii) The Holding Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(ix) Moneys raised by way of initial public offer and term loans were applied for the purposes for which those were raised.

(x) According to the information and explanations given to us, no material fraud by the Holding Company or any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, the Holding Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Holding Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Consolidated Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, the Holding 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 on the basis of our examination of the records of the Holding Company, the Holding Company has not entered into non-cash transactions with directors or persons connected with the Directors.

(xvi) The Holding Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

R. LAKSHMINARAYANAN
Partner
M. No. : 016246

Date : 30.05.2016
Place : Chennai

ANNEXURE-B TO THE AUDITORS' REPORT

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 Holding Company") as at 31st March, 2016 in conjunction with our audit of the consolidated financial statements for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 Holding 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding 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, both issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 were established and maintained and such control operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 when 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 auditors' judgement, 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 Holding Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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 controls 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 expenses of the Company are being made only in accordance with authorisations of management/ directors of the Company; and

ANNEXURE-B TO THE AUDITORS' REPORT

(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 management override of controls, material misstatements due to fraud or error 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 controls 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 has, in all material respects, an adequate system of internal financial controls over financial reporting and such system was operating effectively as at 31st March, 2016, based on the details furnished by the Holding Company and internal financial controls over financial reporting criteria established by the Holding 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.

For JOSEPH & RAJARAM
Chartered Accountants
Firm Reg. No. : 001375S

R. LAKSHMINARAYANAN
Partner
M. No. : 016246

Date : 30.05.2016
Place : Chennai

Consolidated Balance Sheet as at 31st March, 2016

₹ in lakhs

Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
I. **EQUITY AND LIABILITIES**			
1 Shareholders' funds			
(a) Share capital	3	**343.36**	343.36
(b) Reserves and surplus	4	**4,630.11**	4,773.53
2 Share application money pending allotment		**0.00**	0.00
3 Minority Interest	5	**215.93**	294.80
4 Non-current liabilities			
(a) Long-term borrowings	6	**802.22**	671.23
(b) Deferred tax liabilities (Net)	27.6	**0.00**	9.56
5 Current liabilities			
(a) Short-term borrowings	7	**2,892.03**	2,914.98
(b) Trade payables	8	**1,545.61**	1,949.52
(c) Other current liabilities	9	**2,127.25**	1,569.21
(d) Short-term provisions	10	**1,709.71**	2,238.05
TOTAL		**14,266.22**	14,764.24
II. **ASSETS**			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		**3,005.28**	3,092.70
(ii) Intangible assets		**41.05**	45.65
(iii) Capital work-in-progress		**31.37**	38.12
(b) Non-current investments	12	**0.42**	0.00
(c) Long-term loans and advances	13	**404.06**	366.80
(d) Other non-current assets	14	**215.87**	246.65
(e) Deferred Tax Asset (Net)	27.6	**46.45**	0.00
2 Current assets			
(a) Inventories	15	**2,250.82**	1,640.66
(b) Trade receivables	16	**5,374.68**	5,486.36
(c) Cash and cash equivalents	17	**653.60**	1,029.59
(d) Short-term loans and advances	18	**895.45**	937.91
(e) Other current assets	19	**1,347.17**	1,879.80
TOTAL		**14,266.22**	14,764.24
Notes including significant accounting policies	1-28		

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

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

R. LAKSHMINARAYANAN
Partner
Membership No. 16246

Place : Chennai
Date : 30th May, 2016

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

M.D. RAVIKANTH
Chief Financial Officer &
Secretary

V.A. GEORGE
Managing Director
DIN 01493737

Consolidated Profit and Loss Statement for the year ended 31st March, 2016

₹ in lakhs

	Particulars	Note No.	For the year ended 31-03-2016	For the year ended 31-03-2015
I.	Revenue from operations	20	**17,535.79**	18,591.41
II.	Other income	21	**36.82**	74.74
III.	Total Revenue (I+II)		**17,572.61**	18,666.15
IV.	Expenses:			
	Cost of materials consumed	22	**2,638.30**	3,648.78
	Purchase of Traded Goods	22	**824.35**	1,933.58
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	**(543.96)**	(148.36)
	Employee benefits expense	24	**7,183.05**	6,194.04
	Finance costs	25	**603.36**	563.04
	Depreciation and amortization expense	11	**568.30**	621.11
	Other expenses	26	**6,150.44**	5,833.95
	Total expenses		**17,423.84**	18,646.14
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**148.77**	20.01
VI.	Exceptional items:		**-**	-
VII.	**Profit before extraordinary items and tax (V-VI)**		**148.77**	20.01
VIII.	Extraordinary Items		**-**	-
IX.	**Profit before tax (VII-VIII)**		**148.77**	20.01
X.	Tax expense:			
	(1) Current tax		**278.16**	284.42
	(2) Deferred tax	27.6	**(56.01)**	(35.75)
XI.	**Profit / (Loss) for the period (IX-X)**		**(73.38)**	(228.66)
XII.	Transfer to Minority Interest		**(94.52)**	(205.56)
XIII.	**Profit / (Loss) for the period after tax and transfer to Minority Interest (XI-XII)**		**21.14**	(23.10)
XIV.	Earnings per equity share (before & after extraordinary items) :			
	(1) Basic (in ₹)		**0.62**	(0.67)
	(2) Diluted (in ₹)		**0.62**	(0.67)
	Notes Including significant accounting policies	1-28		

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

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

R. LAKSHMINARAYANAN
Partner
Membership No. 16246

Place : Chennai
Date : 30th May, 2016

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410

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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, 2016

₹ in lakhs

Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
Cash Flow from Operating Activities		
Profit before tax as per Consolidated Profit and Loss Statement	**148.77**	20.01
Adjustment for:		
Depreciation	**568.30**	621.11
Loss/(Profit) on sale of asset	**8.69**	(3.65)
Interest Paid	**603.36**	563.04
Interest on Fixed Deposit	**(28.28)**	(70.01)
Effect of exchange differences on translation of subsidiaries	**(67.12)**	42.96
Operating Profit before working capital changes	**1,233.72**	1,173.46
Adjustment for:		
Trade and Other Receivables	**109.89**	(1,024.12)
Inventories	**(610.16)**	(210.97)
Trade Payables and Other Liabilities	**(116.24)**	412.75
Cash Generated from Operations	**617.21**	351.12
Direct Taxes Paid	**(276.94)**	(287.67)
Net Cash from Operating Activities (A)	**340.27**	63.45
Cash flow from Investing Activities		
Purchase of Fixed Assets	**(461.95)**	(529.38)
Sale of assets	**46.54**	6.24
Investments made	**(0.42)**	0.00
Interest on Fixed Deposit	**28.28**	70.01
(Inc)/Dec in Pre-operative Expenses to the extent not written off	**30.78**	63.97
Net cash used in Investing Activities (B)	**(356.76)**	(389.16)
Cash Flow from Financing Activities		
Increase in Term loan & Other credit facilities	**243.86**	553.00
Increase in Minority Interest	**-**	401.52
Interest paid	**(603.36)**	(563.04)
Net Cash from/(used in) Financing Activities (C)	**(359.50)**	391.48
Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	**(375.99)**	65.78
Opening Cash & Cash Equivalents	**1,029.59**	963.81
Closing Cash & Cash Equivalents	**653.60**	1,029.59

Note : Closing Cash and Cash Equivalents includes ₹ 217.92 lakhs (Previous Year: ₹ 208.34 lakhs) in Fixed Deposits with Banks held as Margin Money for BG & LC.

In terms of our report of even date annexed

For JOSEPH & RAJARAM
Chartered Accountants
ICAI Registration No. 001375S

R. LAKSHMINARAYANAN
Partner
Membership No. 16246

Place : Chennai
Date : 30th May, 2016

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, 2016

Note 1

CORPORATE INFORMATION (PARENT AND SUBSIDIARY COMPANIES)

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 to the existing shareholders in the ratio of 1:1 and the paid-up capital of the Company increased to ₹ 343.36 lakhs.

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.

The Company has 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 is primarily engaged in conveyor splicing, maintenance and related services. Thejo Brasil Comercio E Servicos Ltda and Thejo Engineering LatinoAmerica SpA are primarily engaged in sale of products manufactured by the Company.

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 annexure to the Companies (Accounting Standards) Rules, 2006 and Section 133 of 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.

(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 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 transaction of sale and purchase between Parent company and Subsidiary is eliminated by reducing both sales and purchases. The unrealized profit on the closing inventory and fixed assets held by the subsidiary company 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 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, provisions for doubtful debts, future obligations under employee retirement benefit plans, income tax, post-sales customer support and the useful lives of fixed tangible assets and intangible 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 changes in 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. 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 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.

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 Profit and Loss Statement 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 Consolidated Financial Statements for the year ended 31st March, 2016

2.6 Fixed Assets

Fixed Assets are capitalised at acquisition cost and cost of bringing the assets to their working condition for the intended use.

2.7 Depreciation

a. Indian Parent Company

Tangible Assets

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 on year to year basis. 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.

2.9 Revenue Recognition

2.9.1 In respect of sale of products, revenue is recognised at the point of despatch to 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 transaction of sale and purchase between Parent company and Subsidiary is eliminated by reducing both sales and purchases.

2.10 Sales, Works Contracts and Services Income

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

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 Consolidated Profit and Loss Statement 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 given by the Corporation.

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

2.12 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.

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. The calculation of the deferred tax asset/liability in respect of subsidiary Companies is done as per AS 22 and rate of tax as applicable in the respective Countries.

2.13 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.

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. Even if there is certainty of the obligation not falling on the Company, the same is considered as contingent liability. Contingent assets are neither recognized nor disclosed.

2.17 Dividend

Provision is made in the accounts for the dividend recommended by the Board of Directors, pending approval of the Shareholders at the Annual General Meeting. Provision for Dividend Distribution Tax is made at appropriate rate on the amount of provision made for dividend.

Notes forming part of the Consolidated Financial Statements as at 31st March, 2016

Note 3

SHARE CAPITAL

Particulars	As at 31-03-2016		As at 31-03-2015	
	Number	**Amount ₹ in lakhs**	Number	Amount ₹ in lakhs
Authorised				
Equity Shares of ₹10/- each	**1,00,00,000**	**1,000.00**	1,00,00,000	1,000.00
Issued				
Equity Shares of ₹ 10/- each	**34,33,552**	**343.36**	34,33,552	343.36
Subscribed & Paid up				
Equity Shares of ₹ 10/- each	**34,33,552**	**343.36**	34,33,552	343.36
(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 Profit & Loss Account & ₹ 171.68 lakhs from Securities Premium Account)				
Total	**34,33,552**	**343.36**	34,33,552	343.36

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

Shares outstanding at the beginning of the year	**34,33,552**	**343.36**	34,33,552	343.36
Shares issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**34,33,552**	**343.36**	34,33,552	343.36

3.2 Shares in the Company held by each shareholder holding more than 5 percent shares

Name of Shareholder	As at 31-03-2016		As at 31-03-2015	
	Number	**Percentage**	Number	Percentage
Mr. K.J. Joseph	**3,55,380**	**10.35%**	3,55,380	10.35%
Mr. Thomas John	**4,75,660**	**13.85%**	4,75,660	13.85%
SIDBI Venture Capital Ltd A/c India Opportunities Fund	**3,17,072**	**9.23%**	3,17,072	9.23%
Canbank Venture Capital Ltd A/c Emerging India Growth Fund	**2,48,400**	**7.23%**	2,48,400	7.23%
IDBI Capital Market Services Limited	**2,02,200**	**5.89%**	2,25,600	6.57%

Notes forming part of the Consolidated Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 4		
RESERVES AND SURPLUS		
a. Securities Premium Account		
Opening Balance	**1,845.31**	1,845.31
Add/Less: Adjustments	0.00	0.00
Closing Balance	**1,845.31**	1,845.31
b. General Reserve		
Opening Balance	**571.80**	517.13
(+) Appropriated from Profit and Loss Account	**55.91**	54.67
Closing Balance	**627.71**	571.80
c. Surplus from Profit and Loss Account		
Opening balance	**2,356.42**	2,631.87
(-) Book Value of Fixed Assets with no further useful life as on 01.04.2014 (Net)	**0.00**	60.54
(+) Net Profit/(Net Loss) For the current year	**21.14**	(23.10)
(-) Proposed Dividend	**120.17**	120.17
(-) Dividend Distribution Tax	**24.46**	24.46
(-) Transfer to General Reserve	**55.91**	54.67
(+) Foreign Currency Translation Reserve	**(19.93)**	7.49
Closing Balance	**2,157.09**	2,356.42
Total	**4,630.11**	4,773.53
Note 5		
MINORITY INTEREST		
Opening Balance	**294.80**	99.95
Additions during the year		
a. Share capital	**0.00**	401.52
b. Share of (Loss)/profit of the year	**(94.52)**	(205.56)
c. Foreign currency translation adjustment for the year	**15.65**	(1.11)
Closing balance	**215.93**	294.80

Notes forming part of the Consolidated Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 6		
LONG TERM BORROWINGS		
Secured		
Term loans		
From Banks	**1,002.56**	762.80
Limit/Liability, Terms of Repayment & Security		
State Bank of Mysore		
Liability (incl Interest Not due) - ₹ Nil (₹165.06 Lakhs)		
Repayable within one year	**0.00**	41.91
Overdues / Defaults - Nil (Nil)		
Term loan from State Bank of Mysore has been taken over by Axis Bank Limited during the year.		
Axis Bank Limited		
1. Date of Sanction : 15.03.2013 Ref No. AXISB/SME/S/CHN/12-13/642 & 2. Date of Sanction: 03.02.2015 Ref No. AXISB/SME/S/CHN/14-15/69		
Sanctioned Limit : 1. ₹ 100 Lakhs & 2. ₹ 170 Lakhs		
Purpose: 1. Acquisition of Capital Assets & 2. Take over of Term Loan from State Bank of Mysore taken for acquisition of Capital Assets.		
Period of Repayment : 1. 60 monthly instalments commencing from 3 months from the date of last drawdown. 2. 51 monthly instalments of ₹ 3.33 lakhs per month. Interest to be paid as and when debited for both loans		
Amount of Instalment - 1. ₹ 1.67 Lakhs per month + interest & 2. ₹ 3.33 Lakhs per month + interest		
Security (For both loans) :		
First hypothecation charge over all machinery and equipment purchased under the Term Loan.		
Pari-passu charge with SBI & IOB over immovable properties under EM.		
Personal guarantee of : Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph, Mr. Rajesh John and Mrs.Celinamma John		
Liability (Incl interest not due) - ₹ 181.81 Lakhs (₹ 84.31 Lakhs)		
Repayable within one year	**60.00**	20.97
Overdues / Defaults - Nil (Nil)		

Notes forming part of the Consolidated Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Export Import Bank of India		
Date of Sanction : 20.01.2014 Ref. CBG: OIF-715 : 321		
Sanctioned Limit : USD 1.25 million (Equi ₹ 753.48 Lakhs)		
Purpose : Onward lending to Thejo Australia Pty Ltd and Thejo Hatcon Industrial Services Company to meet their long term working capital requirements.		
Period of Repayment : 16 stepped up quarterly instalments commencing from 12 months after the date of first disbursement with interest to be paid quarterly on debit advice.		
Amount of Instalment - 2.5% of the loan amount per quarter in the first year; 5% of the loan amount per quarter in the second year; 7.5% of the loan amount per quarter in the third year and 10% of the loan amount per quarter in the fourth year after moratorium period.		
Security :		
Pari-passu first charge on the fixed assets of the Company and second charge on the current assets of the Company.		
Personal guarantee of : Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		
Liability (Incl interest not due) - ₹ 751.05 Lakhs (₹ 403.15 Lakhs)		
Repayable within one year	**109.26**	33.21
Overdues / Defaults - Nil (Nil)		
Export Import Bank of India		
Date of Sanction : 20.03.2014 Ref. LOC-TF : DIR-970 :14:75		
Sanctioned Limit : USD 1 million (Equi ₹ 613 lacs)		
Purpose : Buyers Credit to Thejo Australia Pty Ltd for acquisition of capital assets from Thejo Engineering Limited		
Period of Repayment : 16 stepped up quarterly instalments commencing from 12 months after the date of first disbursement with interest to be paid quarterly on debit advice.		
Amount of Instalment - 2.5% of the loan amount per quarter in the first year; 5% of the loan amount per quarter in the second year; 7.5% of the loan amount per quarter in the third year and 10% of the loan amount per quarter in the fourth year after moratorium period.		
Security :		
Pari-passu first charge on the fixed assets of the Company and second charge on the current assets of the Company and Corporate guarantee by the Company.		
Personal guarantee of : Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph and Mr. Rajesh John		

Notes forming part of the Consolidated Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	**As at 31-03-2016**	As at 31-03-2015
Liability (Incl interest not due) - ₹ 49.69 Lakhs (₹ 74.13 Lakhs)		
Repayable within one year	**49.69**	3.82
Overdues/Defaults - Nil (Nil)		
ICICI Bank Limited - Auto Loan		
Date of Sanction : 03.06.2014		
Sanctioned Limit : ₹ 28 Lakhs		
Purpose : Acquisition of Vehicle		
Period of Repayment : 60 Equated Monthly Instalments (including interest) from July 2014. Last Instalment June 2019		
EMI Payable - ₹ 0.60 Lakh per month		
Security :		
Hypothecation of Vehicle purchased under the loan Liability (Incl interest not due) - ₹ 19.94 Lakhs (₹ 24.87 Lakhs)		
Repayable within one year	**5.57**	5.09
Overdues/Defaults - Nil (Nil)		
From Others		
Financial Institutions	**47.94**	21.07
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 - ₹ 2.29 Lakhs per month for loan availed till 31.03.2016		
Security :		
Hypothecation of Vehicle purchased under the loan		
Personal guarantee of : Mr. Thomas John		
Liability (Incl interest not due) - ₹ 47.94 Lakhs (₹ 21.07 Lakhs)		
Repayable within one year	**23.76**	7.64
Overdues / Defaults - Nil (Nil)		
Total	**802.22**	671.23

Notes forming part of the Consolidated Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 7		
SHORT TERM BORROWINGS		
Secured		
Loans repayable on demand		
From Banks	**2,892.03**	2,914.98

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

Limit / Liability, Terms of Repayment & Security

State Bank of Mysore

Liability - ₹ Nil (₹ 1,644.22 Lakhs)

Overdues / Defaults : Nil (Nil)

The Company has shifted its working capital facilities to the new consortium - State Bank of India, Axis Bank Limited and Indian Overseas Bank from its earlier consortium comprising State Bank of Mysore and Axis Bank Limited.

State Bank of India

Date of Sanction : 09.01.2015 Ref No. RM1/337

Limit: Cash Credit of ₹ 1,360 Lakhs +Stand by CC ₹ 136 Lakhs

Period of Repayment : On Demand

Security :

Charge on all the current assets on pari-passu basis. EM of immovable properties belonging to the Company and of plots nos. 41&42 and 39&40 at Kuttisseril Lake View Garden, Korattur Village, Saidapet Taluk in the name of Mr. Manesh Joseph and Mrs.Celinamma John respectively on pari-passu basis. Hypothecation of movable fixed assets on pari-passu basis (Security to be shared with Axis Bank Limited and Indian Overseas Bank)

Personal guarantee of : Mr. K.J. Joseph, Mr. Thomas John, Mr. Manoj Joseph, Mr.Rajesh John, Mr. Manesh Joseph and Mrs. Celinamma John

Rate of Interest - 2.00% above base rate

Margin - Cash credit - 25% LC and BG - 15%

Liability - ₹ 1,050.47 Lakhs (₹ 384.73 Lakhs)

Overdues / Defaults : Nil (Nil)

Axis Bank Limited

Date of Sanction : 03.02.2015 Ref No. AXISB/SME/S/MEG/CHN/2014-15/69

Limit : Cash Credit of ₹ 1,020 Lakhs + Stand by CC ₹ 102 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, Mr. Rajesh John, Mr. Manesh Joseph and Mrs.Celinamma John

Rate of Interest - 1.85% above base rate

Margin - Cash credit - 25% LC and BG - 15%

Liability - ₹ 909.79 Lakhs (₹ 868.39 Lakhs)

Overdues/Defaults: Nil (Nil)

Indian Overseas Bank

Date of Sanction : 03.03.2015

Limit : Cash Credit of ₹ 1,000 Lakhs

Notes forming part of the Consolidated Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	**As at 31-03-2016**	As at 31-03-2015
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, Mr. Rajesh John, Mr. Manesh Joseph and Mrs. Celinamma John		
Rate of Interest - 1.75% above base rate		
Margin - Cash credit - 25% LC and BG - 15%		
Liability - ₹ 931.78 Lakhs (₹ 17.64 Lakhs)		
Overdues/Defaults: Nil (Nil)		
Total	**2,892.03**	2,914.98
Note 8		
TRADE PAYABLES		
Trade payables:		
Other than Acceptances	**1,545.61**	1,949.52
Total	**1,545.61**	1,949.52
Note 9		
OTHER CURRENT LIABILITIES		
Other payables		
Salary and Other Employee Benefits	**686.86**	619.97
Statutory Dues		
Commercial Tax	**48.99**	62.95
Service Tax	**17.34**	17.14
ESI	**5.78**	6.24
EPF	**45.13**	32.47
Profession Tax	**5.94**	4.98
TDS	**163.73**	33.73
Others	**53.34**	36.58
Outstanding Liabilities	**851.85**	642.51
Term Loan Instalments Repayable within 12 months	**242.15**	106.33
Interest accrued but not due on Term Loan	**6.14**	6.31
Total	**2,127.25**	1,569.21
Note 10		
SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
Provision for Bonus / Ex-gratia	**113.21**	103.15
(b) Others		
Direct Taxes	**1,451.87**	1,990.27
Proposed Dividend (₹ 3.50/- per equity share of face value of ₹ 10/- each)	**120.17**	120.17
Dividend Distribution Tax	**24.46**	24.46
Total	**1,709.71**	2,238.05

Notes forming part of the Consolidated Financial Statements as at 31st March, 2016

Note 11

FIXED ASSETS

₹ in lakhs

NATURE OF ASSETS	GROSS BLOCK					DEPRECIATION						ADJUST-MENT	NET BLOCK	
	As at 01.04.2015	Addition for the year	Deduc-tion	Diff. in forex rate conversion	As at 31.03.2016	Upto 31.03.2015	Addition	Deduc-tion	Diff. in forex rate conversion	Unrea-lized profit	Upto 31.03.2016		As at 31.03.2016	As at 31.03.2015
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	0.00	65.72	65.72
Factory Building	996.84	139.28	0.00	4.46	1,140.58	241.58	69.34	0.00	0.20	0.00	311.12	0.00	829.46	755.26
Office Building	555.27	0.00	0.00	32.82	588.09	97.09	56.03	0.00	6.66	0.00	159.78	0.00	428.31	458.19
Plant & Machinery														
Plant & Machinery at Factories	1,313.52	31.07	0.00	0.00	1,344.59	686.56	119.08	0.00	0.00	0.00	805.64	0.00	538.95	626.96
Plant & Machinery at Branches/Sites - Category 1	51.11	23.18	0.00	0.00	74.29	44.21	2.71	0.00	0.00	0.00	46.92	0.00	27.37	6.90
Plant & Machinery at Branches/Sites - Category 2	59.87	3.48	0.00	0.00	63.35	49.00	6.11	0.00	0.00	0.00	55.11	0.00	8.24	10.87
Plant & Machinery at Branches/Sites - Category 3	29.87	1.43	0.00	0.00	31.30	14.03	10.32	0.00	0.00	0.00	24.35	0.00	6.95	15.84
Plant & Machinery at Branches/Sites - Category 4	126.36	7.20	0.00	0.00	133.56	116.07	7.35	0.00	0.00	0.00	123.42	0.00	10.14	10.29
Plant & Machinery at Branches/Sites - Category 5	999.23	76.49	65.38	35.36	1,045.70	400.39	109.61	22.50	10.34	-6.61	491.23	0.00	554.47	598.85
Boiler	71.13	0.00	0.00	0.00	71.13	38.98	5.73	0.00	0.00	0.00	44.71	0.00	26.42	32.15
Dyes & Moulds	165.92	40.97	0.00	0.00	206.89	63.52	20.28	0.00	0.00	0.00	83.80	0.00	123.09	102.41
Vehicle Four Wheelers	444.08	88.70	62.35	7.04	477.47	305.88	72.11	50.04	4.31	0.00	332.26	0.00	145.21	138.20
Vehicle Two Wheelers	28.45	4.16	0.00	0.00	32.61	19.99	2.56	0.00	0.00	0.00	22.55	0.00	10.06	8.46
Office Equipments - Category 1	30.44	5.97	0.00	0.00	36.41	24.56	3.92	0.00	0.00	0.00	28.48	0.00	7.93	5.88
Office Equipments - Category 2	9.83	0.37	0.92	0.00	9.28	7.76	1.61	0.87	0.00	0.00	8.50	0.00	0.78	2.06
Electrical Fittings	186.14	9.05	0.00	0.00	195.19	123.72	17.64	0.00	0.00	0.00	141.36	0.00	53.83	62.42
Furniture & Fittings	293.36	14.59	0.00	5.13	313.08	138.07	35.01	0.00	1.44	0.00	174.52	0.00	138.56	155.30
Computer	159.57	10.37	0.00	0.91	170.85	141.49	11.89	0.00	0.67	0.00	154.05	0.00	16.80	18.09
Computer Server	7.97	0.00	0.00	0.00	7.97	4.42	1.33	0.00	0.00	0.00	5.75	0.00	2.22	3.55
Generator	43.18	0.00	0.00	0.00	43.18	27.84	4.57	0.00	0.00	0.00	32.41	0.00	10.77	15.33
Total Tangible Assets (Current Year)	5,637.86	456.31	128.65	85.72	6,051.24	2,545.16	557.20	73.41	23.62	-6.61	3,045.96	0.00	3,005.28	3,092.70
Total Tangible Assets (Previous Year)	5,206.91	503.77	26.36	-46.46	5,637.86	1,874.74	614.72	23.69	-10.75	-1.57	2,453.45	91.71	3,092.70	3,332.16
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	0.00
Computer Software	87.05	12.38	0.00	0.73	100.16	41.40	17.71	0.00	0.00	0.00	59.11	0.00	41.05	45.65
Total Intangible Assets (Current Year)	88.80	12.38	0.00	0.73	101.91	43.15	17.71	0.00	0.00	0.00	60.86	0.00	41.05	45.65
Total Intangible Assets (Previous Year)	48.67	41.00	0.00	-0.87	88.80	35.19	7.96	0.00	0.00	0.00	43.15	0.00	45.65	13.48
CAPITAL WORK IN PROGRESS														
Assets Under Construction	38.12	21.86	28.61	0.00	31.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.37	38.12
Total Capital Work In Progress (Current Year)	38.12	21.86	28.61	0.00	31.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.37	38.12
Total Capital Work In Progress (Previous Year)	53.51	19.67	35.06	0.00	38.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.12	53.51
GRAND TOTAL	**5,764.78**	**490.55**	**157.26**	**86.45**	**6,184.52**	**2,588.31**	**574.91**	**73.41**	**23.62**	**-6.61**	**3,106.82**	**0.00**	**3,077.70**	**3,176.47**
PREVIOUS YEAR	5,309.08	564.44	61.42	-47.33	5,764.78	1,909.93	622.68	23.69	-10.75	-1.57	2,496.60	91.71	3,176.47	3,399.15

Notes forming part of the Consolidated Financial Statements as at 31st March, 2016

Note 12

NON-CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
A Trade Investments (Unquoted)	**1,862.28**	1,605.19
Investments in Equity Instruments	**1,862.28**	1,605.19
Less : Adjusted on Consolidation of subsidiaries	**1,861.86**	1,605.19
Total	**0.42**	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 31-3-2016	As at 31-3-2015			**As at 31-3-2016**	As at 31-3-2015	**As at 31-3-2016**	As at 31-3-2015	
									₹ in lakhs		
(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 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	**3,12,798**	1,39,070	Unquoted	Fully Paid	**99.99%**	99.99%	**64.17**	31.40	Yes
4	Thejo Engineering LatinoAmerica SpA	Subsidiary	**265**	40	Unquoted	Fully Paid	**99.62%**	97.50%	**261.52**	37.62	Yes
5	Saks Power P Ltd	Others	**4,200**	0	Unquoted	Fully Paid	**4.20%**	NA	**0.42**	0.00	Yes
	Total								**1,862.28**	1,605.19	

Notes forming part of the Consolidated Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 13		
LONG TERM LOANS AND ADVANCES		
a. EMD and Security Deposits		
Unsecured, considered good	**166.19**	151.76
b. Other Deposits		
Unsecured, considered good		
Rental Deposit	**108.46**	118.98
Deposit with Government Agencies	**10.26**	9.97
Others	**119.15**	86.09
Total	**404.06**	366.80
Note 14		
OTHER NON-CURRENT ASSETS		
Pre-Operative & Deferred Expenses to the extent not written off	**215.87**	246.65
Total	**215.87**	246.65
Note 15		
INVENTORIES (As certified by Management)		
a. Raw Materials and components	**613.47**	547.25
b. Work-in-progress	**389.27**	168.62
c. Finished goods	**1,187.96**	909.39
d. Stock in Trade	**50.81**	32.22
e. Scrap stock from fire accident	**0.00**	9.49
f. Stock in Transit	**63.91**	7.56
Less: Profit element on stock transfer to subsidiary	**54.60**	33.87
Total	**2,250.82**	1,640.66
Note 16		
TRADE RECEIVABLES		
Trade receivables outstanding for a period less than six months from the date they are due for payment.		
Unsecured, considered good	**4,507.02**	4,803.62
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**867.66**	682.74
Total	**5,374.68**	5,486.36

Notes forming part of the Consolidated Financial Statements as at 31st March, 2016

₹ in lakhs

Particulars	As at 31-03-2016	As at 31-03-2015
Note 17		
CASH AND CASH EQUIVALENTS		
a. Balances with banks		
(i) In Current Accounts	**288.84**	670.86
(ii) In Deposit Accounts (₹ 217.92 lakhs (P.Y. ₹ 208.34 lakhs) Held as Margin Money for BG & LC)	**328.07**	325.66
b. Cheques, drafts on hand	**6.00**	0.00
c. Cash on hand	**30.69**	33.07
Total	**653.60**	1,029.59
Note 18		
SHORT-TERM LOANS AND ADVANCES		
Others (unsecured, considered good)		
EMD & Security deposits	**517.56**	474.27
Others	**377.89**	463.64
Total	**895.45**	937.91
Note 19		
OTHER CURRENT ASSETS		
Direct Tax payments	**1,325.11**	1,864.73
Balance with Central Excise Authority	**22.06**	15.07
Total	**1,347.17**	1,879.80

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	**For the year ended 31-03-2016**	For the year ended 31-03-2015
Note 20		
REVENUE FROM OPERATIONS		
Sale of Products	**7,092.29**	8,388.91
Sale of Services & Works Contract	**10,837.39**	10,533.69
Other Operating Income	**35.97**	39.21
Less:		
Excise duty	**429.86**	370.40
Total	**17,535.79**	18,591.41
Note 21		
OTHER INCOME		
Interest	**28.28**	70.01
Miscellaneous Income	**8.54**	1.08
Profit on sale of assets	**0.00**	3.65
Total	**36.82**	74.74
Note 22		
COST OF MATERIALS CONSUMED		
Opening Stock of Raw Materials	**547.25**	474.38
Add: Purchases made during the year	**2,678.75**	3,346.43
	3,226.00	3,820.81
Less: Closing Stock of Raw Materials	**613.47**	547.25
	2,612.53	3,273.56
Add: Consumables	**25.77**	375.22
Total	**2,638.30**	3,648.78
Purchase of Traded Goods	824.35	1,933.58

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	**For the year ended 31-03-2016**	For the year ended 31-03-2015
Note 23		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock :		
Work-in-Progress	**168.62**	290.78
Finished Goods	**909.39**	649.13
Stock-in-Trade	**32.22**	9.72
Scrap Stock from fire accident	**9.49**	29.44
Stock in Transit	**7.56**	0.00
Less: Unrealised gain in stock sold from parent to subsidiary	**33.87**	34.02
Closing Stock :		
Work-in-Progress	**389.27**	168.62
Finished Goods	**1,187.96**	909.39
Stock-in-Trade	**50.81**	32.22
Scrap Stock from fire accident	**0.00**	9.49
Stock in Transit	**63.91**	7.56
Less: Unrealised gain in stock sold by parent to subsidiary	**54.60**	33.87
Total	**(543.96)**	(148.36)
Note 24		
EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and incentives	**5,768.94**	4,980.93
(b) Contributions to PF, Superannuation, Gratuity & ESI	**586.84**	447.85
(c) Staff welfare expenses	**677.89**	624.20
(d) LTA, Ex-gratia, & Leave Encashment	**149.38**	141.06
Total	**7,183.05**	6,194.04
Note 25		
FINANCE COSTS		
Interest	**461.88**	471.95
Other finance costs	**141.48**	91.09
Total	**603.36**	563.04

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
Note 26		
OTHER EXPENSES		
A. Manufacturing & Other Direct Expenses		
Power and fuel	**245.65**	238.53
Machinery Maintenance	**324.25**	181.00
Factory Maintenance	**20.13**	16.82
Electrical maintenance	**10.52**	16.22
Testing charges	**2.90**	5.28
Dyes & Moulding charges	**29.06**	23.12
Cartage, Coolie & Freight charges	**347.80**	308.61
Packing materials & charges	**133.02**	129.94
Service & Labour charges	**1,476.86**	1,202.39
Total Manufacturing & Other Direct Expenses	**2,590.19**	2,121.91
B. Administrative & Selling Expenses		
Professional Service Charges	**215.97**	432.88
Rent	**359.67**	372.40
Repairs & Maintenance	**59.75**	55.68
Travelling, Conveyance & Vehicle hire charges	**480.00**	450.93
Foreign Travel expenses	**21.45**	25.10
Vehicle Maintenance	**160.39**	170.14
Difference in foreign exchange (Loss)	**3.40**	53.77
Telephone, Telex & Postage	**84.71**	86.88
Printing & Stationery	**37.56**	31.68
Office Maintenance	**56.68**	45.41
Books & Periodicals	**3.61**	4.22
Computer Maintenance	**23.86**	14.07
Seminar & Conference	**5.31**	4.96
Electricity	**33.79**	32.54
Legal Fee & Charges	**19.36**	7.31
Donation	**9.94**	10.57
Recruitment, Training & Development	**45.93**	15.96
ECGC Premium	**1.03**	0.85

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	**For the year ended 31-03-2016**	For the year ended 31-03-2015
OTHER EXPENSES (Contd.)		
ISO Certification Charges	**0.57**	1.48
CSR Expenses	**24.18**	27.01
Insurance	**82.08**	55.93
Rates and taxes	**33.48**	30.31
Directors Sitting Fees	**11.40**	13.30
Commission	**51.58**	14.56
Advertisement	**3.19**	6.25
Sales Promotion Expenses	**19.58**	17.30
Freight on Exports	**19.23**	21.33
Loading & Unloading charges	**13.57**	9.66
Late Delivery Charges	**34.40**	52.29
Bad Debts	**73.26**	1.50
Loss on Sale of Assets	**8.69**	0.00
Payments to the Auditors		
a. Statutory Audit	**5.00**	5.82
b. Tax Audit	**1.00**	1.00
c. For certification & other services	**6.97**	4.78
Miscellaneous expenses	**5.77**	5.37
Total Administration & Selling Expenses	**2,016.36**	2,083.24
Sales Tax, Service Tax, & Other Indirect Tax Expenses	**1,513.18**	1,564.77
Preliminary Expenses Amortized/Written off	**30.71**	64.03
Total	**6,150.44**	5,833.95

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

Note 27 ADDITIONAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS

Note 27.1 Contingent Liabilities (to the extent not provided for)

₹ in lakhs

Particulars	**2015-16**	2014-15
27.1.1 Claims against the company not acknowledged as debts	**-**	-
27.1.2 Guarantees issued by the Banks	**1,049.25**	999.06
	1,049.25	999.06

27.1.3 Others **₹ in lakhs**

Name of statute	Amount of Dispute (31/3/16)	Amount of Dispute (31/3/15)	Amount Deposited (31/3/16)	Period to which it relates	Forum where dispute is pending
APGST	8.40	8.40	1.00	2002-03	Commercial Tax Officer, Naidupet
APGST	9.92	9.92		2003-04	Commercial Tax Officer, Naidupet
Central Excise	29.69	29.69		1996-2000	Supreme Court
Central Excise	18.25	18.25		July 2000-June 2004	CESTAT, Bangalore
Central Excise	3.49	3.49		July 2004-Jan 2005	CESTAT, Bangalore
Central Excise	1.23	1.23		Feb 2005-Aug 2005	CESTAT, Bangalore
Central Excise	0.66	0.66		Jan 2007-April 2007	CESTAT, Bangalore
CST	2.36	2.36	1.00	2002-03	Commercial Tax Officer, Naidupet
CST	16.18	16.18		2000 -01	High Court of Judicature at Andhra Pradesh
Customs	12.50	12.50		Oct – 01	Commissioner of Customs
Income Tax	5.43	5.43		AY 2003-04 to 2008-09	Income Tax Department
Service Tax	5.33	5.33		2011-12	Service Tax Department
Central Excise	0.45	0.45	0.22	Sep 2005-March 2006	CESTAT, Bangalore
CST	0.42	0.42		2004-05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Central Excise	1.36	1.36	0.68	April - Dec. 2006	CESTAT, Bangalore
Jharkhand Sales Tax	5.31	5.31		2004-05	Joint Commissioner of Commercial Taxes (Appeals), Jharkhand
Income Tax	58.47	58.47	30.00	A.Y. 2001-02	CIT(A)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Name of statute	Amount of Dispute (31/3/16)	Amount of Dispute (31/3/15)	Amount Deposited (31/3/16)	Period to which it relates	Forum where dispute is pending
MP Sales Tax	1.04	1.04			Commissioner of Commercial Taxes
IT – TDS –Salary	0.58	0.52			TDS – AO
IT – TDS –Non-Salary	1.31	1.00			TDS – AO
Service Tax	5.62	5.62		Apr-Sep 2014	Assistant Commissioner – Service Tax
West Bengal VAT	2.95	0.00	2.95		VAT Tribunal
Uttar Pradesh VAT	3.91	0.00		2011-12	Assistant Commissioner - Appeals
Total	**194.86**	**187.63**	**35.85**		

27.1.4 Commitments

Estimated amount of contracts remaining to be executed on capital account : ₹ 31.37 lakhs (Previous Year - ₹ 236.08 lakhs).

Note 27.2 Employee Benefits

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

27.2.1 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 Profit & Loss Statement for the year.

27.2.2 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	**2015-16**	2014-15
Discount Rate	**8.00%**	8.00%
Salary Escalation	**5.00%**	5.00%

₹ in lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Table Showing Changes in Present Value of Obligations		
Present value of obligations at the beginning of the year	**198.04**	173.23
Interest Cost	**15.84**	13.86
Current Service Cost	**24.29**	20.41
Benefits Paid	**(6.53)**	(34.67)
Actuarial (Gain) / Loss on obligations	**25.53**	25.20
Present value of obligations as at end of the year	**257.17**	198.04

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Table Showing Changes in Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the year	**174.83**	195.62
Expected return on plan assets	**18.85**	16.42
Contributions	**46.20**	(2.54)
Benefits Paid	**(6.53)**	(34.67)
Actuarial Gain / (Loss) on plan assets	**0.00**	0.00
Fair value of plan assets at the end of the year	**233.35**	174.83
Table Showing Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the year	**174.83**	195.62
Actual return on plan assets	**18.85**	16.42
Contributions	**46.20**	(2.54)
Benefits Paid	**(6.53)**	(34.67)
Fair value of plan assets at the end of the year	**233.35**	174.83
Funded Status	**(23.82)**	(23.20)
Excess of Actual over Estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March, 2016)	**0.00**	0.00
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Actuarial Gain / Loss Recognized		
Actuarial (gain) / loss on obligations	**(25.53)**	(25.20)
Actuarial (gain) / loss for the year - plan assets	**0.00**	0.00
Total (gain) / loss for the year	**25.53**	25.20
Actuarial (gain) / loss recognized in the year	**25.53**	25.20
	As at 31st March, 2016	As at 31st March, 2015
Amounts to be Recognized in Consolidated Balance Sheet & Profit & Loss Statement		
Present value of obligations as at the end of the year	**257.17**	198.04
Fair value of plan assets as at the end of the year	**233.35**	174.83
Funded Status	**(23.82)**	(23.20)
Net asset / (liability) recognized in balance sheet	**(23.82)**	(23.20)
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Expenses Recognized In Consolidated Profit & Loss Statement		
Current Service Cost	**24.29**	20.41
Interest Cost	**15.84**	13.86
Expected return on plan assets	**(18.85)**	(16.42)
Net Actuarial (gain) / loss recognized in the year	**25.53**	25.20
Expenses recognized in profit and loss statement	**46.81**	43.05

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

Note 27.3 Segment Reporting

Primary Segment Information (Business Segment) **₹ in lakhs**

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others			
	2015-16	2014-15	**2015-16**	2014-15	**2015-16**	2014-15	**2015-16**	2014-15
Segment Revenue	**6,596.23**	6,610.73	**11,603.46**	11,934.57	**1,646.86**	2,353.74	**19,846.55**	20,899.04
Less: Inter segment Revenue	**2,060.03**	2,331.36	**31.48**	1.02	**255.23**	14.46	**2,346.74**	2,346.84
Total Revenue	**4,536.20**	4,279.37	**11,571.98**	11,933.55	**1,391.63**	2,339.28	**17,499.81**	18,552.20
Segment Results	**1,375.66**	1,071.96	**612.12**	919.32	**(138.30)**	(152.22)	**1,849.48**	1,839.06
Less : Finance Cost							**1,097.35**	563.04
Un allocable Expenses (net of income)							**603.36**	1,256.01
Total Profit Before Tax							**148.77**	20.01
Tax Expenses							**222.15**	248.67
Profit after Tax							**(73.38)**	(228.66)
Segment Assets	**4,742.62**	4,788.85	**5,937.33**	5,770.37	**566.10**	297.70	**11,246.05**	10,856.92
Segment Liabilities	**779.43**	1,085.35	**2,336.15**	1,829.73	**391.17**	107.84	**3,506.75**	3,022.92
Capital Employed	**3,963.19**	3,703.50	**3,601.18**	3,940.64	**174.93**	189.86	**7,739.30**	7,834.00
Less: Un allocated Capital Employed							**(2,765.83)**	(2,717.11)
Total Capital Employed							**4,973.47**	5,116.89

There is no reportable secondary segment, i.e., geographic segment.

Note 27.4 Related Party Disclosures

List of Related Parties

Name of the Party	Relationship
Mr. V.A.George	Key Management Personnel
Mr. K.J. Joseph	Key Management Personnel
Mr. Thomas John	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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

Related Party Transaction Details: ₹ in lakhs

Related Party	Nature of Payment	Current Year Transaction	Outstanding as on 31st March, 2016
Mr. V.A. George	Remuneration	42.00	**0.00**
Mr. Manoj Joseph	Remuneration	33.83	**(1.35)**
Mr. Rajesh John	Remuneration	23.15	**(1.09)**
Mr. M.D. Ravikanth	Remuneration	20.99	**(0.82)**
Mr. K.J. Joseph	Sitting Fee	1.20	**0.00**
Mr. Thomas John	Sitting Fee	1.50	**0.00**
Mr. Manesh Joseph	Remuneration	17.96	**(1.15)**
Mrs. Rosamma Joseph	Remuneration	12.09	**(0.78)**
Mrs. Celinamma John	Remuneration	11.95	**(0.84)**

Note 27.5 Details of Subsidiaries

Name	Ownership by the Parent Company	Minority Interest	Relation-ship	Reporting Date	Different Accounting policies applied	Reason for not consolidating the accounts of subsidiary if any
Thejo Hatcon Industrial Services Company	51% (51%)	49% (49%)	Direct Control	31st March, 2016	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	31st March, 2016	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	31st March, 2016	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	99.62% (97.50%)	0.38% (2.50%)	Direct Control	31st March, 2016	Depreciation on Fixed Assets – Computed on SLM or Diminishing value basis over the estimated useful life of the asset	Not Applicable

Note 27.6 Calculation of Deferred Tax ₹ in lakhs

Particulars	DTA	DTL	DTA	DTL
	31st March, 2016		31st March, 2015	
Opening Balance	**0.00**	**9.56**	0.00	76.48
Timing Difference in Depreciation	**26.99**	**0.00**	26.64	0.00
Profit on sale of asset	**0.00**	**1.81**	0.00	0.86
On Account of WDV of Fixed Assets written off against opening Reserves	**0.00**	**0.00**	31.17	0.00
On account of carry forward of subsidiary losses including depreciation	**30.83**	**0.00**	9.97	0.00
Total	**57.82**	**11.37**	67.78	77.34
Net Deferred Tax Liability/Asset	**46.45**	**0.00**	0.00	9.56

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	**2015-16**	2014-15
Note 27.7 Earnings Per Share		
Basic & Diluted:		
Net Profit after Tax (₹ in Lakhs)	**21.14**	(23.10)
Weighted Average Number of Equity Shares during the year (Nos.)	**3433552**	3433552
Earnings per Share (₹)	**0.62**	(0.67)
Note 27.8 Payment to Auditors		
For Audit	**5.00**	5.82
For Tax Audit	**1.00**	1.00
For Other Services	**6.97**	4.78
Total	**12.97**	11.60

Note 27.9 Other Disclosures

27.9.1 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.

27.9.2 To facilitate consolidation based on uniform accounting period, the Consolidated Financial Statements for the year ended 31st March, 2016 had been prepared based on the audited/unaudited financial statements of Thejo Hatcon Industrial Services Company, Thejo Australia Pty Ltd, Thejo Brasil Comercio E Servicos Ltda and Thejo Engineering LatinoAmerica SpA for the year/period ended March 2016.

27.9.3 Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary.

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	131.37%	6,817.48	(761.69%)	559.02
Subsidiaries				
Foreign				
1. Thejo Hatcon Industrial Services Company	(1.89%)	(97.83)	69.71%	(51.16)
2. Thejo Australia Pty Ltd	(26.98%)	(1,400.28)	291.36%	(213.84)
3. Thejo Brasil Comercio E Servicos Ltda	(1.52%)	(78.86)	66.05%	(48.48)
4. Thejo Engineering LatinoAmerica SpA	(5.15%)	(267.06)	305.78%	(224.42)
Minority Interest	4.16%	215.93	128.78%	(94.52)
Total	**100.00%**	**5,189.37**	**100.00%**	**(73.39)**

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

27.9.4 In line with the accounting policy in respect of taxes on income as contained in Note 2.12, the Company has recognized Deferred Tax Asset to an extent of ₹ 30.83 lakhs, only in respect of Thejo Hatcon Industrial Services Company.

Note 28 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 JOSEPH & RAJARAM
(ICAI Registration No. 001375S)
Chartered Accountants

R. LAKSHMINARAYANAN
Partner
Membership No. 16246

Place : Chennai
Date : 30th May, 2016

For and on behalf of the Board of Directors

K.J. JOSEPH
Chairman
DIN 00434410

THOMAS JOHN
Vice Chairman
DIN 00435035

M.D. RAVIKANTH
Chief Financial Officer &
Secretary

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	Invest-ments	Turnover / Total Income	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Pro-posed Dividend	% of Share-holding
1	Thejo Hatcon Industrial Services Company	01st April '15 to 31st March '16	1 SAR = ₹ 17.6669	654.35	(261.41)	1,507.11	1,507.11	-	420.04	(149.66)	-	(149.66)	0	51.00
2	Thejo Australia Pty Ltd	01st April '15 to 31st March '16	1 AUD = ₹ 50.8662	1,624.94	(1,725.26)	2,865.55	2,865.55	-	1,788.33	(239.57)	-	(239.57)	0	74.00
3	Thejo Brasil Comercio E Servicos Ltda	01st April '15 to 31st March '16	1 BRL = ₹ 18.4689	64.17	(79.91)	80.35	80.35	-	24.89	(48.32)	-	(48.32)	0	99.99
4	Thejo Engineering LatinoAmerica SpA	01st April '15 to 31st March '16	1 USD = ₹ 66.2489	262.55	(246.10)	365.39	365.39	-	44.54	(211.56)	-	(211.56)	0	99.62

For and on behalf of the Board

	K.J. JOSEPH	THOMAS JOHN	V.A. GEORGE	M.D. RAVIKANTH
Place : Chennai	Chairman	Vice Chairman	Managing Director	CFO & Secretary
Date : 30th May, 2016	DIN 00434410	DIN 00435035	DIN 01493737	

Thejo Engineering Limited

Regd. Office: 41, Whites Road, Chennai – 600 014.
CIN: L27209TN1986PLC012833
Ph: 044 42221900 Fax: 044 42221910 E-mail: investor@thejo-engg.com Website: www.thejo-engg.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

Name of the Member(s) :
Registered Address :
E-mail ID :
Folio No. / *Client ID :
*DP ID :

** Applicable for investors holding shares in electronic form.*

I/We, being the member(s) of ..... shares of Thejo Engineering Limited, hereby appoint:

Name: ..... Email ID: .....

Address: .....

Signature: ..... or failing him / her

Name: ..... Email ID: .....

Address: .....

Signature: ..... or failing him / her

Name: ..... Email ID: .....

Address: .....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **30th Annual General Meeting** of the Company, to be held on Wednesday, 3rd August, 2016 at 10:00 A.M. at the "The Music Academy", Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Refer Note 3 I wish my above appointed proxy to vote in the manner as indicated overleaf:

Signed this ..... day of ..... 2016. Signature of shareholder ..... Affix Revenue Stamp

Signature of first Proxy holder Signature of second Proxy holder Signature of third Proxy holder

Notes: 1. The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time of commencement of the aforesaid meeting.

2. The Proxy need not be a member of the Company.

3. It is optional to indicate your preference. If you leave the for or against column blank against any or all the resolutions, your Proxy can vote either for or against the resolution as he/she deems appropriate.

Thejo Engineering Limited

Regd. Office: 41, Whites Road, Chennai – 600 014.
CIN: L27209TN1986PLC012833
Ph: 044 42221900 Fax: 044 42221910 E-mail: investor@thejo-engg.com Website: www.thejo-engg.com

ATTENDANCE SLIP

Regd. Folio No./ DP Client ID : | | | | | | | | | | | | | | | | |

Number of shares held: | | | | | | |

I certify that I am member / proxy for the member of the Company.

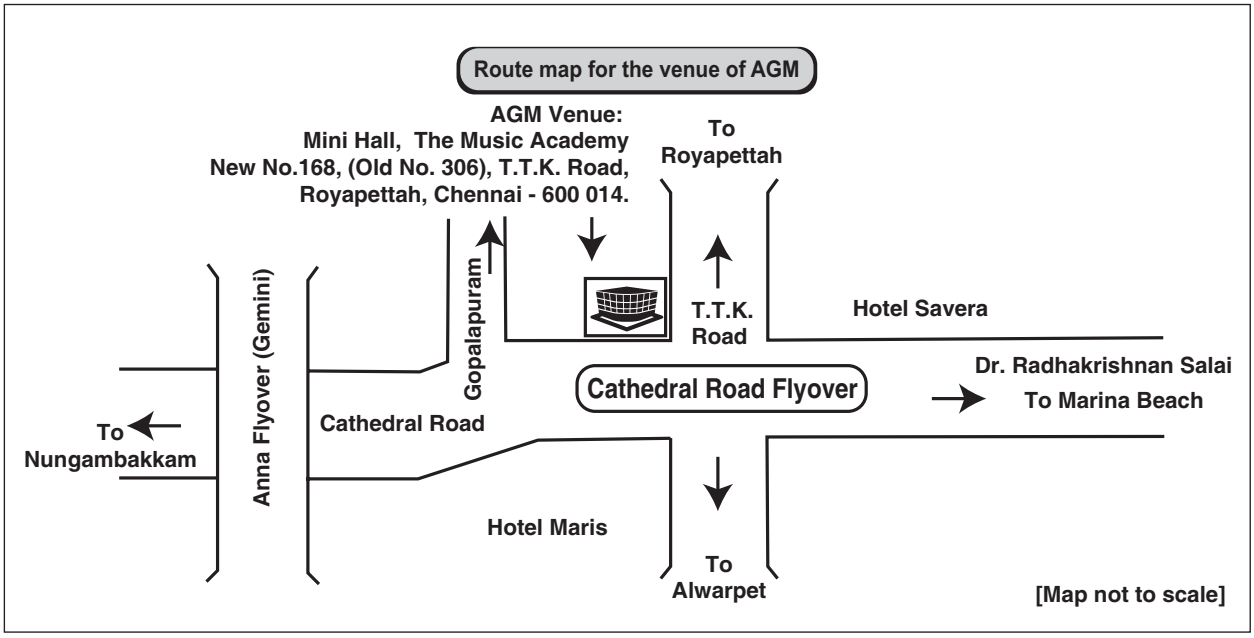
I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company held on Wednesday, the 3rd August, 2016 at 10.00 A.M. at the "The Music Academy", Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai - 600 014, Tamil Nadu, India.

....
Name of the Member / Proxy Signature of the Member / Proxy

Notes: 1. Please fill attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report 2015-16 for the meeting.

2. Joint shareholders may obtain additional Attendance Slip on request at the venue of the meeting.

Resolutions	For	Against
1. Consider and adopt: a) Audited Financial Statements, the reports of the Board of Directors and Auditors b) Audited Consolidated Financial Statements		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of Mr. Thomas John as a Director, retiring by rotation		
4. Re-appointment of Mr. V.A. George as a Director, retiring by rotation		
5. Appointment of Auditors and fixing their remuneration		
6. Re-appointment of Mr. Rajesh John as Whole-time Director		





Thejo Engineering Limited

CIN : L27209TN1986PLC012833

41, Whites Road, 2nd Floor, Aysha Building
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Website: www.thejo-engg.com