
THEJO ENGINEERING LIMITED

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NOTICE TO MEMBERS

NOTICE is hereby given that the Twenty-ninth Annual General Meeting of the Members of Thejo Engineering Limited will be held at 10.00 A.M on Wednesday, the 26th August, 2015 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, 2015, 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, 2015.
2. To declare a dividend on Equity Shares for the financial year ended 31st March, 2015.
3. To appoint a Director in place of Mr. K.J. Joseph (DIN 00434410), who retires by rotation and, being eligible, seeks re-appointment.
4. To appoint a Director in place of Mr. Rajesh John (DIN 05161087), 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 appoint Mrs. Sujatha Jayarajan as an Independent 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 52 of the SME Listing Agreement, Mrs. Sujatha Jayarajan (DIN 00633989), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 06th March, 2015 and who holds the office till the date of Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto 31st March, 2020 and not liable to retirement by rotation.

NOTICE TO MEMBERS

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Sujatha Jayarajan be paid such fees, remuneration, reimbursement of expenses and profit related commission as the Board may approve from time to time subject to such limits prescribed or as may be prescribed from time to time.

“RESOLVED FURTHER THAT the Board of Directors and the Company Secretary, be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

7. To re-appoint Mr. Manoj Joseph 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. Manoj Joseph (DIN 00434579) as Whole-time Director of the Company for a period of five years, with effect from 20th June, 2015 on the following terms and conditions:

Remuneration:

- a) **Basic Salary:** ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) per month in the scale of ₹ 1,25,000 – ₹ 10,000⁴ – ₹ 1,65,000 with annual increment to take effect from 1st April of the succeeding year, subject to the limits prescribed under Section 197 of the Companies Act, 2013.

b) Allowances:

- i. Dearness Allowance (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. Manoj Joseph, 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 month's 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.

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- iv. Company's contribution to Provident Fund, Superannuation Fund and Annuity Funds 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. Manoj Joseph shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in the ordinary course of business of the Company and travelling, hotel and other expenses incurred by him in India and abroad, exclusively for the business of the Company, as per the rules and regulations of the Company or as approved by the Board of Directors.
- e) Amenities:**
- 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. Manoj Joseph functions as Whole-time Director of the Company, no sitting fees shall be paid to him for attending meetings of the Board of Directors and/or any Committee thereof.
- "RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary, alter and modify the terms and conditions of appointment including as to designation and remuneration / remuneration structure of Mr. Manoj Joseph within the limits prescribed under the provisions of the Companies Act, 2013 and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above Resolution.
- "RESOLVED FURTHER THAT the Directors and / or the Secretary of the Company be and are hereby severally 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."
8. To adopt the New Clause in Memorandum of Association of the Company and in this regard, to consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:
- "RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force) and any rules framed thereunder and subject to such approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the appropriate authorities or bodies, as may be required, consent of the Members of the Company be and is hereby accorded for the addition of new sub-clause 22 after renumbering the existing sub-clauses 22 and 21 as 21 and 23, respectively under Clause III (B) of the existing Memorandum of Association of the Company as set out below:
- "22. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific, technical or research experiments and to undertake and carry on directly or in collaboration with other agencies scientific and technical research, experiments and tests of all kinds and to process, improve and invent new products and their techniques of manufacture and to promote, encourage, reward in every manner, studies and research, scientific and technical investigations and invention of any kind that may be considered likely to assist, encourage and promote rapid advances in technology, economics, import substitution or commercial exploitation of the outcome of the research including intellectual properties."

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“RESOLVED FURTHER THAT the Board of Directors and the Company Secretary, be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

9. To approve the Employee Stock Option Plan and grant of Employee Stock Options and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof from time to time), Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Income-tax Act, 1961, Foreign Exchange Management Act, 1999 and the Rules made thereunder and other applicable Laws, and subject to such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), consent of the Company be and is hereby accorded to the Thejo Employee Stock Option Plan 2015 (“ESOP 2015”/“the Plan”) and to the Board of Directors of the Company (hereinafter referred to as the “Board,” which term shall include any Committee of Directors duly authorized in this behalf) to create, offer and grant from time to time upto 3,00,000 (Three Lakhs Only) Options to the permanent employees, existing and future including the Whole-time Directors (but excluding the Promoter Directors and Independent Directors) of the Company, as may be decided solely by the Board under the Plan, exercisable into not more than 3,00,000 (Three Lakhs Only) Equity Shares of face value of ₹ 10/- each fully paid up, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the law or guidelines issued by the relevant authorities.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares to the eligible employees and Directors of the Company upon exercise of Options from time to time in accordance with ESOP 2015.

“RESOLVED FURTHER THAT the number of Options that may be granted to any employee including any Whole-time Director of the Company, in any financial year and in aggregate under the ESOP 2015 shall not exceed 1% of the Paid-up Share Capital of the Company.

“RESOLVED FURTHER THAT the Equity Shares to be allotted and issued by the Company in the manner aforesaid shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

“RESOLVED FURTHER THAT in case of any corporate action(s) such as Rights Issues, Bonus Issues, change in capital structure, merger and sale of Division / Undertaking or other reorganization, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the above ceiling of 3,00,000 (Three Lakhs Only) options and Equity Shares respectively shall be deemed to be increased to the extent of such additional Equity Shares issued.

“RESOLVED FURTHER THAT the grant of Option shall be in accordance with the terms and conditions as regards price, payment, application, allotment, etc. as decided by the Board from time to time in accordance with the SEBI Guidelines.

“RESOLVED FURTHER THAT in case of any change in capital structure such as Right Issue / Bonus Issue, sub-division or consolidation, then the number of Shares to be allotted and the exercise price payable by the Option grantees under the Plan shall automatically stand reduced or augmented, as the

NOTICE TO MEMBERS

case may be, in the same proportion as the present face value of ₹10/- per Equity Share shall bear to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Equity Shares allotted under the ESOP 2015 on the Stock Exchange, where the Shares of the Company are listed and to determine all other terms which for the purpose of giving effect to any offer, issue or allotment of Equity Shares or securities or instruments representing the same, as described above under ESOP 2015 and to do all such acts, deeds and things and to execute all such deeds, documents, instruments and writings as it may at its sole and absolute discretion deem necessary or expedient and to settle any questions, difficulty or doubt that may arise in this behalf without being required to seek further consent or approval of the Members.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the terms and conditions of the Options or of the Plan from time to time including but not limited to suspend, withdraw, terminate or revise the ESOP 2015 as it may deem fit, from time to time at its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI ESOP Guidelines and any other applicable laws.

“RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution.”

10. To approve grant of Employee Stock Options to the employees of the subsidiary company/(ies) of the Company under Thejo Employee Stock Option Plan 2015 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof from time to time), Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Income-tax Act, 1961, Foreign Exchange Management Act, 1999 and the Rules made thereunder and other applicable Laws, and subject to such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board,” which term shall include any Committee of Directors duly authorized in this behalf) to create, offer and grant from time to time upto 3,00,000 (Three Lakhs Only) Options, within the overall ceiling of 3,00,000 (Three Lakhs Only) Options specified in Item 9, to the permanent employees, existing and future including the Whole-time Directors (but excluding the Promoter Directors and Independent Directors) of any existing and future subsidiary company/(ies) of the Company, as may be decided solely by the Board under the Thejo Employee Stock Option Plan 2015 (“ESOP 2015”/“the Plan”), exercisable into not more than 3,00,000 (Three Lakhs Only) Equity Shares of face value of ₹ 10/- each fully paid up, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the law or guidelines issued by the relevant authorities.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares to the eligible employees and Directors of the existing and future subsidiary company/(ies) of the Company upon exercise of Options from time to time in accordance with ESOP 2015.

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“RESOLVED FURTHER THAT the number of Options that may be granted to any employee including any Whole-time Director of the subsidiary company/(ies) of the Company, in any financial year and in aggregate under the ESOP 2015 shall not exceed 1% of the Paid-up Share Capital of the Company.

“RESOLVED FURTHER THAT the Equity Shares to be allotted and issued by the Company in the manner aforesaid shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

“RESOLVED FURTHER THAT in case of any corporate action(s) such as Rights Issues, Bonus Issues, change in capital structure, merger and sale of Division / Undertaking or other reorganization, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the above ceiling of 3,00,000 (Three Lakhs Only) options and Equity Shares respectively shall be deemed to be increased to the extent of such additional Equity Shares issued.

“RESOLVED FURTHER THAT the grant of Option shall be in accordance with the terms and conditions as regards price, payment, application, allotment, etc. as decided by the Board from time to time in accordance with the SEBI Guidelines.

“RESOLVED FURTHER THAT in case of any change in capital structure such as Right Issue / Bonus Issue, sub-division or consolidation, then the number of Shares to be allotted and the exercise price payable by the Option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of ₹ 10/- per Equity Share shall bear to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Equity Shares allotted under the ESOP 2015 on the Stock Exchange, where the Shares of the Company are listed and to determine all other terms which for the purpose of giving effect to any offer, issue or allotment of Equity Shares or securities or instruments representing the same, as described above under ESOP 2015 and to do all such acts, deeds and things and to execute all such deeds, documents, instruments and writings as it may at its sole and absolute discretion deem necessary or expedient and to settle any questions, difficulty or doubt that may arise in this behalf without being required to seek further consent or approval of the Members.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the terms and conditions of the Options or of the Plan from time to time including but not limited to suspend, withdraw, terminate or revise the ESOP 2015 as it may deem fit, from time to time at its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI ESOP Guidelines and any other applicable laws.

“RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution.”

By Order of the Board
For THEJO ENGINEERING LIMITED

M.D. RAVIKANTH
CFO & Secretary

Place : Chennai
Date : 27th May, 2015

NOTICE TO MEMBERS

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 should 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 up to the date of the Annual General Meeting.
6. The Register of Members and Share Transfer Books will remain closed from 25th July, 2015 to 28th July, 2015 (both days inclusive).
7. Additional information pursuant to Clause 52 of SME Listing Agreement with the Stock Exchanges, in respect of the Directors seeking appointment / re-appointment at the Meeting is furnished in the explanatory statement annexed to this Notice. The 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.
10. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for the financial year 2014-15 are available on the Company's website www.thejo-engg.com for their 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. For any communication, the shareholders may also send 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.

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 27th May, 2015

M.D. RAVIKANTH
CFO & Secretary

NOTICE TO MEMBERS

Explanatory Statement annexed to the Notice dated 27th May, 2015 convening the Annual General Meeting of the Company, pursuant to Section 102 of the Companies Act, 2013

Item No. 6

The Board of Directors at their Meeting held on 06th March, 2015, based on the recommendation of Compensation / Nomination and Remuneration Committee, appointed Mrs. Sujatha Jayarajan as an Additional Director of the Company with immediate effect. Pursuant to the provisions of Section 161 of the Companies Act, 2013, she will hold the office up to the date of Annual General Meeting.

Pursuant to Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mrs. Sujatha Jayarajan as Independent Director of the Company upto 31st March, 2020. She will not be liable to retire by rotation as stipulated in Section 152 of the Companies Act, 2013. The Company has received notice pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the appointment of aforesaid Independent Director.

A brief profile along with other details of Mrs. Sujatha Jayarajan is as follows:

Name of the Director	Mrs. Sujatha Jayarajan
Director Identification Number	00633989
Date of joining of the Board	06 th March, 2015
Profile of the Director	Mrs. Sujatha Jayarajan is a Post graduate in English. She has more than 33 years of experience in the financial sector, IT and electronics, of which she was in public sector bank for more than 15 years. She has served in senior management position of various Companies such as EC Media International Pvt. Ltd., California Software Company Ltd., and India Cements Capital Ltd apart from State Bank of Mysore. She has also served on the Board of three Companies. Appointment of Mrs. Sujatha Jayarajan as Independent Director will bring in immense value to the Company in various facets of management.
No. of shares held in the Company	Nil
Directorships and Committee Memberships in other Companies*	Directorship - Chemfab Alkalies Ltd. Committee Membership - Nil

**Directorships and Committee memberships 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 Investor Grievance Committees of only Public Limited Companies have been included in the aforesaid table.*

In the opinion of the Board, Mrs. Sujatha Jayarajan, the Independent Director proposed to be appointed, fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 52 of the SME Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and she is independent of the management.

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The Company has received from Mrs. Sujatha Jayarajan (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014 (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014 and (iii) a declaration to the Board of Directors to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Your Directors recommend the Resolutions 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 Mrs. Sujatha Jayarajan and her relatives. This explanatory statement may also be regarded as disclosure under Clause 52 of the SME Listing Agreement.

Item No. 7

The Members of the Company at the 26th Annual General Meeting held on 21st September, 2012, approved the appointment of Mr. Manoj Joseph as Whole-time Director for a period of three years which comes to an end on 19th June, 2015.

Accordingly, on the recommendation of Compensation/Nomination and Remuneration Committee, the Board of Directors at their meeting held on 27th May, 2015 re-appointed Mr. Manoj Joseph as Whole-time Director of the Company for a period of 5 years with effect from 20th June, 2015, subject to the approval of the Members in the General Meeting considering his long term experience in the Company.

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

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

Name of the Director	Mr. Manoj Joseph
Director Identification Number	00434579
Date of joining of the Board	04 th October, 2001
Profile of the Director	Mr. Manoj Joseph is a Graduate in Electrical and Electronics Engineering with a Post Graduate Diploma in Business Administration. He joined Thejo Engineering Limited in 1991 and has worked in various departments such as materials, planning, manufacturing and sales. He was head of manufacturing till 2007, when he assumed charge as Head of Marketing.
No. of shares held in the Company	1,65,860
Directorships and Committee Memberships in other Companies*	Nil

**Directorships and Committee memberships 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 Investor Grievance Committees of only Public Limited Companies have been included in the aforesaid table.*

NOTICE TO MEMBERS

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. Manoj Joseph, and his relatives. It may be noted that Mr. K.J. Joseph, Chairman and Mr. Manoj Joseph are related as father and son. This explanatory statement may also be regarded as disclosure under Clause 52 of the SME Listing Agreement.

Item No. 8

The Company has established an independent R&D Centre. To make full use of the R&D Centre, it is proposed to undertake various R&D activities as contained in the resolution. Consequently, the Company intends to alter the Memorandum of Association by the addition of new sub-clause 22 for including the activities contained in the resolution at Item No.8 of the Notice under the Objects Clause. The opportunity is taken to arrange the relevant sub-clauses properly by renumbering the existing sub-clauses 22 and 21 as 21 and 23, respectively.

Pursuant to the provisions of Section 13 of the Companies Act, 2013, the alteration of Memorandum of Association requires the approval of the Members of the Company by way of Special Resolution. Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item No. 8 of the Notice.

The existing Memorandum of Association of the Company along with the Memorandum of Association incorporating therein the proposed alterations are available for inspection to all the Members of the Company at the Registered Office of the Company during business hours on all working days.

Your Directors recommend the Resolution for the approval of Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the proposed Resolution.

Item Nos. 9 & 10

Employees Stock Option Scheme (ESOP) is one of the most important tools to attract, encourage and retain Employees. ESOP is widely and increasingly used as a compensation tool by the Corporates with the basic premise of creating wealth for the Employees on the one hand and motivating Employees to have long-term career aspirations in the Organization, on the other.

The Company believes in rewarding its employees including Directors of the Company as well as that of the existing and future subsidiary company/(ies) for their hard work, dedication and support, which has led the Company on the growth path.

For this purpose, the Company proposes to introduce a Stock Based Compensation Plan to the Employees by way of Employees Stock Option Scheme 2015. Accordingly, the Board of Directors at their meeting held on 27th May, 2015 approved the introduction of Thejo Employees Stock Option Scheme 2015 (ESOP 2015), subject to the approval of the Members and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time. The Board also authorised the Compensation / Nomination and Remuneration Committee to administer and implement the ESOP 2015 in accordance with the SEBI Guidelines.

The ESOP 2015 is being formulated in accordance with SEBI Guidelines.

The salient features of the ESOP 2015 and the disclosure required under Rule 12(2) of the Companies (Share Capital and Debentures) Rules, 2014:

a) Total number of Options to be granted:

3,00,000 (Three Lakhs Only) Options exercisable into 3,00,000 of Equity Shares in the Company of face value of ₹ 10/- each fully paid-up, would be available for grant to the eligible employees of the Company and of the existing and future subsidiary company/(ies) under ESOP 2015, in one or more tranches.

NOTICE TO MEMBERS

Vested options lapsed due to non-exercise and / or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOP 2015.

SEBI ESOP Guidelines require that in case of any corporate action(s) such as Rights Issues, Bonus Issues, Merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued.

- b) Identification of classes of employees entitled to participate in the Employee Stock Option Scheme:

Employees who are entitled to participate in the ESOP 2015:

- i) Permanent employees of the Company working in India or outside India;
- ii) Whole-time Directors of the Company;
- iii) Permanent employees working in India or outside India of the existing / future subsidiary company/(ies) of the Company.

Persons who are not eligible:

- i) an Employee who is a Promoter or belongs to the Promoter Group;
- ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; and
- iii) an Independent Director within the meaning of the Companies Act, 2013.

- c) Appraisal process for determining the eligibility of employees under ESOP 2015:

The appraisal process for determining the eligibility of the employees will be decided by the Compensation / Nomination and Remuneration Committee from time to time.

The employees would be granted Options under the ESOP 2015 based on various parameters such as work performance, period of service, rank or designation and such other parameters as may be decided by the Compensation / Nomination and Remuneration Committee from time to time.

- d) Requirements of vesting and period of vesting:

The Options granted shall vest so long as an employee continues to be in the employment of the Company or the existing and future subsidiary company/(ies). The Compensation / Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

- e) Maximum period within which the Options shall be vested:

Options granted under ESOP 2015 would vest subject to maximum period of four years from the date of grant of such Options.

- f) Exercise price or pricing formula:

The Exercise Price shall be the Grant Price which will not be less than 75% of the prevailing market value of the shares on the date of grant of options. The Exercise Price will be fixed by the Compensation/ Nomination and Remuneration Committee based on the closing Market Price one day prior to date of grant.

NOTICE TO MEMBERS

g) Exercise period and the process of Exercise:

The vested Options shall be eligible for exercise on and from the date of vesting. They need to be exercised before its expiry period of 5 years from the date of granting of such Options.

The vested Option shall be exercisable by the Employees by a written application to the Company / Compensation / Nomination and Remuneration Committee expressing his / her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

h) Lock-in period:

There will not be any lock-in period for the options once they are vested.

i) Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted to any specific employee of the Company or the existing and future subsidiary company/(ies) under the Plan shall not exceed the number of Shares equivalent to 1% of the Paid-up Share Capital of the Company per grant and in aggregate.

j) Method of Option valuation:

As per applicable Rules and Regulations.

k) Conditions under which option vested in employees lapse:

Options expire at the end of the period of 5 years from the date of grant.

l) Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:

Vested options have to be exercised within one month from the date the Employee ceases to be in employment of the Company or the existing and future subsidiary company/(ies).

m) Statement to the effect that the Company shall comply with the applicable Accounting Standards:

The Company shall comply with the applicable Accounting Standards.

n) Transferability of Employee Stock Options:

The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of death of the Option grantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees.

As the ESOP 2015 provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Clause 6 of the SEBI ESOP Guidelines.

A copy of the Plan shall be kept open for inspection at the Registered Office of the Company during business hours on all working days till the date of the Meeting.

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

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned, financially or otherwise, in the Resolution, except to the extent of their entitlements, if any, under the ESOP 2015.

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 27th May, 2015

M.D. RAVIKANTH
CFO & Secretary

NOTICE TO MEMBERS**Additional information on Directors recommended for re-appointment under Clause 52(IV)(G)(i) of SME Listing Agreement:****Information about Mr. K.J. Joseph :**

Mr. K.J. Joseph, one of the promoters, is currently the Non-Executive Chairman of the Company. He holds a Diploma in Mechanical Engineering and has served in companies like Pioneer Equipment & Co., Baroda, Kulkarni Foundries Limited, Pune and FAME Private Limited in various capacities, apart from serving in the Indian Defense services. He was earlier the Managing Director of the Company and became the Chairman in 2001. He has experience of more than 3 decades in manufacturing / services areas.

Companies (other than Thejo Engineering Limited and its subsidiaries) in which Mr. K.J. Joseph holds directorship and committee memberships

Directorships : None

Chairman of Board Committees: None

Member of Board Committees : None

Shareholding in the Company : 3,55,380 equity shares as on 31st March, 2015.

Information about Mr. Rajesh John:

Mr. Rajesh John is currently a Whole-time Director of the Company. He is a Mechanical Engineer with a Post Graduate Diploma in Management. He started his career with TAFE Limited and later worked with GE Capital International Services before joining Thejo Engineering Limited in 2002. He has worked in various departments such as purchase, finance and accounts and is, at present, in charge of Sales.

Companies (other than Thejo Engineering Limited and its subsidiaries) in which Mr. Rajesh John holds directorship and committee memberships

Directorships : None

Chairman of Board Committees: None

Member of Board Committees : None

Shareholding in the Company : 1,50,540 equity shares as on 31st March, 2015.