

Thejo Engineering Limited

41 Cathedral Road,
Chennai - 600 086.
India

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



July 29, 2024

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

Dear Sir,

Sub: Notice of the 38th Annual General Meeting and Annual Report 2023-24

Ref: Our scrip code THEJO - EQ

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable statutory provisions, please find enclosed the Annual Report for the year 2023-24, including the Notice convening the 38th Annual General Meeting ("AGM") of the Shareholders and the Business Responsibility and Sustainability Report, which is being sent to the Shareholders through permitted mode.

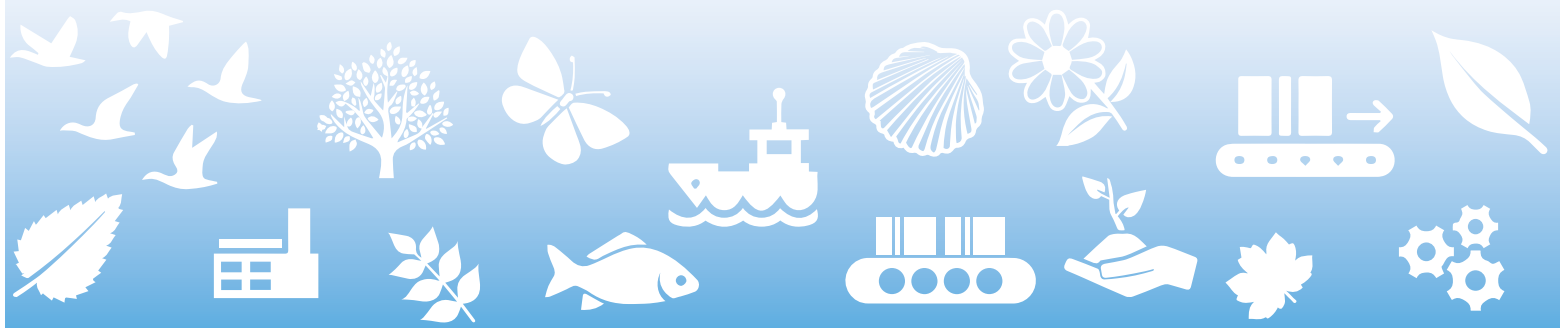
The 38th AGM is scheduled to be held on Thursday, 29th August, 2024 at 10:30 A.M. at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai – 600 014, Tamil Nadu, India.

Pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014, the Company has fixed 22nd August, 2024 as Cut-off date, to determine the entitlement of voting rights of Members for voting, including remote e-voting, in respect of the business to be transacted at the 38th Annual General Meeting of the Company.

This is for your information and records.

Yours faithfully,
For THEJO ENGINEERING LIMITED

M.D. RAVIKANTH
CFO & SECRETARY
ACS No. 26596





New facility of Thejo Australia Pty Ltd at Bunbury



TE Global FZ-LLC office at Ras Al-Khaimah with visitors from RAKEZ and consulting firm



Construction work in progress at the new facility of Thejo Hatcon Industrial Services Company at MODON Industrial Area 3

BOARD OF DIRECTORS

Executive Chairman	V A GEORGE
Vice Chairman	THOMAS JOHN
Managing Director	MANOJ JOSEPH
Whole-time Directors	RAJESH JOHN
Non-Executive Director	MANESH JOSEPH (Whole-time Director till 31/12/2023)
Independent Directors	V K SRIVASTAVA (Up to 31/03/2024) A SATYASEELAN (Up to 31/03/2024) SUJATHA JAYARAJAN SRIDHAR GANESH NILESH S VIKAMSEY SRINIVAS ACHARYA Prof. N VENKITESWARAN (w.e.f 31/03/2024) K JAIRAJ (w.e.f 31/03/2024)
Chairman Emeritus	K J JOSEPH
Chief Financial Officer & Secretary	M D RAVIKANTH
Audit Committee	Prof. N VENKITESWARAN (w.e.f 31/03/2024) SUJATHA JAYARAJAN NILESH S VIKAMSEY K JAIRAJ (w.e.f 31/03/2024) V K SRIVASTAVA (Up to 31/03/2024) A SATYASEELAN (Up to 31/03/2024)
Stakeholders' Relationship Committee	SRINIVAS ACHARYA THOMAS JOHN SUJATHA JAYARAJAN Prof. N VENKITESWARAN (w.e.f 31/03/2024) V K SRIVASTAVA (Up to 31/03/2024)
Statutory Auditors	M/s. BRAHMAYYA & CO. Chartered Accountants, Chennai
Internal Auditors	M/s. S. VISWANATHAN LLP Chartered Accountants, Chennai
Secretarial Auditor	SINDHUJA PORSELVAM Practising Company Secretary Chennai
Cost Auditor	LATHA VENKATESH Latha Venkatesh & Associates Practising Cost Accountant Chennai

Registered Office

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

FACTORIES

Unit – I & II:

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

Unit – III:

Survey No. 100/5, Jagannathapuram Road,
Athipedu Village, 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. 176/3, 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
TE Global FZ-LLC, Ras Al-Khaimah, UAE

Registrar and Share Transfer Agents

M/s. Cameo Corporate Services Limited
Subramanian Building,
No. 1, Club House Road,
Chennai - 600 002.

Main Bankers

Axis Bank Limited
Citibank N.A
HDFC Bank Limited
State Bank of India

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FINANCIAL HIGHLIGHTS

₹ in lakhs unless specified otherwise

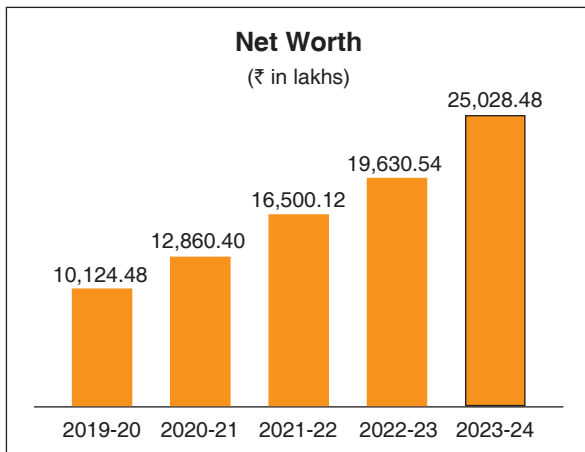
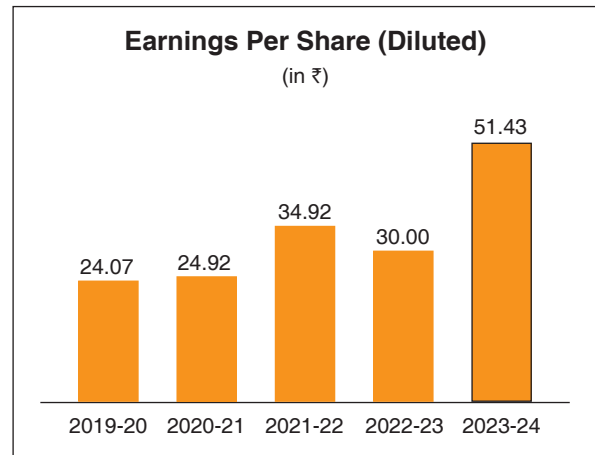
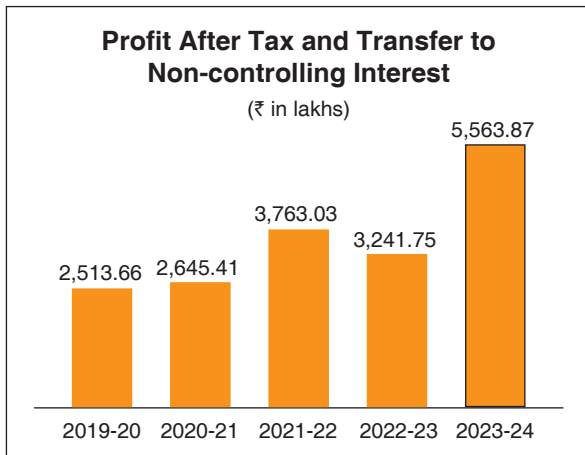
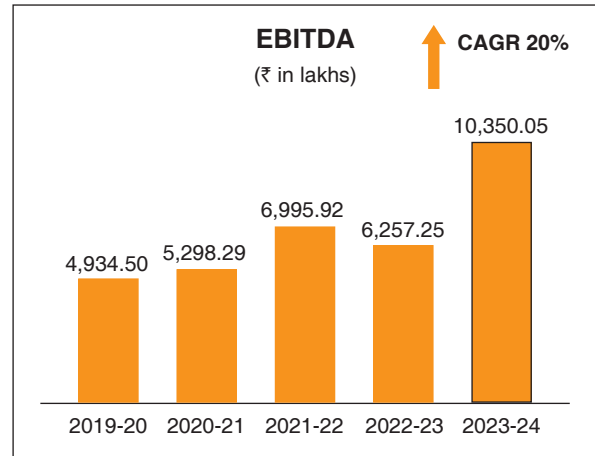
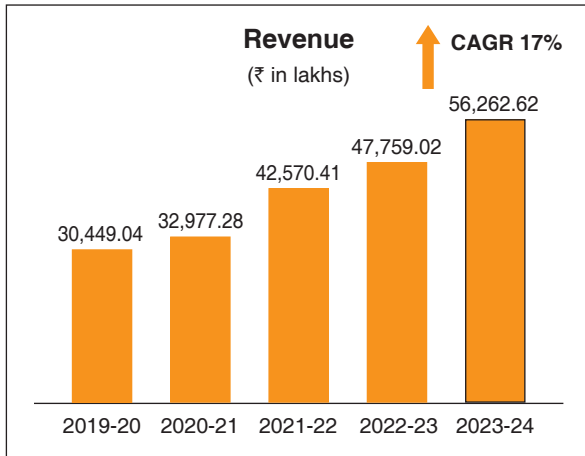
Details	IND-AS				Previous GAAP					
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Sales ¹	39106.18	33222.20	27661.40	21306.49	20047.06	18925.39	17404.09	14927.65	14449.23	15603.02
Other Income	240.61	253.46	237.60	316.50	215.24	235.75	160.82	173.88	123.44	112.31
Total Income ¹	39346.79	33475.66	27899.00	21622.99	20262.30	19161.14	17564.91	15101.53	14572.67	15715.33
Profit before interest, depreciation, amortisation and tax	7105.40	4883.68	4825.52	3732.58	2671.43	2756.56	2176.42	1777.04	1807.91	1774.59
Profit before interest & tax	5568.26	4080.44	4144.94	3124.87	2214.95	2312.44	1801.33	1385.05	1389.77	1322.00
Profit before tax	5125.94	3710.27	3907.18	2871.54	1875.82	1915.64	1263.30	822.75	812.01	805.32
Profit after tax	3805.04	2758.17	2924.71	2145.83	1374.29	1357.14	870.76	560.89	559.03	546.67
Net fixed assets ²	8647.47	8729.63	4921.73	3255.55	2333.95	2400.18	2425.42	2068.21	2144.80	2239.75
Share Capital	1076.43	1070.10	1065.71	351.64	346.04	343.70	343.36	343.36	343.36	343.36
Reserves and Surplus	20616.01	16940.92	14325.40	12284.11	10275.29	9022.09	7813.88	7065.30	6474.13	6059.73
Networth	21692.44	18011.02	15391.11	12635.75	10621.33	9365.79	8157.24	7408.66	6817.49	6403.09
Total borrowings	864.76	720.50	132.08	420.01	1512.21	2167.07	2185.97	3707.87	3694.18	3515.91
Lease Liabilities (relating to Right-of-Use Assets)	2075.30	2115.16	2148.54	774.95	NA	NA	NA	NA	NA	NA
Basic Earnings per share ³ (in ₹)	35.46	25.82	27.52	20.53	13.29	13.17	8.45	5.45	5.43	5.31
Diluted Earnings per share ³ (in ₹)	35.17	25.52	27.14	20.22	13.16	13.17	8.45	5.45	5.43	5.31
Dividend per share (in ₹)	3.00	2.00	2.00	6.00	5.00	5.00	4.00	3.50	3.50	3.50
Book value per share ³ (in ₹)	201.52	168.31	144.42	119.78	102.31	90.83	79.19	71.92	66.18	62.16
EBITDA / Total Income (%)	18.06	14.59	17.30	17.26	13.18	14.39	12.39	11.77	12.41	11.29
Profit before tax/Total Income (%)	13.03	11.08	14.00	13.28	9.26	10.00	7.19	5.45	5.57	5.12
Return on closing capital employed (%)	24.69	21.78	26.70	23.93	18.25	20.05	17.42	12.46	13.22	13.33
Return on closing net worth (%)	17.54	15.31	19.00	16.98	12.94	14.49	10.67	7.57	8.20	8.54

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

2. Includes Right-of-Use Assets.

3. During FY 2021-22, the Company has issued 70,94,756 equity shares as fully paid-up bonus shares (in the ratio of 2:1). Consequently, the EPS and book value for the prior periods have been adjusted for the bonus issue.

KEY PERFORMANCE INDICATORS
(Consolidated)



Notes:

- a. All figures are as per Ind-AS for periods from FY21 and under Previous GAAP for FY20.
- b. EPS has been adjusted for prior periods in respect of issue of bonus shares in FY22.

THEJO ENGINEERING LIMITED

Registered Office: 3rd Floor, VDS House, 41, Cathedral Road, Chennai – 600 086.

CIN: L27209TN1986PLC012833

Phone: 044 – 42221900 Fax: 044 – 42221910

E-mail: investor@thejo-engg.com

Website: www.thejo-engg.com

NOTICE TO MEMBERS

NOTICE is hereby given that the 38th Annual General Meeting of the Members of Thejo Engineering Limited will be held on Thursday, 29th August, 2024 at 10.30 a.m. 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, 2024 together with the Reports of the Board of Directors and the Auditors thereon and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2024 together with the Report of the Auditors thereon and, in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2024, together with the Reports of the Board of Directors and the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.

“**RESOLVED FURTHER THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2024, together with the Report of the Auditors thereon as circulated to the Members, be and are hereby considered and adopted.”

2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2024 and, in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the recommendation of the Board of Directors, dividend at the rate of ₹ 3/- (Rupees Three Only) per Equity Share of the Company of the face value of ₹ 10/- (Rupees Ten Only) each fully paid-up be and is hereby declared for the Financial Year ended 31st March, 2024 and be paid out of the profits of the Company for the year 2023-24 to the Members whose names appear in the Register of Members of the Company or as beneficial owner in the records of the Depositories as on 22nd August, 2024.”

3. To appoint a Director in place of Mr. Manesh Joseph (DIN 07599476), who retires by rotation and, being eligible, seeks re-appointment as a Director and in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Manesh Joseph (DIN 07599476), who retires by rotation at this Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

4. To appoint a Director in place of Mr. Manoj Joseph (DIN 00434579), who retires by rotation and, being eligible, seeks re-appointment as a Director and in this regard, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Manoj Joseph (DIN 00434579), who retires by rotation at this Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

NOTICE TO MEMBERS

SPECIAL BUSINESS:

5. To ratify the remuneration to the Cost Auditor and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 2,00,000/- (Rupees Two lakhs only) excluding applicable taxes and other out-of-pocket expenses, which shall be reimbursed at actuals, payable to Ms. Latha Venkatesh, Latha Venkatesh & Associates, Cost Accountant in practice (FRN 101017), appointed as the Cost Auditor of the Company by the Board of Directors on the recommendation of the Audit Committee, for conducting audit of the cost records of the Company for the Financial Year ending 31st March, 2025, be and is hereby ratified.

“RESOLVED FURTHER THAT Mr. V.A. George, Executive Chairman, Mr. Thomas John, Vice Chairman, Mr. Manoj Joseph, Managing Director and Mr. M.D. Ravikanth, CFO & Secretary of the Company be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and do all such acts, deeds, matters and things as may be necessary, incidental or expedient to give effect to this resolution.”

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 28th May, 2024

M.D. RAVIKANTH
CFO & Secretary

NOTES:

1. A Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 is annexed and it forms part of this Notice.
2. A Member entitled to attend and vote at the Annual General 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 (“the AGM” / “the 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 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 Meeting and at the venue of the Meeting.
6. The Register of Members and Share Transfer Books will remain closed from 23rd August, 2024 to 29th August, 2024 (both days inclusive).
7. Additional information pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard on General Meetings (SS-2), in respect of the Directors seeking re-appointment at the AGM is annexed to this Notice.

NOTICE TO MEMBERS

8. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution, authorising their representatives to attend and vote on their behalf at the Meeting and/or at any adjournment thereof.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection 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 Meeting and at the venue of the Meeting as well as in electronic mode by sending an email to investor@thejo-engg.com.
10. Members having any query or desiring any information pertaining to the Annual Accounts are requested to write to the Company at investor@thejo-engg.com, at an early date to enable the Company to answer Members' queries at the Meeting.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL). Please refer to SI No.19 for instruction on remote e-voting facility.
12. Members may also note that the Notice of the 38th Annual General Meeting and the Annual Report for the Financial Year 2023-24 are available on the Company's website www.thejo-engg.com. The AGM Notice can also be accessed from the website of the National Stock Exchange of India Limited at www.nseindia.com and the Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e., www.evotingindia.com.
13. Members holding shares in electronic form are requested to intimate immediately any change in their e-mail ID / contact number/ address / bank mandates to the Depository Participants with whom they are maintaining their demat accounts.
14. The Company has fixed 22nd August, 2024 as the cut-off date for the purpose of determining the Members, who are entitled to vote on the resolutions contained in this Notice. A person, whose name is recorded in the Register of Members or whose name appears as the beneficial owner in the records of the depositories as on the cut-off date alone can avail the facility of remote e-voting or voting during the AGM.
15. Any person, who acquires the shares of the Company and becomes a Member after the Company sends the Notice of the 38th AGM and holds the shares as on the cut-off date of 22nd August, 2024 may follow the instructions given in SI No. 19 for casting their vote through remote e-voting.
16. The final dividend for the Financial Year ended 31st March, 2024, as declared at the AGM, will be paid within 30 days of declaration, to Members whose name appears in the Register of Members of the Company or as beneficial owner in the records of the depositories as on the record date, i.e., 22nd August, 2024. The Members holding shares in demat form, are requested to update the Electronic Bank Mandate through their Depository Participants. In case shares are held in physical form, the Members are requested to send the Bank mandate to the Company at investor@thejo-engg.com.
17. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means due to invalid / non-availability of bank mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member.
18. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at rates prescribed under the Income-tax Act, 1961 ("the IT Act"). In general, to enable

NOTICE TO MEMBERS

compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, and Category as per the Income-tax Act, 1961 with their Depository.

19. Instruction for Remote E-Voting Facility:

- a) The remote e-voting period commences on Monday, 26th August, 2024 (9 a.m.) and ends on Wednesday, 28th August, 2024 (5 p.m.). The cut-off date for determining the eligibility of Members for the remote e-voting and poll is Thursday, 22nd August, 2024.
- b) The remote e-voting module shall be disabled for voting after the end of the remote e-voting period.
- c) During the remote e-voting period, the Members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date of 22nd August, 2024, may cast their vote electronically. Once the vote on the resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- d) The Company has engaged CDSL to offer remote e-voting facility to all the Members to enable them to cast their vote electronically.
- e) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ Beneficial Owner (in case of shares held in dematerialised form) as on the cut-off date i.e., 22nd August, 2024. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories on the aforesaid cut-off date shall only be entitled to avail the facility of remote e-voting.
- f) Remote e-voting is optional for Members. Members who have voted electronically through remote e-voting shall be entitled to attend the AGM but would not be allowed to vote at the Meeting.
- g) Members desiring to exercise their vote by using remote e-voting facility should follow carefully the instructions given below:
 - (i) The voting period begins on Monday, 26th August, 2024 (9 a.m.) and ends on Wednesday, 28th August, 2024 (5 p.m.). During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting venue.
 - (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed by SEBI that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

NOTICE TO MEMBERS

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

Pursuant to abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode in respect of CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and New System Myeasi Tab. 2) After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting, where applicable.

NOTICE TO MEMBERS

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.: 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

NOTICE TO MEMBERS

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

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of the Company on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

NOTICE TO MEMBERS

- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
 - (xvi) There is also an optional provision to upload Board Resolution / Power of Attorney, if any, which will be made available to scrutinizer for verification.
 - (xvii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz., investor@thejo-engg.com if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.
20. Process for those shareholders whose email/mobile number are not registered with the company/ depositories.
- a) For Physical shareholders- Please provide duly filled and signed request letter in Form ISR-1 together with a self-attested copy of the share certificate (both front and back sides), PAN Card and any one document for address proof (eg. Aadhaar Card, Passport, Driving License etc..) by email to investor@thejo-engg.com.
 - b) For Demat shareholders - Please update your email id & mobile number with your respective Depository Participant (DP).
-

NOTICE TO MEMBERS

- c) For Individual Demat shareholders – Please update your email id & mobile number with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual meetings through Depository.
21. If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
22. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.
23. Pursuant to Section 107 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, there will not be any voting by show of hands on any of the Agenda items at the Meeting and the Company will conduct polling at the Meeting.
24. The Board of Directors have appointed Mrs. Sindhuja Porselvam, Practicing Company Secretary (ACS 44831, CP 23622) as Scrutinizer for conducting the remote electronic voting and polling process in a fair and transparent manner.
25. The Scrutinizer shall submit her report to the Chairman of the Company, on the votes cast in favour or against, after scrutiny.
26. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company www.thejo-engg.com. The results shall simultaneously be communicated to the Stock Exchange(s).

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 28th May, 2024

M.D. RAVIKANTH
CFO & Secretary

NOTICE TO MEMBERS
EXPLANATORY STATEMENT ANNEXED TO NOTICE [PURSUANT TO PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013]
Item No. 5: Ratification of remuneration of Cost Auditor

In accordance with the provisions of Section 148 of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (“the Rules”), the Company is required to appoint a cost auditor to audit the cost records of the Company. The Board of Directors on the recommendation of the Audit Committee have approved the appointment of Ms. Latha Venkatesh, Latha Venkatesh & Associates, Cost Accountant in practice (FRN 101017), Chennai, as Cost Auditor of the Company for the FY 2024-25. The remuneration of the Cost Auditor has been fixed at ₹ 2,00,000/- (Rupees Two lakhs only) excluding taxes and other out-of-pocket expenses, which shall be reimbursed at actuals, in connection with audit of the cost records of the Company for the year ending 31st March 2025. The remuneration of the Cost Auditor is required to be ratified by the Members, in accordance with the provisions of the Act and the Rules.

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

The Board recommends the Ordinary Resolution at Item no. 5 of this Notice for the approval of the Members.

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

Name of the Director	Mr. Manesh Joseph
Age	49 years
Director Identification Number	07599476
Date of joining of the Board	23 rd June, 2021
Profile of the Director (including areas of expertise)	Mr. Manesh Joseph is a Graduate in Commerce with a Post Graduate Diploma in Business Administration and has more than two decades of experience in the industrial services domain, including six years of overseas stint in senior management positions handling marketing and general administration. He has worked in various departments of the Company and has expertise in procurement, manufacturing, services and operations and maintenance. He was a Whole-time Director of the Company, heading the Operation & Maintenance (O&M) division until 31 st December, 2023 in his capacity as Director – Services and O&M. Upon his appointment as the CEO of Thejo Hatcon Industrial Services Company from January 2024, he had relinquished his Whole-time Directorship effective 31 st December, 2023 and is currently a Non-Executive Director of the Company.
Terms and conditions of re-appointment	Mr. Manesh Joseph is proposed to be re-appointed as a Director, liable to retire by rotation.
Remuneration last drawn	₹ 33.34 lakhs during the Financial Year 2023-24.

NOTICE TO MEMBERS

Remuneration proposed to be paid	Nil
Number of Meetings of the Board attended during the year (FY23-24)	5 (Five).
No. of shares held in the Company	4,97,580 Equity Shares as on 31 st March, 2024
Directorships of other Boards as on 31 st March, 2024	Nil
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2024	Nil
Resignation from Directorships of listed entities in the past three years	Nil
Relationship with other Directors / Key Managerial Personnel	Son of Mr. K.J. Joseph, Promoter & Chairman Emeritus and brother of Mr. Manoj Jospeh, Managing Director and not related to any other Director / Key Managerial Personnel.

Notes:

- Directorships and Committee Memberships in Thejo Engineering Limited 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.*
- Remuneration represents monthly fixed remuneration drawn during the year and excludes other components like LTA, Medical reimbursement, commission, statutory contributions, etc.*

Information about Mr. Manoj Joseph:

Name of the Director	Mr. Manoj Joseph
Age	54 years
Director Identification Number	00434579
Date of joining of the Board	04 th October, 2001
Profile of the Director (including areas of expertise)	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 of the company and has expertise in procurement, planning, manufacturing, marketing, sales and overall management . He has also served the Company as Deputy Managing Director and Chief Operating Officer and is currently serving as Managing Director of the Company.
Terms and conditions of re-appointment	Mr. Manoj Joseph is proposed to be re-appointed as a Director, liable to retire by rotation. As per the resolution passed by the Members at the Annual General Meeting held on 30 th August, 2021, Mr. Manoj Joseph was appointed as the Managing Director for a period of five years from 15 th July, 2021 as per the terms and conditions contained therein.
Remuneration last drawn	₹ 65.52 lakhs during the Financial Year 2023-24.

NOTICE TO MEMBERS

Remuneration proposed to be paid	As per existing terms and conditions.
Number of Meetings of the Board attended during the year (FY23-24)	5 (Five)
No. of shares held in the Company	4,97,580 Equity Shares as on 31 st March, 2024
Directorships of other Boards as on 31 st March, 2024	Nil
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2024	Nil
Resignation from Directorships of listed entities in the past three years	Nil
Relationship with other Directors / Key Managerial Personnel	Son of Mr. K.J. Joseph, Promoter & Chairman Emeritus and brother of Mr. Manesh Joseph, Director and not related to any other Director / Key Managerial Personnel.

Notes:

- 1. Directorships and Committee Memberships in Thejo Engineering Limited 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.*
- 2. Remuneration represents monthly fixed remuneration drawn during the year and excludes other components like LTA, Medical reimbursement, commission, statutory contributions, etc.*

By Order of the Board
For THEJO ENGINEERING LIMITED

Place : Chennai
Date : 28th May, 2024

M.D. RAVIKANTH
CFO & Secretary

BOARD'S REPORT

The Board of Directors is pleased to present the Thirty-Eighth Annual Report of the Company (hereinafter referred to as "Thejo"/"Thejo Engineering"/"the Company"/"your Company"/"we"/"us") and its audited financial statements (standalone and consolidated) for the Financial Year ended 31st March, 2024. The summarised financial results for the year ended 31st March, 2024 are given below:

₹ in lakhs

	Standalone		Consolidated	
	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
Revenue from Operations	39,157.26	33,269.82	55,940.49	47,445.59
Other income	189.53	205.84	322.13	313.43
Total Income	39,346.79	33,475.66	56,262.62	47,759.02
Expenses				
Operating Expenditure	32,241.39	28,591.98	45,912.57	41,501.77
Depreciation and amortisation expense	1,537.14	803.24	2,044.31	1,219.02
Total Expenses	33,778.53	29,395.22	47,956.88	42,720.79
Profit before finance costs, exceptional item and tax	5,568.26	4,080.44	8,305.74	5,038.23
Finance Costs	442.32	370.17	642.77	460.84
Profit before Exceptional item and tax	5,125.94	3,710.27	7,662.97	4,577.39
Exceptional item	-	-	-	-
Profit before tax	5,125.94	3,710.27	7,662.97	4,577.39
Tax expense	1,320.90	952.10	1,724.67	1,097.17
Profit for the year	3,805.04	2,758.17	5,938.30	3,480.22
Attributable to:				
Owners of the Company	3,805.04	2,758.17	5,563.87	3,241.75
Non-controlling interests	-	-	374.43	238.47
Opening balance of retained earnings	14,656.57	12,111.96	15,804.13	12,791.50
Profit for the year	3,805.04	2,758.17	5,563.87	3,241.75
Dividend	214.39*	213.56	214.39*	213.56
Transfer to Statutory Reserve	-	-	-	15.56
Closing balance of retained earnings	18,247.22	14,656.57	21,153.61	15,804.13

* Dividend pertains to the Financial Year 2022-23. No appropriation for dividend has been made in the Accounts for the dividend recommended for the Financial Year 2023-24, pending approval by the Members at the ensuing Annual General Meeting.

BOARD'S REPORT**REVIEW OF FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS**

During the year under review, the Company continued its focus on value-added products under the Manufacturing Division and on profitable operations at site level in respect of the Services and Operation and Maintenance Division. The Company incorporated its subsidiary at UAE with the objective of targeting further growth in the overseas markets. The Company also focussed closely on cost control and working capital management. This enabled the Company to increase its turnover and profitability. The financial performance of the Company at standalone and consolidated levels are given below.

STANDALONE

Your Company recorded revenue (from operations) of ₹ 39,157.26 lakhs for the year ended 31st March, 2024 as against ₹ 33,269.82 lakhs in the previous year. It achieved an EBITDA of ₹ 7,105.40 lakhs (previous year ₹ 4,883.68 lakhs), resulting in a net profit of ₹ 3,805.04 lakhs as against ₹ 2,758.17 lakhs in 2022-23, registering a growth of 45.49% in terms of EBITDA and 37.95% in terms of net profit.

CONSOLIDATED

The Consolidated Financial Statements of the Company have been prepared as per Ind-AS 110. The Company's consolidated revenue from operations in the year under review aggregated ₹ 55,940.49 lakhs (previous year ₹ 47,445.59 lakhs) on which it made EBITDA of ₹ 10,350.05 lakhs (previous year ₹ 6,257.25 lakhs) and net profit (attributable to the Owners of the Company) of ₹ 5,563.87 lakhs as against ₹ 3,241.75 lakhs in 2022-23, registering a growth of 65.41% and 71.63% in terms of EBITDA and net profit (attributable to the Owners of the Company), respectively.

DIVIDEND

The Board of Directors is pleased to recommend payment of dividend of 30% i.e., ₹ 3/- per equity share of ₹ 10/- each for the Financial Year ended 31st March, 2024 (previous year: 20%). Based on the equity shares outstanding as on 31st March, 2024, the dividend would absorb an amount of ₹ 322.92 lakhs (previous year - ₹ 214.02 lakhs). Pursuant to the Finance Act, 2020, the dividend income will be taxable in the hands of the Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source ("TDS") from dividend payable to the Members at the rates prescribed in the Income-tax Act, 1961. The dividend payment is subject to the approval of the Members at the ensuing Annual General Meeting.

EMPLOYEES STOCK OPTION SCHEME

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

The Compensation / Nomination and Remuneration Committee of the Board *inter alia* administers and monitors the ESOP 2015.

During the year under review, there were no material changes in the ESOP 2015 and the Scheme is in compliance with the SEBI Regulations on ESOPs.

Information in respect of options granted under the Thejo Employee Stock Option Plan 2015 is given in Note 26.9 forming part of the Financial Statements. As per Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the details of the ESOPs are uploaded on the Company's website <https://www.thejo-engg.com/sites/ESOPs2024.pdf>

BOARD’S REPORT

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

Date	Details	No of equity shares Allotted	No. of equity shares (Cumulative)
1 st April, 2023	Opening Balance	-	1,07,00,958
8 th May, 2023	Allotment under ESOP	3,160	1,07,04,118
13 th June, 2023	Allotment under ESOP	10,700	1,07,14,818
20 th July, 2023	Allotment under ESOP	4,870	1,07,19,688
11 th September, 2023	Allotment under ESOP	6,370	1,07,26,058
24 th October, 2023	Allotment under ESOP	4,150	1,07,30,208
06 th December, 2023	Allotment under ESOP	9,075	1,07,39,283
10 th January, 2024	Allotment under ESOP	21,542	1,07,60,825
12 th March, 2024	Allotment under ESOP	3,449	1,07,64,274

A Certificate from the Secretarial Auditors of the Company as required under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is attached as Annexure 12 to the Board’s Report.

CREDIT RATING

During the Financial Year 2023-24, CRISIL has re-affirmed the long-term credit rating on the bank facilities as CRISIL A/Stable and short-term credit ratings on the bank facilities as CRISIL A1.

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ENVIRONMENT

Global trade is set to increase this year, driven by low inflation and a booming US economy, according to three major international economic organizations, viz. IMF, OECD, and WTO, all of which forecast an uptick in global trade flows in 2024. Despite lower inflation, interest rates, and increased economic activity, persistent risks and divergences between economies still threaten international trade. Slow but steady economic growth at 3.2% for 2024 and 2025 is predicted by the IMF in its World Economic Outlook – with a small uplift for the advanced economies but slightly lower growth in emerging and developing economies. The geopolitical tensions and trade fragmentation must be mitigated to keep growth on track. The Red Sea crisis and conflict in the Middle East are causing delays and increasing shipping costs for some sectors. Environmental risks such as the low water levels in the Panama Canal – one of the world’s main shipping arteries – add to the geopolitical issues affecting this and another major trade channel, the Suez Canal. The significant shifts and new challenges for businesses and policymakers caused by Generative AI could help advanced economies offset their lack of labour and emerging economies raise their workers’ productivity and income levels (Source: World Economic Forum, May 2024).

BOARD'S REPORT**India**

India's core sector growth eased to 5.2% in March 2024, impacted by various industries. The Index of Industrial Production (IIP) is likely to see a moderate growth of 3.5-5% in the same period. The slow growth in eight core industries, which have a 40% weight in the IIP, is likely to lead to slower industrial growth as well. With respect to steel sector, one of the major sectors catered by the Company, India remains a bright spot in the global steel industry and the steel demand in the country is expected to show a healthy growth of 7.7% in 2024 compared to a global growth of 1.9%, according to the Outlook of the World Steel Association.

Australia

The outlook for Australia remains positive but weaker growth is expected for 2024. Inflation has been higher than expected and labour market conditions have proven stronger than anticipated. Overall, higher interest rates have led people to cut back on spending. This is slowing economic growth and bringing demand into better balance with supply. Considering the potential market size in Australia, Thejo Australia Pty Ltd has a good growth potential over the long-term.

Saudi Arabia

The Saudi Arabian mining sector is expected to expand substantially in the coming years and play a crucial role in the Kingdom's economic diversification efforts. The government is focused on accelerating exploration and mining activity and reducing the Kingdom's dependency on oil revenue. The government's ambition to transform mining into the third pillar of the country's economy, is expected to provide us with robust opportunities in the coming years. Thejo Hatcon Industrial Services Company is expected to capitalise on the business opportunity and enhance growth.

Brazil

Despite downside risks from exports to China, the Brazilian economy is likely to grow further this year, thanks to the falling interest rates and a tight labour market. The Brazilian Industry Institute IBRAM predicts that investments in the country's mining industry will amount to \$64.5 billion in 2024-2028 (Report: S&P Global). On the back of low base and steady establishment of our products with key clients, our subsidiary in Brazil, Thejo Brasil Comercio E Servicos Ltda, could target further growth in this geography.

Chile

Chile continues to be a strong trading partner and export market for U.S. companies, largely due to its open market policies, zero tariffs, solid business practices, and low corruption index. The expected upturn in activity in 2024 should ensure that growth comes close to its potential, driven by household consumption, private investment and mining exports. On the back of the steady establishment of our products and our brand in the market, our subsidiary in Chile, Thejo Engineering LatinoAmerica SpA, is expected to perform well in the coming years.

United Arab Emirates (UAE)

The 2024 economic outlook for UAE remains positive, with expected GDP growth of 4% driven by sustained public infrastructure investments, and expansion of non- oil sectors such as tourism, financial services and technology. With better logistics and connectivity to European and African markets, our new subsidiary TE Global FZ-LLC at Ras Al-Khaimah has robust opportunities for future growth and profitability.

With quality and safety as top priorities, our Subsidiaries are expected to grow in the long term.

BOARD'S REPORT**INDUSTRY STRUCTURE AND DEVELOPMENT**

As the Company primarily caters to core sector industries, especially the customers in mineral and steel industry, the fortunes of the Company are closely tied to the fortunes of these industries. World Steel Association expects India to be the main driver of demand growth as Chinese demand continues to decline. Global steel demand is expected to rise by 1.7% to 1.793 billion metric tons in 2024 and to increase further in 2025 (Source: Reuters). The country's rapid economic development, urbanisation, and growing population will sustain metals and steel production in the mid to long term. Sustainability-led demand for metals like copper and aluminium should lead to higher sales prices and margins in the long-term. The Company continues to focus on value-added products along with high volume products. The focus is on increasing services business with robust working capital management. The Company continues to develop its overseas markets and pay attention to exports as domestic growth is expected to be average in the long run.

COMPANY PROFILE AND KEY DEVELOPMENTS**PROFILE**

Thejo Engineering Limited is a premium engineering solution provider to mining, mineral processing and bulk material handling industries through manufacturing products and offering onsite maintenance through technical as well as operations and maintenance services. The Company serves a variety of industries like steel, mining, mineral processing, aggregates and sand, power, chemical and fertiliser, cement, ports, etc. The Products business of the Company 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. Thejo Engineering is one of the few companies in the sub-continent offering manufacturing, marketing, and servicing activities under one roof.

Thejo Engineering was listed in the SME-EMERGE platform of the National Stock Exchange of India Limited (NSE) in 2012. The Company migrated to the Main Board (Capital Market Segment) of NSE with effect from 10th October, 2023. The Company has global presence with subsidiaries in Australia, Saudi Arabia, Brazil, Chile and Ras Al-Khaimah, UAE. The Company caters to India, Australasia, Middle East, South America, North America, Sub-Sahara and West Africa markets. The Company has manufacturing facilities and in-house R&D Centre in Chennai. The Company has distributor networks in various geographies.

RESEARCH AND DEVELOPMENT

The R&D Centre of the Company is focusing on developing new and innovative products, as well as bringing about continuous improvement of existing products to meet the needs of customers and tap into new markets. One of the primary functions of the centre is to spearhead innovation through researching and developing new techniques, equipment, and processes aimed at improving efficiency, reducing environmental impact, and enhancing safety in operations. The focus is on developing sustainable practices and technologies to mitigate environmental impact. The sustained efforts of the R&D Team have helped the Company to develop diverse product ranges capable of withstanding some of the hardest working conditions in core sector industries.

The Company has applied for patents in respect of several products/inventions. As at the end of the financial year, the Company had applied for 33 product patents and three design protections, of which 25 product patents have been awarded and the balance are in process.

Collaboration with industry stakeholders, academia, and government agencies is integral to the functioning of the R&D centre. By fostering partnerships and sharing knowledge, the centre is engaging in collaborative basic research projects with academic universities.

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 reviews on regular basis and takes appropriate steps based on the findings.

The Company has its Excellence Centre to train the technicians of the Company on safety and various technical aspects of the job. Safety, quality and speed are key to our services business.

OPPORTUNITIES AND THREATS**Opportunities**

The Company has been leveraging its experience for long term planning by uncovering new global opportunities and consolidating single-source solutions. Thejo has been broadening and deepening customer relationships by continually looking for new opportunities and newer areas in their businesses to add value, proactively investing in building newer capabilities, exploring new markets, re-skilling its workforce and launching newer services towards long-term sustainability goals.

Majority of the product division output goes to steel sector and mines. The products as well as services offerings of the Company are primarily intended for the core sector industries. The opportunities for the industry in which the Company operates go hand in hand with the opportunities for the core sector industries. The Indian steel processing industry stands at a pivotal juncture, poised to leverage emerging opportunities while navigating through an array of challenges. The Indian government is vigorously advancing the second phase of the Production Linked Incentive (PLI) scheme, aimed at further expanding the operational capacities of the metallurgical sector. This move is anticipated to significantly boost steel production in 2024, providing an impetus not only for enhanced domestic capabilities but also for elevating the international competitiveness of Indian steel companies through innovation and capacity enhancement.

The Company has a balanced portfolio of products and services, which helps to moderate the impact of cyclicity experienced by its customers. The Company looks at taking services business to the international markets and expanding the distributorship for its products in overseas geographies as the key areas of opportunity for the future. With the expansion of operations and penetration into the UAE market through the new subsidiary, connectivity to international clients is likely to enhance, resulting in newer business opportunities and growth in exports over the medium term.

Services sector finds talent supply as a challenging area in terms of technical competency, culture, and efficiency. Cost cutting through multiskilled manpower and preventive maintenance through training on safety and skill upgradation could enhance quality service and sustainable, consistent growth and development in the future. International market has good potential for services sector with skilled manpower, for the Company to capitalise.

The Company's bet on Operation and Maintenance (O&M) as the mainstay for the future is yet to materialize on the ground as O&M continues to be viewed as a commodity with consequent price pressures bordering on manpower contract. Under these circumstances, the Company intends to focus primarily on such O&M contracts that would add value to the Company as well as to the customers. The Company continues to expect good potential in O&M in the long term as and when the market matures.

The Company has been offering bundled products and is taking various measures to establish its products and services in the overseas markets as well. Mill liners and pipe conveyor maintenance are other areas where the Company believes there will be good growth opportunities. Improved distributorship networks, sustainable operations with concern for environment and focus on Environment, Social and Governance

BOARD'S REPORT

(ESG) aspects are the value additions and qualitative factors that provide competitive edge in the market in the long run.

Threats

The global economy continues to show resilience despite facing several strong headwinds, the lingering impact from the pandemic; Russia's invasion of Ukraine; China's economic slowdown; surging financial stress with high inflation, high costs, falling household purchasing power, and forceful monetary tightening; rising geopolitical uncertainties; trade fragmentation and global climate change.

On the customer front, the steel industry is facing a complex interplay of factors, which are expected to mould steel prices. Disruptions in supply chain, fluctuating raw material costs, coupled with declining iron ore prices and elevated coal prices in Europe due to the Ukraine war pose contrasting challenges for production costs. The global momentum towards green steel projects signifies a transformative phase in the industry.

Rising inflation trend in the global market can have an adverse impact on the price of raw materials, inventory and labour. It can make it difficult for the market to gauge the current value of the companies that make up market indexes. Any adverse movements in economic cycles in the Company's target markets is mitigated to some extent due to the Company's presence in multiple and diverse markets.

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

The Company could be susceptible to strategy, innovation, and business or product portfolio related risks if there is any significant and unfavourable shift in industry trends, customer preferences, or returns on R&D investments. Thejo does have the benefit of being very well entrenched with many of its customers with years of established relationship. Therefore, client concentration related risks are mitigated to an extent.

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

In the backdrop of the global fluctuations in pricing, the prices of most of the raw materials used by the Company are volatile. The Company is doing its best to address this risk of material prices by framing appropriate procurement and pricing policies.

FUTURE OUTLOOK

The last two years have seen the global economy struggling to deal with various challenges caused due to aggressive monetary tightening, normalisation of energy prices, flat inflation rates, unfavourable demographics, climate adaptation, digital transformation and the fragmentation of global trade. While the impact appears to have been contained, these uncertainties continue to undermine the confidence among consumers and businesses to spend, therefore impacting economic growth. With the tighter monetary conditions continuing, global activity is proving relatively resilient. Brighter prospects are expected to be around the corner with modest growth.

India has been one of the fastest-growing major economies over the past two decades. Maintaining economic stability by improving the quality of fiscal expenditure has been a priority for India's authorities in recent years. The strategy appears to have been effective and estimates suggest that India's GDP can continue to grow at 6.7% per year on average over the next decade. The expectation on the Indian economy continues to remain positive and so is the Company and the Management.

BOARD'S REPORT

Sustainability management with focus on environment will play a crucial role in future. Digitisation driven by AI is expected to replace manpower globally. AI-powered automation and IOT is being deployed to streamline processes, reduce operational costs, improve the quality of products and services, and enhance productivity and efficiency in various industries. Despite geopolitical crises, supply chain reorientations, global inflation, and climate change, the outlook for the future is positive combined with a high degree of uncertainty and unpredictability. The Company and the Management are prepared to take swift decisions based on emerging situation, keeping the interest of all stakeholders in mind.

FINANCIAL PERFORMANCE

The financial performance of the Company during the year under review has shown good growth in terms of turnover and profitability. The turnover from Manufacturing Division has increased. The Services Division also witnessed a better performance with increase in turnover. With expansion in manufacturing facilities and increase in operations, corresponding increase is witnessed in depreciation costs. Marginal increase in other costs is commensurate to the increase in operations. The Company has also stepped up its Information Technology spending focussing on enhanced digitization and digitalization. Exports registered a marginal dip of about 5% compared to the previous year.

The production of moulded and extruded products was 2,648 tonnes during 2023-24, registering a growth of 16% over the previous year (2,289 tonnes). The production of adhesives during the year under review was 438 tonnes, showing a growth of 19% over the previous year (369 tonnes).

SEGMENT WISE PERFORMANCE

Your Company has 3 segments of revenue – Manufacturing Units, Service Units and Others. The segment reporting in respect of these segments is furnished in Note 26.3, forming part of the Financial Statements.

RISKS AND CONCERNS

The Company has a Risk Management Committee in place, which was constituted by the Board of Directors at their Meeting held on 25th May, 2023. The Company has put in place a Risk Management Policy encompassing the Enterprise Risk Management Framework 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 except for the US market fluctuations, climate changes/challenges, prevailing geopolitical challenges like Russian-Ukraine conflict, Israel-Palestine conflict, China-Taiwan tensions, etc and their impact on the global economy.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company continues to look at, identify, create and execute initiatives that enhance productivity and efficiency. To enthuse the employee base and increase the linear relationship between performance and reward, increments/incentives and ESOP are being provided based on performance. The Company has been presented with the 'Tamil Nadu Best Employer Brand Award 2023' by the Employer Branding Institute, India, as part of its 18th Employer Branding Award.

BOARD'S REPORT

The Company will invest as hitherto in people through various initiatives which enable the workforce to meet the production and service expectations and challenges related thereto and to infuse positive enthusiasm towards the organisation, with keen focus on the training and safety of the employees.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

During the Financial Year 2023-24, the Company registered good growth in product and services revenue, resulting in better profitability. As a result, the profitability of the Company stood at ₹ 3,805.04 lakhs during FY24 as against ₹ 2,758.17 lakhs in the previous year.

As a result of the above factors, the Return on Net Worth increased to 19.17% in FY24 compared to 16.51% in FY23.

During FY24, there was significant change (i.e. change of 25% or more as compared to the previous year) in none of the key financial ratios.

CAUTIONARY STATEMENT

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

INTERNAL FINANCIAL CONTROL SYSTEM

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

SUBSIDIARY COMPANIES

During the year under review, the Company incorporated TE Global FZ-LLC ("TE Global") at Ras Al-Khaimah, UAE and subscribed 1000 shares of AED 1000 each in TE Global at face value, representing 100% stake.

As on the date of this Report, the Company has five subsidiaries, namely, Thejo Hatcon Industrial Services Company, Kingdom of Saudi Arabia (Thejo Hatcon) with 51% shareholding, Thejo Australia Pty Ltd, Australia (Thejo Australia) with 90% shareholding, Thejo Brasil Comercio E Servicos Ltda, Brazil (Thejo Brasil) with 99.99% shareholding, Thejo Engineering LatinoAmerica SpA, Chile (Thejo Chile) with 99.86% shareholding and TE Global FZ-LLC, Ras Al-Khaimah, United Arab Emirates (TE Global) with 100% shareholding.

PERFORMANCE OF SUBSIDIARY COMPANIES

Thejo Hatcon Industrial Services Company (Thejo Hatcon) is engaged primarily in rubber lining and related industrial services activities. During the period, 1st April, 2023 to 31st March, 2024, Thejo Hatcon achieved a turnover of SAR 10.61 million (₹ 2,341.79 lakhs) on which it made a net profit of SAR 2.66 million (₹ 587.91 lakhs).

BOARD'S REPORT

Thejo Australia Pty Ltd (Thejo Australia) is a servicing Company, primarily engaged in belt splicing, belt jointing, maintenance and related activities including sale of associated products and spares. During the period, 1st April, 2023 to 31st March, 2024, Thejo Australia achieved a turnover of AUD 25.40 million (₹ 13,888.62 lakhs) with a profit of AUD 0.73 million (₹ 401.35 lakhs).

Thejo Brasil Comercio E Servicos Ltda (Thejo Brasil) is mainly engaged in selling materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. During the period, 1st April, 2023 to 31st March, 2024, Thejo Brasil achieved a turnover of BRL 10.85 million (₹ 1,776.33 lakhs) with a profit of BRL 6.24 million (₹ 1,021.86 lakhs).

Thejo Engineering LatinoAmerica SpA (Thejo Chile) is primarily engaged in selling materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. During the period, 1st April, 2023 to 31st March, 2024, Thejo Chile achieved a turnover of CLP 1,582.76 million (₹ 1,495.63 lakhs) with a profit of CLP 198.98 million (₹ 188.02 lakhs).

TE Global FZ-LLC (TE Global) is primarily engaged in selling various products that are manufactured by Thejo Engineering Limited to various customers in the Middle East and other nearby/ related geographies. During the period from 12th October, 2023 to 31st March, 2024, being a newly incorporated entity, TE Global did not register sales and reported a loss of AED 0.28 million (₹ 62.68 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 Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in Annexure 1, forming part of the Board's Report.

RISK MANAGEMENT POLICY

The Company has developed and implemented an Enterprise Risk Management Policy in line with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Policy, inter alia, envisages identification, assessment, and treatment of risks.

CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee (CSR Committee) with Mr. Sridhar Ganesh as Chairman and Mr. Thomas John, Mr. V.A. George and Mr. Srinivas Acharya as Members. (Note: Mr. V.K. Srivastava was a Member and Chairman of the CSR Committee till he completed his second term of five years as Independent Director on 31st March 2024. Mr. Sridhar Ganesh was elected as the Chairman of the Committee on 27th May, 2024).

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

During the year 2023-24, the Company was required to incur CSR expenditure of ₹ 69.93 lakhs, being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company spent ₹ 70 lakhs on eligible projects approved by the Board on the recommendation of the CSR Committee, thus fully meeting the CSR target for the year under review. Annual Report on CSR Activities for the Financial Year 2023-24 is given in Annexure 2, forming part of the Board's Report. Brief particulars of the CSR projects undertaken is also given as part of Annexure 2.

BOARD'S REPORT**DIVIDEND DISTRIBUTION POLICY**

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

ANNUAL RETURN

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

NUMBER OF MEETINGS OF BOARD

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2024, 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, 2024 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 Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) 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, 2024 does not contain any qualification. During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Companies Act, 2013.

AUDITORS

M/s. Brahmayya & Co., Chartered Accountants, were re-appointed as Auditors at the 36th Annual General Meeting of the Company held on 27th August, 2022 to hold office up to the conclusion of the 41st Annual General Meeting of the Company.

BOARD'S REPORT**SECRETARIAL AUDIT**

The Board has appointed Mrs. Sindhuja Porselvam, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2023-24. The Secretarial Audit Report of Mrs. Sindhuja Porselvam for the Financial Year is attached as Annexure 3 to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL STANDARDS

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

COST AUDIT

For the financial year 2023-24, the Company is required to maintain cost records as specified by the Central Government under Section 148 of the Companies Act, 2013 and get them audited as per the rules framed under the Act. The Company is accordingly making and maintaining such accounts and records. The Board of Directors, based on the recommendation of the Audit Committee, have appointed Ms. Latha Venkatesh, Latha Venkatesh & Associates, Cost Accountant in practice (FRN 101017), as the Cost Auditor of your Company for the financial year 2023-24.

COST AUDITOR

As per Section 148 of the Companies Act, 2013, your Company is required to have the audit of its cost records conducted by a Cost Accountant in practice for the financial year 2024-25. Accordingly, the Board of Directors, based on the recommendation of the Audit Committee, have approved the re-appointment of Ms. Latha Venkatesh, Latha Venkatesh & Associates, Cost Accountant in practice (FRN 101017), as the Cost Auditor of your Company for the financial year 2024-25. As required under the Companies Act, 2013, a resolution seeking ratification of the remuneration payable to the Cost Auditor forms part of the Notice convening the ensuing 38th Annual General Meeting.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

COMMITTEES OF THE BOARD

Currently, the Company has eight Committees of the Board of Directors, namely, the Audit Committee, Compensation/Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Allotment Committee, Risk Management Committee, Strategy Committee and Business Opportunity Evaluation Committee. The terms of reference of the Committees are provided in the Corporate Governance Report, forming part of the Board's Report. The composition of the Committees, as at 31st March, 2024, is as follows:

BOARD'S REPORT

Name of the Committee	Composition of the Committee	Status
Audit Committee	Mr. V K Srivastava ¹ Mr. A Satyaseelan ² Mrs. Sujatha Jayarajan Mr. Nilesh S Vikamsey Prof. N Venkiteswaran ³ Mr. K Jairaj ⁴	Independent Director, Chairman Independent Director, Member Independent Director, Member Independent Director, Member Independent Director, Member ⁵ Independent Director, Member
Compensation/Nomination and Remuneration Committee	Mrs. Sujatha Jayarajan Mr. V K Srivastava ¹ Mr. Sridhar Ganesh Mr. Nilesh S Vikamsey Mr. K Jairaj ⁴	Independent Director, Chairperson Independent Director, Member Independent Director, Member Independent Director, Member Independent Director, Member
Corporate Social Responsibility Committee	Mr. V K Srivastava ¹ Mr. Thomas John Mr. V A George Mr. Sridhar Ganesh Mr. Srinivas Acharya	Independent Director, Chairman Non-Executive Director, Member Executive Chairman, Member Independent Director, Member ⁶ Independent Director, Member
Stakeholders' Relationship Committee	Mr. Srinivas Acharya Mr. V K Srivastava ¹ Mr. Thomas John Mrs. Sujatha Jayarajan Prof. N Venkiteswaran ³	Independent Director, Chairman Independent Director, Member Non-Executive Director, Member Independent Director, Member Independent Director, Member
Allotment Committee	Mr. A Satyaseelan ² Mr. Thomas John Mr. V A George Mr. Manoj Joseph Mr. Rajesh John Mr. Srinivas Acharya	Independent Director, Chairman Non-Executive Director, Member Executive Chairman, Member Managing Director, Member Director - Sales ¹⁰ , Member Independent Director, Member ⁷
Risk Management Committee	Mr. Srinivas Acharya Mr. Manoj Joseph Mr. Rajesh John Mr. Thomas K Abraham Mr. M D Ravikanth	Independent Director, Chairman Managing Director, Member Director - Sales ¹⁰ , Member Sr. VP (HR & Admin), Member CFO & Secretary, Member
Strategy Committee	Prof. N Venkiteswaran ³ Mr. Manoj Joseph Mr. Rajesh John Mr. Sridhar Ganesh	Independent Director, Chairman ⁸ Managing Director, Member Director - Sales ¹⁰ , Member Independent Director, Member ⁸
Business Opportunity Evaluation Committee	Mr. V A George Prof. N Venkiteswaran ³ Mr. Manoj Joseph Mr. Rajesh John	Executive Chairman, Member ⁹ Independent Director, Member Managing Director, Member Director - Sales ¹⁰ , Member

BOARD'S REPORT
Notes:

1. *The tenure of Mr. V.K. Srivastava, Independent Director, ended on 31st March 2024, on completion of his second term as an Independent Director. He was the Chairman/Member of the Committee until 31st March, 2024.*
2. *The tenure of Mr. A. Satyaseelan, Independent Director, ended on 31st March 2024, on completion of his second term as an Independent Director. He was the Chairman/Member of the Committee until 31st March, 2024.*
3. *Prof. N. Venkiteswaran was appointed as an Independent Director on the Board of the Company with effect from 31st March, 2024 and was inducted to the Committee with effect from 31st March, 2024.*
4. *Mr. K. Jairaj was appointed as an Independent Director on the Board of the Company with effect from 31st March, 2024 and was inducted to the Committee with effect from 31st March, 2024.*
5. *Prof. N. Venkiteswaran has been elected as the Chairman of the Audit Committee at the Meeting of the Committee held on 27th May, 2024.*
6. *Mr. Sridhar Ganesh has been elected as the Chairman of the Corporate Social Responsibility Committee at the Meeting of the Committee held on 27th May, 2024.*
7. *Mr. Srinivas Acharya has been elected as the Chairman of the Allotment Committee at the Meeting of the Committee held on 08th May, 2024.*
8. *Mr. Sridhar Ganesh was the Chairman of the Strategy Committee until 30th March, 2024. Prof. N. Venkiteswaran assumed the Chairmanship of the Strategy Committee with effect from 31st March, 2024 upon joining the Committee as its Member.*
9. *Mr. V.A. George has been elected as the Chairman of the Business Opportunity and Evaluation Committee at the Meeting of the Committee held on 02nd April, 2024.*
10. *Mr. Rajesh John, Whole-time Director designated as 'Director - Sales' was re-designated as 'Deputy Managing Director' with effect from 01st April, 2024.*

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

VIGIL MECHANISM

The Company has put in place a Whistle Blower Policy and established the requisite Vigil Mechanism for the stakeholders, including employees and Directors, for reporting concerns about unethical, unlawful, or improper practices, acts or activities in the Company to a designated Committee. The Committee consists of Mr. M.D. Ravikanth, Chief Financial Officer & Secretary, Mr. S Premjit – Senior Vice President- Services and Mr. Thomas K Abraham – Senior Vice President- HR & Admin. This mechanism also provides for adequate safeguards against retaliatory adverse action against those who report such practices in good faith. The Policy is available on the Company's website at https://www.thejo-engg.com/thejo-admin/upload/policies/WB_Policy.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Manesh Joseph (DIN 07599476), Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

Mr. Manoj Joseph (DIN 00434579), Managing Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

A brief resume of Mr. Manesh Joseph and Mr. Manoj Joseph together with related information is given in the Notice convening the ensuing Annual General Meeting.

BOARD'S REPORT

The Board recommends their re-appointment as Directors of the Company.

The details of Directors and Key Management Personnel, who were appointed or have resigned during the Financial Year 2023-24 are as follows:

Mr. Nilesh Shivji Vikamsey (DIN 00031213) was appointed as an Additional Director designated as Independent Director of the Company for a period of 5 years with effect from 08th March, 2023, by the Board at its meeting held on 08th March, 2023 based on the recommendation of the Compensation/Nomination and Remuneration Committee. The appointment of Mr. Nilesh Shivji Vikamsey as an Independent Director was approved by the Members of the Company, by means of Postal Ballot through remote e-voting that concluded on 01st July, 2023.

Mr. Srinivas Acharya (DIN 00017412) was appointed as an Additional Director designated as Independent Director of the Company for a period of 5 years with effect from 08th March, 2023, by the Board at its meeting held on 08th March, 2023 based on the recommendation of the Compensation/Nomination and Remuneration Committee. The appointment of Mr. Srinivas Acharya as an Independent Director was approved by the Members of the Company, by means of Postal Ballot through remote e-voting that concluded on 01st July, 2023.

Mr. Manesh Joseph (DIN 07599476), Whole-time Director designated as Director – Services and Operations & Maintenance, resigned from his Whole-time Directorship (Key Managerial Personnel) effective 31st December, 2023, without relinquishing his Directorship on the Board of the Company, as he was appointed as Chief Executive Officer of Thejo Hatcon Industrial Services Company, Saudi Arabia, a subsidiary of the Company effective 01st January, 2024. Mr. Manesh Joseph continues on the Board of the Company as a Non-executive Director.

Prof. N. Venkiteswaran (DIN 00056000) was recommended by the Compensation/Nomination and Remuneration Committee and the Board of Directors for appointment as an Independent Director, for a continuous period of five years with effect from 31st March, 2024. The appointment of Prof. N. Venkiteswaran as an Independent Director was approved by the Members of the Company, by means of Postal Ballot through remote e-voting that concluded on 23rd March, 2024.

Mr. K. Jairaj (DIN 01875126) was recommended by the Compensation/Nomination and Remuneration Committee and the Board of Directors for appointment as an Independent Director, for a continuous period of five years with effect from 31st March, 2024. The appointment of Mr. K. Jairaj as an Independent Director was approved by the Members of the Company, by means of Postal Ballot through remote e-voting that concluded on 23rd March, 2024.

In the opinion of the Board, the Independent Directors appointed during the year, possess requisite expertise, skills, experience, proficiency and integrity.

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 and Regulation 16(1)(b) of SEBI Listing Regulations.

None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority in accordance with SEBI Listing Regulations.

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

BOARD EVALUATION

A formal annual evaluation is required to be made by the Board, of its own performance and that of its Committees and individual Directors. Section 178(2) of the Companies Act, 2013 requires the Compensation/

BOARD'S REPORT

Nomination and Remuneration Committee to specify the manner for effective evaluation of the performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent Directors is to be done by the entire Board of Directors, excluding the Director being evaluated.

Accordingly, the Board of Directors carried out the annual performance evaluation of the Board, its Committees, Individual Directors and Chairpersons during the year under review pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations. As approved by the Compensation/ Nomination and Remuneration Committee, the evaluation of the performance of the Board, its committees and individual directors, for the current year was done through web by filling the questionnaire uploaded in the web module.

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 based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures relating to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as Annexure 6 to the Board's Report.

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

CORPORATE GOVERNANCE

Your Company is committed to the well-being of the Environment, Society and upholding high standards of Governance. The Company's philosophy on Corporate Governance guides its business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising employees, investors, customers, regulators, suppliers and the society at large. Strong leadership and effective Corporate Governance practices have been the Company's hallmark to success.

The securities of the Company got listed on the Emerge-SME Platform of National Stock Exchange of India Limited (NSE) in 2012. The Company migrated to the Main Board (Capital Market Segment) of NSE with effect from 10th October, 2023 after obtaining all necessary approvals. The Company is in compliance with the applicable Corporate Governance requirements stipulated under the SEBI Listing Regulations. A Report on Corporate Governance is attached as Annexure 7 to the Board's Report. Compliance Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance stipulated under the SEBI Listing Regulations is attached as Annexure 9 to the Report.

BOARD'S REPORT**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING**

The Business Responsibility and Sustainability Report ("BRSR") for the Financial Year is attached as Annexure 10 to the Board's Report. The BRSR indicates the Company's performance in respect of the principles of the 'National Guidelines on Responsible Business Conduct'.

GENERAL

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

1. Deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Receipt of remuneration or commission by the Managing Director or the Whole-time Directors of the Company from any of its subsidiaries.
4. Amounts proposed to be carried to any reserves.
5. Material changes and commitments that affect the financial position of the Company which have occurred between the end of the financial year and the date of this report.
6. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. Application made or proceeding pending under Insolvency and Bankruptcy Code, 2016.
8. Difference between amount of valuation done at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions.

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

Chennai
28th May, 2024

V.A. GEORGE
Executive Chairman
DIN 01493737

THOMAS JOHN
Vice Chairman
DIN 00435035

MANOJ JOSEPH
Managing Director
DIN 0434579

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

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

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

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

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

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

iii. Capital Investments on energy conservation equipment

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

B) TECHNOLOGY ABSORPTION

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

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

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

c) Benefits derived as a result of R&D

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

d) Expenditure on R&D

₹ in lakhs

Particulars	2023-24
Capital	32.30
Revenue (excluding depreciation)	208.69
Total	240.99
Total R&D expenditure as a % of total turnover	0.62%

ANNEXURE TO BOARD'S REPORT

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Payments in foreign currency towards Imports

₹ in lakhs

Imports at CIF Value	2023-24	2022-23
Raw materials and Traded goods	1,091.79	1,142.15
Capital goods	36.77	37.60
Total	1,128.56	1,179.75

b) Payments in foreign currency towards Expenditure

₹ in lakhs

Expenditure in Foreign currency	2023-24	2022-23
Professional and consultation fees	24.06	10.10
Advertisement	39.54	28.80
Salaries & Incentives of Perth Branch	0.00	375.84
Other Expenditure of Perth Branch	113.71	311.44
Others	42.09	15.38
Total	219.40	741.56

c) Earnings in foreign currency on Accrual basis

₹ in lakhs

Earnings in foreign exchange	2023-24	2022-23
Exports – Products	4,909.28	5,208.77
Exports – Services	35.55	0.00
Total	4,944.83	5,208.77

d) Net Gain or Loss on Foreign Currency Translation

₹ in lakhs

Description	2023-24	2022-23
Profit/(Loss) on Foreign Currency Translation	0.94	57.99

ANNEXURE 2 TO BOARD'S REPORT

Annual report on CSR activities

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

1. **Brief outline on CSR Policy of the Company:**

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 promoting good environmental practices.
- ✓ To be a responsible and responsive corporate citizen through endeavours to create a safe, harmonious and ecologically balanced environment for its members and the community at large.
- ✓ To maintain a commitment to quality, health, education and safety in every aspect of the business and people.
- ✓ To promote equality of opportunity and diversity of the workforce through its business operations.

For more details related to our CSR Policy, please visit:

https://www.thejo-engg.com/thejo-admin/upload/policies/policy_CSR.pdf

ANNEXURE TO BOARD'S REPORT

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee held during FY 2023-24	
			Held during the tenure	Attended
1	Mr. V.K. Srivastava*	Independent Director, Chairman	1	1
2	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	1	1
3	Mr. V.A. George	Executive Chairman, Member	1	1
4	Mr. Sridhar Ganesh^	Independent Director, Member	1	1
5	Mr. Srinivas Acharya	Independent Director, Member	1	1

* The tenure of Mr. V.K. Srivastava, Independent Director, ended on 31st March 2024, on completion of his second term as an Independent Director. He was the Chairman of the Committee until 31st March, 2024

^ Mr. Sridhar Ganesh was elected as the Chairman of the Committee at its meeting held on 27th May 2024.

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

- The composition of the CSR committee is available on our website, at <https://www.thejo-engg.com/thejo-admin/upload/allstatutory/CSR%20Composition.pdf>
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at https://www.thejo-engg.com/thejo-admin/upload/policies/policy_CSR.pdf
- The Board, based on the recommendation of the CSR committee, at its meeting held on 27th May, 2024, has approved the annual action plan / projects for the financial year 2024-25, the details of which are available on our website at <https://thejo-engg.com/invest/CSRProjectsFY24.pdf>

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

- Average net profit of the Company as per section 135(5) ₹ 3,496.33 lakhs
 - Two percent of the average net profit of the Company as per section 135(5) ₹ 69.93 lakhs
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
 - Amount required to be set off for the financial year, if any Nil
 - Total CSR obligation for the financial year (b+c-d). ₹ 69.93 lakhs
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) ₹ 70 lakhs
 - Amount spent in Administrative Overheads Nil
 - Amount spent on Impact Assessment, if applicable Nil
 - Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹ 70 lakhs

ANNEXURE TO BOARD'S REPORT

e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 70 lakhs	Nil	-	-	-	-

f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	₹ 69.93 lakhs
(ii)	Total amount spent for the financial year	₹ 70.00 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.07 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0.07 lakhs

7. Details of Unspent CSR amount for the preceding three financial years: NIL
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NIL
9. Reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not applicable

Place : Chennai
Date : 27th May, 2024

V.A. GEORGE
Executive Chairman
DIN 01493737

SRIDHAR GANESH
Chairman of CSR Committee
DIN 01681018

ANNEXURE TO BOARD'S REPORT

Details of Amount spent for CSR activities during FY 2023-24

S No	CSR Project/ Beneficiary	Activity	Direct/ Indirect	CSR Regn No.	Location	Amount (₹ In lakhs)
1	Institute of the Franciscan Missionaries of Mary Society	Promoting Education	Indirect	CSR00059208	Chennai	0.41
2	Society For Social Education and Research (MSW)	Promoting Education	Indirect	CSR00002170	Chennai	2.00
3	The Institute of the Franciscan Missionaries of Mary Society	Promoting Education	Indirect	CSR00041441	Chennai	3.70
4	Dean Foundation	Preventive health care	Indirect	CSR00000401	Chennai	5.00
5	The Akshaya Patra Foundation	Malnutrition and hunger eradication	Indirect	CSR00000286	Chennai	10.00
6	Hope Foundation	Preventive health care	Indirect	CSR00000472	Chennai	5.00
7	Society of St. Joseph's College	Preventive health care	Indirect	CSR00008590	Chennai	10.00
8	Tamilnadu Kidney Research Foundation	Preventive health care	Indirect	CSR00001422	Chennai	10.00
9	Victory Sports Foundation	Promotion of rural sports/ nationally recognised sports / Paralympic sports/ Olympic sports	Indirect	CSR00002949	Chennai	2.50
10	Sri Brahmishi Ashram	Malnutrition and hunger eradication	Indirect	CSR00024457	Chennai	1.00
11	Pain & Palliative Care Society	Preventive health care	Indirect	CSR00018532	Thrissur	5.00
12	STS Foundation Public Charitable Trust	Preventive health care and sanitation	Indirect	CSR00031351	Chennai	5.00
13	D' Force Water Sports Foundation	Promotion of sports	Direct		Chennai	5.31
14	PM Cares Fund	Contribution to PM CARES Fund	Direct		Delhi	5.08
	Total					70.00

ANNEXURE TO BOARD'S REPORT

ANNEXURE 3 TO BOARD'S' REPORT

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2024

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

To

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

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

Based on my verification of **M/s. THEJO ENGINEERING LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, returns filed and other records maintained by **M/s. THEJO ENGINEERING LIMITED** for the financial year ended on 31/03/2024 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 Companies Act 2013 and forms, returns in this connection have been duly filed, and there are no adverse remarks or qualification in this aspect.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

ANNEXURE TO BOARD'S REPORT

- (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.
- * *Effective October 10, 2023, the Company has transitioned its securities listing from the SME Platform to the Main Board.*
- (vi) The Management has identified and confirmed the following Laws as specifically applicable to the Company:
1. Factories Act, 1948
 2. Industrial dispute Act, 1947
 3. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 4. Employees' State Insurance Act, 1948
 5. Shop & Establishment Act, 1948
 6. The Payment of Gratuity Act, 1972
 7. The Contract Labour (Regulation and Abolition) Act, 1970
 8. The Maternity benefit Act, 1961
 9. The Child Labour Prohibition and Regulation Act, 1986
 10. The Industrial Employment (Standing Order) Act, 1946
 11. The Employee Compensation Act, 1923
 12. The Apprentices Act, 1961
 13. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 14. The Minimum wages Act, 1948
 15. Payment of Wages Act, 1936
 16. Equal Remuneration Act, 1976
 17. The Payment of Bonus Act, 1965

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

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

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

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including One Woman Director. 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.

ANNEXURE TO BOARD'S REPORT

- 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.

For Porselvam and Associates

Place : Chennai
Date : 28/05/2024
UDIN : A044831F000464393

SINDHUJA PORSELVAM
Company Secretary in Practice
Mem. No 44831; CP No. 23622

ANNEXURE TO BOARD'S REPORT

ANNEXURE TO SECRETARIAL AUDIT REPORT

To

The Members
M/s. THEJO ENGINEERING LIMITED
Chennai.

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

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

For Porselvam and Associates

Place : Chennai
Date : 28/05/2024
UDIN : A044831F000464393

SINDHUJA PORSELVAM
Company Secretary in Practice
Mem. No 44831; CP No. 23622

ANNEXURE TO BOARD'S REPORT

ANNEXURE 4 TO BOARD'S REPORT

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

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

The particulars of loans given as at 31st March, 2024: Nil

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

₹ in lakhs

Name of the Company and Country	During FY 23-24	As at 31st March, 2024
Thejo Hatcon Industrial Services Company, Saudi Arabia	-	333.72
Thejo Australia Pty Ltd, Australia ¹	445.11	1,647.56
Thejo Brasil Comercio E Servicos Ltda, Brazil	-	98.62
Thejo Engineering LatinoAmerica SpA, Chile	-	695.39
TE Global FZ-LLC ²	227.38	227.38

Notes:

1. During the year, the Company purchased 4,80,000 shares (of Face Value of AUD 1/- each) in Thejo Australia Pty Ltd (TAPL) from Bridgestone Mining Solutions Australia Pty Ltd. With this, the Company holds 90% stake in TAPL.
2. TE Global FZ-LLC (TE Global) was incorporated on 12th October, 2023. The Company subscribed 1000 shares of AED 1000 each in TE Global at face value, representing 100% stake, Accordingly, TE Global is a wholly-owned subsidiary of the Company.

The details of guarantees given as at 31st March, 2024: Nil

ANNEXURE 5 TO BOARD'S REPORT

Form AOC - 2

[Pursuant to Section 134(3)(h) 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 related parties during the Financial Year 2023-24, which were not at arm's length.

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

The contracts/arrangements/ transactions entered into by the Company during the Financial Year 2023-24 with related parties were not material in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Members may refer to Note 26.5 forming part of the Financial Statements, disclosing the transactions with the related parties pursuant to the applicable Ind-AS.

For and on behalf of the Board

Chennai	V.A. GEORGE	THOMAS JOHN	MANOJ JOSEPH
28 th May, 2024	Executive Chairman	Vice Chairman	Managing Director
	DIN 01493737	DIN 00435035	DIN 00434579

ANNEXURE TO BOARD'S REPORT

ANNEXURE 6 TO BOARD'S REPORT

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

- 1) The details of remuneration of each Director and KMP during the Financial Year 2023-24, the percentage increase in remuneration of each Director and KMP and ratio of the remuneration of each Director to the median remuneration of the employees for the Financial Year 2023-24 are as follows:

Name of the Director / KMP	Remuneration of Director/KMP for the F.Y. 2023-24 (₹ In lakhs)	% increase in Remuneration in the F.Y. 2023-24	Ratio of Remuneration of each director to median remuneration of employees	Remuneration of Director/ KMP for the F.Y. 2022-23 (₹ In lakhs)
Mr. Thomas John	4.00	0.00%	1.18	4.00
Mr. V. A. George	120.00	5.26%	35.50	114.00
Mr. Manoj Joseph	65.52	3.70%	19.38	63.18
Mr. Rajesh John	46.80	5.26%	13.85	44.46
Mr. Manesh Joseph ^a	33.34	NA	NA	42.12
Mr. V. K. Srivastava ^b	6.75	22.73%	2.00	5.50
Mr. A. Satyaseelan ^b	5.00	25.00%	1.48	4.00
Mrs. Sujatha Jayarajan	6.50	4.00%	1.92	6.25
Mr. Sridhar Ganesh	3.25	0.00%	0.96	3.25
Mr. Nilesh S. Vikamsey ^c	5.50	NA	1.63	0.50
Mr. Srinivas Acharya ^c	4.50	NA	1.33	0.50
Prof. N. Venkiteswaran ^d	NA	NA	NA	NA
Mr. K. Jairaj ^d	NA	NA	NA	NA
Mr. M. D. Ravikanth	46.89	13.59%	13.87	41.28

Notes:

- Mr. Manesh Joseph resigned from his Whole-time Directorship effective 31st December, 2023, without relinquishing his Directorship and is continuing as a Non-executive Director on the Board of the Company. His Remuneration for FY 2023-24 represents remuneration drawn by him in his capacity as Whole-time Director for the period 1st April, 2023 to 31st December, 2023 and hence % increase in remuneration in FY 2023-24 and ratio to median remuneration are given as 'NA' as the comparison is not meaningful.
- Mr. V.K. Srivastava and Mr. A. Satyaseelan completed their second term as Independent Directors on 31st March, 2024 and ceased to be Independent Directors of the Company.
- Mr. Nilesh S Vikamsey and Mr. Srinivas Acharya were appointed as Independent Directors with effect from 8th March 2023. Accordingly, the remuneration (sitting fee) paid to them during FY 2022-23 relates to Meetings held on or after 8th March 2023 and hence % increase in remuneration in FY 2023-24 is given as 'NA' as the comparison is not meaningful.
- Prof. N. Venkiteswaran and Mr. K. Jairaj were appointed as Independent Directors on the Board of the Company with effect from 31st March, 2024.

ANNEXURE TO BOARD'S REPORT

- e. Remuneration of Managing Director, Whole-time Directors and KMP are stated based on Monthly fixed Gross Salary (excluding retiral benefits, Medical Reimbursement, LTA, Leave encashment, Ex-gratia, Bonus, Commission, Perquisites on exercise of ESOP, etc).
 - f. Remuneration of Independent Directors represents sitting fee paid during FY23-24 and excludes profit related commission approved by the Board for FY 23-24 to be paid in FY24-25.
- 2) The median remuneration of employees of the Company based on monthly fixed gross salary (excluding retiral benefits, Medical Reimbursement, LTA, Leave encashment, Bonus, Ex-gratia, incentive, etc) for the Financial Year was ₹ 3.38 lakhs per annum.
 - 3) There was an increase of 8.57% in the median remuneration of employees in the Financial Year.
 - 4) There were 1392 permanent employees on the rolls of the Company as on 31st March, 2024.
 - 5) Average percentage increase made in the salaries of employees (based on monthly fixed gross salary) other than the managerial personnel in the Financial Year 2023-24 was 11.36% whereas the managerial remuneration (based on monthly fixed gross salary) increased by 4.82% as their fixed remuneration is subject to marginal increase as approved by the Members at the time of their appointment.
 - 6) It is hereby affirmed that the remuneration paid is as per the Company's Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE TO BOARD'S REPORT
ANNEXURE 7 TO BOARD'S REPORT
CORPORATE GOVERNANCE REPORT
1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Company's Corporate Governance philosophy lays strong emphasis on transparency, accountability, community engagement and quick business decisions.

The Company has taken several initiatives towards maintaining a 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 SEBI Listing Regulations 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, Board Diversity Policy, Appointment and Remuneration Policy, Code of Conduct to regulate, monitor and report trading by Designated Persons, Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information, Policies and Procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, Dividend Distribution Policy, Material Subsidiary Policy, Related Party Transaction Policy, Whistle Blower Policy, Policy on Prevention of Sexual Harassment in the Workplace, Corporate Social Responsibility Policy, Policy for determination of materiality and Enterprise Risk Management Policy including the Framework for Enterprise Risk Management.

2. BOARD OF DIRECTORS

The Board of Directors of the Company consists of optimum combination of Executive and Non- Executive Directors. As at 31st March, 2024, the Company's Board had 13 Directors, of which three were Executive Directors, two were Non-Executive Non-independent Directors and eight were Independent Directors. The composition of the Board and category of Directors were as follows:

Category	Name of Director & Designation	DIN
Promoter & Non-Executive Directors	Mr. Thomas John, Vice Chairman	00435035
	Mr. Manesh Joseph, Director ¹	07599476
Executive Directors	Mr. V.A. George, Executive Chairman	01493737
	Mr. Manoj Joseph, Managing Director	00434579
	Mr. Rajesh John, Director - Sales ²	05161087
Independent Directors	Mr. V.K. Srivastava, Independent Director ³	00611678
	Mr. A. Satyaseelan, Independent Director ⁴	05158896
	Mrs. Sujatha Jayarajan, Independent Director	00633989
	Mr. Sridhar Ganesh, Independent Director	01681018
	Mr. Nilesh S Vikamsey, Independent Director	00031213
	Mr. Srinivas Acharya, Independent Director	00017412
	Prof. N. Venkiteswaran, Independent Director ⁵	00056000
	Mr. K. Jairaj, Independent Director ⁶	01875126

ANNEXURE TO BOARD'S REPORT

Notes:

1. Mr. Manesh Joseph served as a whole-time Director till 31st December, 2023. He resigned from his Whole-time Directorship effective 31st December, 2023 without relinquishing his Directorship on the Board of the Company and is continuing as a Non-executive Director.
2. Mr. Rajesh John, Whole-time Director designated as 'Director-Sales' was re-designated as 'Deputy Managing Director' effective 01st April, 2024, by the Board at its Meeting held on 13th February, 2024.
3. Mr. V.K. Srivastava completed his second term as Independent Director and ceased to be Independent Director of the Company on 31st March, 2024.
4. Mr. A. Satyaseelan completed his second term as Independent Director and ceased to be Independent Director of the Company on 31st March, 2024.
5. Prof. N. Venkiteswaran was appointed as an Independent Director with effect from 31st March, 2024
6. Mr. K. Jairaj was appointed as an Independent Director with effect from 31st March, 2024

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, 2024 were as under:

S. No.	Name of the Director	Number of Directorship held in other Companies	Number of Board Committee Memberships / Chairmanships held in other Companies	
			Membership	Chairmanship
1	Mr. Thomas John	Nil	Nil	Nil
2	Mr. V.A. George	2	2	Nil
3	Mr. Manoj Joseph	Nil	Nil	Nil
4	Mr. Rajesh John	Nil	Nil	Nil
5	Mr. Manesh Joseph	Nil	Nil	Nil
6	Mr. V.K. Srivastava ¹	Nil	Nil	Nil
7	Mr. A. Satyaseelan ²	Nil	Nil	Nil
8	Mrs. Sujatha Jayarajan	2	1	Nil
9	Mr. Sridhar Ganesh	1	Nil	Nil
10	Mr. Nilesh S Vikamsey	9	4	5
11	Mr. Srinivas Acharya	2	1	Nil
12	Prof. N. Venkiteswaran ³	Nil	Nil	Nil
13	Mr. K. Jairaj ⁴	9	5	4

Notes:

1. Mr. V.K. Srivastava completed his second term as Independent Director and ceased to be Independent Director of the Company on 31st March, 2024.
2. Mr. A. Satyaseelan completed his second term as Independent Director and ceased to be Independent Director of the Company on 31st March, 2024.
3. Prof. N. Venkiteswaran was appointed as an Independent Director with effect from 31st March, 2024.
4. Mr. K. Jairaj was appointed as an Independent Director with effect from 31st March, 2024.
5. None of the Directors holds Chairmanship of the Board Committees in excess of the maximum ceiling of five and Membership in excess of the maximum ceiling of ten.
6. Chairmanship/Membership of the Audit Committee and the Stakeholders' Relationship Committee in public limited companies (including private limited companies that are subsidiaries of public limited companies) alone has been considered and Directorship in Private Limited Companies (not being subsidiary or holding company of a public limited company), Foreign Companies, Companies registered under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013 has not been considered.
7. In case of Committee Chairmanship, the same is not counted under Membership
8. Excluding Directorship and Committee Chairmanship/Membership in Thejo Engineering Limited and its subsidiaries.

ANNEXURE TO BOARD'S REPORT

The names of the listed entities in which Directors of the Company hold directorship and category thereof, as at 31st March, 2024, are furnished below:

S. No.	Name of the Director	Name of the listed entity in which Directorship held	Category of Directorship
1	Mr. V.A. George	Muthoot Finance Limited	Non-Executive-Independent Director
2	Mrs. Sujatha Jayarajan	Chemfab Alkalis Limited	Non-Executive-Independent Director
3	Mr. Nilesh S Vikamsey	IIFL Finance Limited* 360 ONE WAM Limited (Formerly IIFL Wealth Management Ltd) Thomas Cook (India) Limited PNB Housing Finance Limited Allcargo Gati Limited (Formerly Gati Limited) Allcargo Logistics Limited	Non-Executive-Independent Director Independent Director & Non-Executive Chairman Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director
4	Mr. Srinivas Acharya	India Motor Parts & Accessories Limited	Non-Executive-Independent Director
5	Mr. K. Jairaj	PCBL Limited RPSG Ventures Limited Adani Energy Solutions Limited	Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director

* Mr. Nilesh S Vikamsey completed his second term as an Independent Director on the Board of IIFL Finance Limited effective close of business hours on 31st March, 2024.

Relationship between Directors *inter-se*

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

Independent Directors

The Board has framed a 'Code for Independent Directors' as required under the Companies Act, 2013. Independent Directors are issued Letters of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

The Board of Directors have taken on record, the declarations received from Independent Directors confirming that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and SEBI Listing Regulations. All the Independent Directors have registered themselves with the databank of Independent Directors developed by the Indian Institute of Corporate Affairs in accordance with provisions of Section 150 of the Companies Act, 2013. In the opinion of the Board, the Independent Directors are persons of high integrity and repute possessing requisite expertise, experience and proficiency and fulfil the conditions stipulated in the Companies Act, 2013 and SEBI Listing Regulations and are independent of the Management.

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and Members of the Management. Accordingly, the Meeting of Independent Directors, without the attendance of Non-Independent Directors and Members of the Management, was held on 13th February, 2024 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.

ANNEXURE TO BOARD'S REPORT

The status of the Independent Directors' attendance at the Meeting was as follows:

S. No.	Name of the Independent Director	No. of meetings held during FY 2023-24	
		Held during the tenure	Attended
1	Mrs. Sujatha Jayarajan, Chairperson ¹	1	1
2	Mr. V.K. Srivastava ²	1	1
3	Mr. A. Satyaseelan ³	1	1
4	Mr. Sridhar Ganesh	1	0
5	Mr. Nilesh S Vikamsey	1	1
6	Mr. Srinivas Acharya	1	1
7	Prof. N. Venkiteswaran ⁴	Nil	NA
8	Mr. K. Jairaj ⁵	Nil	NA

Notes:

1. Chairperson for the Meeting held on 13th February 2024.
2. Mr. V.K. Srivastava completed his second term as Independent Director and ceased to be Independent Director of the Company on 31st March, 2024.
3. Mr. A. Satyaseelan completed his second term as Independent Director and ceased to be Independent Director of the Company on 31st March, 2024.
4. Prof. N. Venkiteswaran was appointed as an Independent Director with effect from 31st March, 2024.
5. Mr. K. Jairaj was appointed as an Independent Director with effect from 31st March, 2024.
6. NA – Not Applicable

Familiarisation programmes imparted to Independent Directors

The Company has a familiarisation programme for Independent Directors with regard to their role, rights, responsibilities in the Company, nature of Industry, the business models of the Company etc.

At the time of appointing Independent Directors, an Appointment Letter incorporating their role, duties and responsibilities and the various terms and conditions of their engagement is issued for the acceptance of the Independent Directors.

When a new Independent Director is appointed, the Executive Chairman, Managing Director and Key Managerial Personnel of the Company brief him / her on the functioning of the Board and the nature of operations of the Company. Independent Directors are provided with a copy of the Memorandum and Articles of Association of the Company, the latest Annual Report, Code of Conduct for Directors and Senior Management and the Company's Code of Conduct to Regulate, Monitor and Report Trading by designated persons.

Independent Directors are also apprised from time to time, of the compliances required from them under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant Rules and Regulations.

The brief about the familiarization program is available in the website of the Company at www.thejo-engg.com/thejo-admin/upload/allstatutory/Familiarization Prog FY24.pdf

The provision of access to senior managerial personnel at Board / Board Committee meetings enables Independent Directors to interact with them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources,

ANNEXURE TO BOARD’S REPORT

technology, quality and risk management and other related areas. The Senior Management also makes presentations on different areas to the Board / Board Committees for informed appreciation of issues being discussed. Presentations on operations are made to the Board / Committees at their meetings.

Skills/expertise/competencies identified by the Board of Directors

The Board of Directors has identified the following core skills, expertise and competence of Directors that would help them to function effectively in the conduct of business of the Company:

Industry Knowledge, Leadership, Business Strategy, Operations, Marketing, Financial expertise, Governance and legal, People Management and Capacity Building, and CSR including Environment, Social and Governance practices.

The Board, after evaluation, ascertained that the directors possess the following skills, expertise and competence:

Name of the Director	Industry Knowledge	Leadership	Business Strategy	Operations	Marketing	Financial Expertise	Governance & legal	People Management & Capacity Building	CSR & ESG
Mr. V.A. George	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Thomas John	✓	✓	✓	✓	✓		✓	✓	✓
Mr. Manoj Joseph	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Rajesh John	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Manesh Joseph	✓	✓	✓	✓	✓		✓	✓	✓
Mr. V.K. Srivastava	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. A. Satyaseelan	✓	✓	✓			✓	✓		✓
Mrs. Sujatha Jayarajan	✓	✓	✓			✓	✓		✓
Mr. Sridhar Ganesh	✓	✓	✓	✓			✓	✓	✓
Mr. Nilesh S Vikamsey	✓	✓	✓			✓	✓		✓
Mr. Srinivas Acharya	✓	✓	✓			✓	✓		✓
Prof. N. Venkiteswaran	✓	✓	✓			✓	✓	✓	✓
Mr. K. Jairaj	✓	✓	✓	✓	✓	✓	✓	✓	✓

Shareholding of Directors

None of the Directors has any shareholding in our Company as on 31st March, 2024 except as disclosed below:

S.No.	Name of the Director	No. of Shares	% of Equity Share Capital
1	Mr. Thomas John	6,50,604	6.04
2	Mr. V.A. George	1,30,000	1.21
3	Mr. Manoj Joseph	4,97,580	4.62
4	Mr. Rajesh John	6,50,598	6.04
5	Mr. Manesh Joseph	4,97,580	4.62

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Meetings and Attendance

Attendance of Directors at Board Meetings and Annual General Meeting (AGM)

During the year, the Board met five times. The Meetings of the Board of Directors were held on, 25th May, 2023, 12th August, 2023, 10th November, 2023, 27th January, 2024 and 13th February, 2024. The attendance of each Director at the Board Meetings and at the last Annual General Meeting was as under:

S.No	Name of the Director	No. of Board meetings held during FY 2023-24		Attendance at the last Annual General Meeting held on 30 th August, 2023
		Held during the tenure	Attended	
1	Mr. Thomas John	5	5	Yes
2	Mr. V.A. George	5	5	Yes
3	Mr. Manoj Joseph	5	5	Yes
4	Mr. Rajesh John	5	5	Yes
5	Mr. Manesh Joseph	5	5	Yes
6	Mr. V.K. Srivastava ¹	5	5	Yes
7	Mr. A. Satyaseelan ²	5	5	Yes
8	Mrs. Sujatha Jayarajan	5	5	Yes
9	Mr. Sridhar Ganesh	5	4	Yes
10	Mr. Nilesh S Vikamsey	5	5	Yes
11	Mr. Srinivas Acharya	5	5	Yes
12	Prof. N. Venkiteswaran ³	Nil	NA	NA
13	Mr. K. Jairaj ⁴	Nil	NA	NA

Notes:

- Mr. V.K. Srivastava completed his second term as Independent Director and ceased to be Independent Director of the Company on 31st March, 2024.
- Mr. A. Satyaseelan completed his second term as Independent Director and ceased to be Independent Director of the Company on 31st March, 2024.
- Prof. N. Venkiteswaran was appointed as an Independent Director with effect from 31st March 2024.
- Mr. K. Jairaj was appointed as an Independent Director with effect from 31st March 2024.
- NA – Not Applicable.

3. COMMITTEES

i) Audit Committee

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

S. No.	Name of the Member	Status	No. of meetings held during FY 2023-24	
			Held during the tenure	Attended
1	Mrs. Sujatha Jayarajan	Independent Director, Member	4	4
2	Mr. Nilesh S Vikamsey	Independent Director, Member	4	4

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S. No.	Name of the Member	Status	No. of meetings held during FY 2023-24	
			Held during the tenure	Attended
3	Prof. N. Venkiteswaran ¹	Independent Director, Member	Nil	NA
4	Mr. K. Jairaj ²	Independent Director, Member	Nil	NA
*	Mr. V.K. Srivastava	Independent Director, Chairman	4	4
^	Mr. A. Satyaseelan	Independent Director, Member	4	4

Notes:

1. Prof. N. Venkiteswaran was inducted as a Member of the Committee with effect from 31st March 2024 and was elected as Chairman of the Committee at its meeting held on 27th May, 2024.
2. Mr. K. Jairaj was inducted as a Member of the Committee with effect from 31st March, 2024.
- * Mr. V.K. Srivastava was the Chairman of the Committee until he completed his second term as an Independent Director on 31st March, 2024.
- ^ Mr. A. Satyaseelan was a Member of the Committee until he completed his second term as an Independent Director on 31st March, 2024.

NA – Not Applicable

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Audit Committee of the Board were held on 25th May, 2023, 12th August, 2023, 10th November, 2023 and 13th February, 2024.

Terms of Reference

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

1. Oversight of the financial reporting process of the company and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and terms of appointment of the auditors, including 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 and auditor's report thereon 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 in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by the Management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report or modified opinion(s) in the draft audit report

ANNEXURE TO BOARD'S REPORT

5. Reviewing, with the management, the quarterly/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 or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Approval of any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. 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.
16. 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.
17. 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.
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate.
20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing on the date of charter coming into effect.
21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
22. Mandatorily review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - c. Internal audit reports relating to internal control weaknesses;

ANNEXURE TO BOARD'S REPORT

- d. The appointment, removal and terms of remuneration of the Chief internal auditor. and
- e. Statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations and
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations, 2015.

23. Any Other Terms of Reference as contained in the Companies Act, 2013 and listing regulations or as stipulated by the Board.

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 30th August, 2023.

ii) Compensation / Nomination and Remuneration Committee

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

S. No.	Name of the Member	Status	No. of meetings held during FY 2023-24	
			Held during the tenure	Attended
1	Mrs. Sujatha Jayarajan	Independent Director, Chairperson	3	3
2	Mr. Sridhar Ganesh	Independent Director, Member	3	2
3	Mr. Nilesh S Vikamsey	Independent Director, Member	3	3
4	Mr. K. Jairaj ¹	Independent Director, Member	Nil	NA
*	Mr. V.K. Srivastava	Independent Director, Member	3	3

Notes:

1. Mr. K. Jairaj was inducted as a Member of the Committee with effect from 31st March 2024.

* Mr. V.K. Srivastava was a Member of the Committee until he completed his second term as an Independent Director on 31st March, 2024.

NA – Not Applicable

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Compensation / Nomination and Remuneration Committee of the Board were held on 25th May, 2023, 17th January, 2024 and 13th February, 2024.

The performance evaluation criteria laid down for the Independent Directors covers their maintenance of independence from the entity, promoter and management, avoidance/handling of situations giving rise to conflict of interest, adherence to Code of Conduct, contribution at Board / Committee meetings, etc.

ANNEXURE TO BOARD'S REPORT

Terms of Reference

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.
2. For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Devising a policy on diversity of Board of Directors.
5. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
8. Carrying out any other function as is mandated by the Board from time to time and/or as stipulated by any statutory notification, amendment or modification as may be applicable.

Directors' Appointment Criteria/Policy

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

1. size of the Company, its line of business, portfolio and geographic spread;
2. mix of diversity, balance of skills, experience and expertise, balance of Executive and Non-Executive Directors, avoidance of any potential conflict of interest;
3. skills, professional qualifications, experience and expertise, integrity and values of the person;
4. any statutory requirements/compliances;
5. impeccable reputation for integrity, expertise and insights in sectors / areas relevant to the Company, and ability to contribute to the Company's growth;
6. time commitments of the candidates.

ANNEXURE TO BOARD'S REPORT

Remuneration Policy

1. The reward philosophy 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 total reward package for Executive Directors, Key Managerial Personnel and Senior Management is intended to be reasonable and sufficient to attract, retain and motivate them with a strong linkage to their performance.

The Appointment and Remuneration Policy has been uploaded on the website of the Company at https://www.thejo-engg.com/thejo-admin/upload/policies/App_rem_policy.pdf

Details of the remuneration paid to the Directors during the Financial Year 2023-24 were as follows:

₹ in lakhs

Name of Director	Sitting Fee	Salary	Contribution to Statutory & Other Funds	Performance Linked Incentive	Total
Promoters / Non-Executive Directors					
Mr. Thomas John	4.00	-	-	-	4.00
Non-Executive Directors					
Mr. Manesh Joseph ¹	-	33.35	6.89	-	40.24
Executive Directors					
Mr. V.A. George	-	120.00	-	-	120.00
Mr. Manoj Joseph	-	65.52	13.54	-	79.06
Mr. Rajesh John	-	46.80	9.67	-	56.47
Independent Directors					
Mr. V. K. Srivastava ²	6.75	-	-	-	6.75
Mr. A. Satyaseelan ²	5.00	-	-	-	5.00
Mrs. Sujatha Jayarajan	6.50	-	-	-	6.50
Mr. Sridhar Ganesh	3.25	-	-	-	3.25
Mr. Nilesh S Vikamsey	5.50	-	-	-	5.50
Mr. Srinivas Acharya	4.50	-	-	-	4.50
Prof. N. Venkiteswaran ³	-	-	-	-	-
Mr. K. Jairaj ³	-	-	-	-	-

Notes:

1. Mr. Manesh Joseph resigned from his Whole-time Directorship effective 31st December, 2023, without relinquishing his Directorship and is continuing as a Non-executive Director on the Board of the Company. His Remuneration for FY 2023-24 represents remuneration drawn by him in his capacity as Whole-time Director for the period 1st April, 2023 to 31st December, 2023.
2. Mr. V.K. Srivastava and Mr. A. Satyaseelan completed their second term as Independent Directors and ceased to be Independent Directors of the Company on 31st March, 2024.
3. Prof. N. Venkiteswaran and Mr. K. Jairaj were appointed as Independent Directors on the Board of the Company with effect from 31st March, 2024.
4. Sitting Fees exclude GST Paid under Reverse Charge by the Company.
5. Salary paid to Executive Directors stated above are monthly fixed gross salary and excludes other benefits like medical reimbursement, LTA, etc. The other benefits claimed during the FY2023-24 by the Executive Directors are as follows: (i) Mr. Manoj Joseph – ₹ 26.29 Lakhs (ii) Mr. Rajesh John – ₹ 7.80 Lakhs (iii) Mr. Manesh Joseph – ₹ 3.45 Lakhs (till 31st December, 2023).

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6. Remuneration excludes the following amounts of profit related commission for FY2023-24 approved by the Board at its Meeting held on 28th May 2024 and to be paid in FY25:

Mr. V.A. George – Rs. 15 lakhs; Mr. Manoj Joseph – ₹ 14 lakhs; Mr. Rajesh John – ₹ 12 lakhs; Mr. Manesh Joseph – ₹ 9 lakhs; Mr. V.K. Srivastava, Mr. A. Satyaseelan, Mrs. Sujatha Jayarajan, Mr. Sridhar Ganesh, Mr. Nilesh S Vikamsey and Mr. Srinivas Acharya – ₹ 5 lakhs each.

Except for the sitting fee and profit related commission mentioned above, none of the Non-Executive Directors has any pecuniary relationships or transactions vis-à-vis the Company other than those disclosed in Note No.26.5 of the standalone financial statements for the financial year 2023-24. The Company has not granted any stock option to any of its Non-Executive Directors. The criteria for making payment to the Non-Executive Directors are contained in the Appointment and Remuneration Policy of the Company, which is available on the website of the Company at https://www.thejo-engg.com/thejo-admin/upload/policies/App_rem_policy.pdf

Directors' Tenure details

Executive Directors	Tenure of Office	Notice Period	Performance Linked Incentive	Severance Fees
Mr. V.A. George	15 th July, 2021 to 14 th July, 2026	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Manoj Joseph	15 th July, 2021 to 14 th July, 2026	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Rajesh John	16 th January, 2022 to 15 th January, 2027	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Manesh Joseph*	23 rd June, 2021 to 31 st December, 2023	Not Applicable	Commission of up to 2% of annual profit	Nil

* Mr. Manesh Joseph was appointed as a Whole-time Director for a period of five years with effect from 23rd June, 2021. However, he has resigned from his Whole-time Directorship effective 31st December, 2023 and is continuing as Non-Executive Non-Independent Director.

Particulars of Senior Management:

The following employees have been identified as Senior Management:

S.No	Name of Senior Management Personnel	Designation
1	Mr. Ravikanth M D	CFO & Secretary
2	Mr. Thomas K. Abraham	Senior Vice President - HR & Admin
3	Mr. Premjit Sukumaran Nair	Senior Vice President - Services
4	Mr. Dinesh Bennet Fernandez	Vice President-Materials
5	Mr. Sathish Sivaraman	Vice President- Manufacturing

Mr. Bhoopathy Muthaiah has been appointed as Senior Vice-President-O&M (under the category of Senior Management) with effect from 3rd June, 2024 by the Board at its Meeting held on 28th May, 2024.

iii) Corporate Social Responsibility Committee

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

ANNEXURE TO BOARD'S REPORT

S. No.	Name of the Member	Status	No. of meetings held during FY 2023-24	
			Held during the tenure	Attended
1	Mr. Sridhar Ganesh ¹	Independent Director, Member	1	1
2	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	1	1
3	Mr. V.A. George	Executive Chairman, Member	1	1
4	Mr. Srinivas Acharya	Independent Director, Member	1	1
*	Mr. V.K. Srivastava	Independent Director, Chairman	1	1

Notes:

1. Mr. Sridhar Ganesh was appointed as the chairman of the Committee at its Meeting held on 27th May, 2024.

* Mr. V.K. Srivastava was the Chairman of the Committee until he completed his second term as an Independent Director on 31st March, 2024.

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Corporate Social Responsibility Committee was held on 25th May, 2023.

Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee include:

1. Formulating and recommending to the Board, a Corporate Social Responsibility Policy ("CSR Policy") which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. Monitoring the CSR Policy and making appropriate recommendations to the Board, from time to time;
3. Recommending the amount of expenditure to be incurred on CSR activities;
4. Formulating a CSR annual action plan and recommending it to the Board;
5. Reviewing/Monitoring the successful implementation of the CSR annual action plan, in accordance with the Company's CSR policy and provisions of applicable laws from time to time;
6. Reviewing the Company's initiatives and programs under the CSR Policy;
7. Reviewing the impact assessment report(s) (if any);
8. Monitoring the administrative overheads, if any, in pursuance of CSR activities or projects or programs so that they do not exceed the prescribed thresholds; and
9. Reporting progress of various CSR initiatives and making appropriate disclosures on a periodic basis.

iv) Stakeholders' Relationship Committee

The Shareholders' and Investors' Grievance Committee of the Board was formed on 16th January, 2012. It was re-designated as Stakeholders' Relationship Committee with effect from 12th November, 2021. Currently, the Committee consists of four Directors. The status of the Directors and their attendance at the Meetings were as follows:

ANNEXURE TO BOARD'S REPORT

S. No.	Name of the Member	Status	No. of meetings held during FY 2023-24	
			Held during the tenure	Attended
1	Mr. Srinivas Acharya	Independent Director, Chairman	4	4
2	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	4	4
3	Mrs. Sujatha Jayarajan	Independent Director, Member	4	4
4	Prof. N. Venkiteswaran ¹	Independent Director, Member	Nil	NA
*	Mr. V. K. Srivastava	Independent Director, Member	4	4

Notes:

1. Prof. N. Venkiteswaran was inducted as a Member of the Committee with effect from 31st March, 2024.

* Mr. V.K. Srivastava was a Member of the Committee until he completed his second term as an Independent Director on 31st March, 2024.

NA – Not Applicable

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Committee were held on 25th May, 2023, 12th August, 2023, 10th November, 2023 and 13th February, 2024.

Terms of Reference

The terms of reference of the Stakeholders' Relationship Committee include:

1. Considering and resolving the grievances of the security holders of the Company including complaints relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings, etc.;
2. Reviewing of measures taken for effective exercise of voting rights by shareholders;
3. Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company;
5. Overseeing and reviewing, all matters connected with the transfer of securities of the Company;
6. Overseeing the performance of Registrars and Transfer Agents of the Company;
7. Recommending methods to upgrade the standard of services to the investors; and
8. Carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

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 2023-24, the Company has not received any complaints from the Members. There were no complaints outstanding as on 31st March, 2024.

ANNEXURE TO BOARD'S REPORT
v) Allotment Committee

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

S. No	Name of the Member	Status	No. of meetings held during FY 2023-24	
			Held during the tenure	Attended
1	Mr. Srinivas Acharya ¹	Independent Director, Member	Nil	NA
2	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	1	1
3	Mr. V.A. George	Executive Chairman, Member	1	1
4	Mr. Manoj Joseph	Managing Director, Member	1	1
5	Mr. Rajesh John	Director - Sales ² , Member	1	1
*	Mr. A. Satyaseelan	Independent Director, Chairman	1	1

Notes:

1. Mr. Srinivas Acharya was inducted as a Member of the Committee with effect from 31st March, 2024 and was elected as the Chairman of the Committee at its Meeting held on 08th May, 2024.
2. Mr. Rajesh John was re-designated as Deputy Managing Director with effect from 01st April, 2024.
- * Mr. A. Satyaseelan was a Member of the Committee until he completed his second term as an Independent Director on 31st March, 2024.

NA – Not Applicable.

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Allotment Committee of the Board of Directors was held on 13th February, 2024.

Terms of Reference

The terms of reference of the Allotment Committee are to allot shares and decide all the matters relating thereto on exercise of options by employees under Thejo Employee Stock Option Plan, 2015 and any other function as determined by the Board from time to time.

vi) Risk Management Committee

The Risk Management Committee was formed on 25th May, 2023. The status of the Directors/ Members and their attendance at the Meetings were as follows:

S. No	Name of the Member	Status	No. of meetings held during FY 2023-24	
			Held during the tenure	Attended
1	Mr. Srinivas Acharya	Independent Director, Chairman	2	2
2	Mr. Manoj Joseph	Managing Director, Member	2	2
3	Mr. Rajesh John	Director - Sales ¹ , Member	2	2
4	Mr. Thomas K Abraham	Sr. VP (HR & Admin), Member	2	2
5	Mr. M.D. Ravikanth	CFO & Secretary, Member	2	2

ANNEXURE TO BOARD'S REPORT

Notes:

1. Mr. Rajesh John was re-designated as Deputy Managing Director with effect from 01st April, 2024.
2. Mr. Sathish Sivaraman, Vice President – Manufacturing, Mr. Premjit Sukumaran Nair, Senior Vice President – Services, Mr. Raghu Achat, Vice President – Information Technology and Mr. Jomon Mathew, AGM - Marketing are permanent invitees to the Meetings of the Committee.

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Risk Management Committee of the Board were held on 04th October, 2023 and 20th March, 2024.

Terms of Reference

The terms of reference of the Risk Management Committee include the following:

1. Assist the Board of Directors in fulfilling its oversight responsibilities with regards to Enterprise Risk Management.
2. Assist the Board in reviewing key risks, including strategic, financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks and compliance risks.
3. Review the Company's risk management processes and practices, risk measurement and tolerance limit.
4. Review and analyze risk exposure related to key risks and ensure that risk assessment and implementation are carried out as per the defined policies, procedures, and plans.
5. Formulate a detailed Risk Management Policy including a) the Enterprise Risk Management Framework for identification of internal and external risk specifically faced by the Company in terms of financial, operational, sectoral, sustainability (including ESG related), information, cyber security and other risks as determined by the committee; b) measures for risk mitigation including systems and processes for internal control of identified risks and c) Business Continuity Plan.
6. Review the Risk Management Policy on a periodic basis, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
7. Review the effectiveness and adequacy of the Company's risk management systems on an annual basis.
8. Monitor and review the exposures of the material risks and assess management preparedness to deal with the risk and associated events.
9. Engage other stakeholders in the risk management process when the need is identified.
10. Advise the Board on distinguishing and managing all risks the Company faces.
11. Overseeing the cyber security efforts of the enterprise with spotlight on the cyber and digital risks.
12. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
13. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
14. Keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
15. Review the appointment, removal, and terms of remuneration of the Chief Risk Officer, if any.

ANNEXURE TO BOARD'S REPORT

16. Oversee and guide the improvement and execution of Enterprise Risk Management policies, procedures, methods, rules, and guidelines.
17. Report to the Board on any matters as deemed necessary.

vii) Strategy Committee

The Strategy Committee was formed on 27th January, 2024. 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 during FY 2023-24	
			Held during the tenure	Attended
1	Prof. N. Venkiteswaran ¹	Independent Director, Chairman	Nil	NA
2	Mr. Sridhar Ganesh ²	Independent Director, Member	2	2
3	Mr. Manoj Joseph	Managing Director, Member	2	2
4	Mr. Rajesh John	Director - Sales ³ , Member	2	2

Notes:

1. Prof. N. Venkiteswaran was inducted as a Member of the Committee with effect from 31st March, 2024 and assumed the role of Chairman of the Committee upon joining the Committee as its Member.
 2. Mr. Sridhar Ganesh was the Chairman of the Committee until 30th March, 2024.
 3. Mr. Rajesh John was re-designated as Deputy Managing Director with effect from 01st April, 2024.
- NA – Not Applicable.

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Strategy Committee of the Board were held on 12th March, 2024 and 25th March, 2024.

Terms of Reference

The terms of reference of the Committee include studying the current capabilities of the Company, market potential and providing suggestions on the strategies to be adopted by the Company.

viii) Business Opportunity Evaluation Committee

The Board of Directors at their Meeting held on 27th January, 2024 have constituted a Business Opportunity Evaluation Committee comprising of the following Members:

S. No	Name	Status
1	Mr. V.A. George ¹	Executive Chairman, Member
2	Mr. Manoj Joseph	Managing Director, Member
3	Mr. Rajesh John	Director - Sales ² , Member
4	Prof. N. Venkiteswaran ³	Independent Director, Member

Notes:

1. Mr. V.A. George was elected as the Chairman of the Committee at its Meeting held on 02nd April, 2024.
2. Mr. Rajesh John was re-designated as Deputy Managing Director with effect from 01st April, 2024.
3. Prof. N. Venkiteswaran was inducted as a Member of the Committee with effect from 31st March, 2024.

The Company Secretary act as the Secretary of the Committee.

ANNEXURE TO BOARD'S REPORT
Terms of Reference

The terms of reference of the Committee include making preliminary study of any growth opportunities available to the Company and apprising the Board of opportunities that merit further consideration.

4. 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 Resolution(s) Passed
2022-23	30 th August, 2023	10.30 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 600014.	Nil
2021-22	27 th August, 2022	10.45 AM	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai 600014.	Nil
2020-21	30 th August, 2021	10.15 AM	Through Video Conferencing/ Other Audio-Visual Means (VC/OAVM)	1) Appointment of Mr. V.A. George as Whole-time Director designated as Executive Chairman, for a period of five years.

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

A) The Company had sought the approval of the Shareholders by way of Special Resolutions through Notice of Postal Ballot dated 25th May, 2023 for:

- i. Migration of the Equity shares of the Company from Emerge-SME Platform of NSE to the Main Board of NSE
- ii. Continuation of Directorship of Mr. Thomas John (DIN: 00435035), Director, in terms of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii. Approval for Creation of charges, securities on the properties/assets of the Company, under Section 180(1)(a) of the Companies Act, 2013,

Procedure of Postal Ballot: The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force, guidelines prescribed by the Ministry of Corporate Affairs (the "MCA"), Government of India, for holding general meetings / conducting postal ballot process through voting by electronic means ("remote e-voting") vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars") and other applicable laws and regulations.

ANNEXURE TO BOARD’S REPORT

The Resolutions were duly passed on 1st July, 2023 (last date for e-voting) and the results of the same were announced on 3rd July, 2023. Mrs. Sindhuja Porselvam (Membership No. ACS No: 44831 / COP No: 23622), Practising Company Secretary, was appointed as the Scrutinizer for conducting the postal ballot process by voting through electronic means (remote e-voting) in a fair and transparent manner. The voting results and details of voting pattern are as below:

Description of the Resolution	Votes in favour of the resolution			Votes against the resolution			Invalid Votes	
	Number of Members Voted	Number of Valid Votes cast by them	% of Total Number of Valid Votes cast	Number of Members Voted	Number of Valid Votes cast by them	% of Total Number of Valid Votes cast	Number of Members whose Votes were declared invalid	Number of Invalid Votes cast by them
Migration of the Equity shares of the Company from Emerge-SME Platform of NSE to the Main Board of NSE	28	62,22,021	100.00	Nil	Nil	Nil	Nil	Nil
Continuation of Directorship of Mr. Thomas John (DIN: 00435035), Director, in terms of Regulation 17 (1A) of the SEBI (LODR) Regulations, 2015.	28	62,22,021	100.00	Nil	Nil	Nil	Nil	Nil
Approval for Creation of charges, securities on the properties/assets of the Company, under Section 180(1)(a) of the Companies Act, 2013	28	62,22,021	100.00	Nil	Nil	Nil	Nil	Nil

- B) The Company had sought the approval of the Shareholders by way of Special Resolutions through Notice of Postal Ballot dated 13th February, 2024 for:
- i. Appointment of Prof. N. Venkiteswaran (DIN: 00056000) as an Independent Director
 - ii. Appointment of Mr. K. Jairaj (DIN: 01875126) as an Independent Director

Procedure of Postal Ballot: The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the “Rules”), Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force, guidelines prescribed by the Ministry of Corporate Affairs (the “MCA”), Government of India, for holding general meetings / conducting postal ballot process through voting by electronic means (“remote e-voting”) vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 9/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs, Government of India (the “MCA Circulars”) and other applicable laws and regulations.

ANNEXURE TO BOARD'S REPORT

The Resolutions were duly passed on 23rd March, 2024 (last date for e-voting) and the results of the same were announced on 25th March, 2024. Mrs. Sindhuja Porselvam (Membership No. ACS No: 44831 / COP No: 23622), Practising Company Secretary, was appointed as the Scrutinizer for conducting the postal ballot process by voting through electronic means (remote e-voting) in a fair and transparent manner. The voting results and details of voting pattern are as below:

Description of the Resolution	Votes in favour of the resolution			Votes against the resolution			Invalid Votes	
	Number of Members Voted	Number of Valid Votes cast by them	% of Total Number of Valid Votes cast	Number of Members Voted	Number of Valid Votes cast by them	% of Total Number of Valid Votes cast	Number of Members whose Votes were declared invalid	Number of Invalid Votes cast by them
Appointment of Prof. N. Venkiteswaran (DIN: 00056000) as an Independent Director	27	6120665	100.00	Nil	Nil	Nil	Nil	Nil
Appointment of Mr. K. Jairaj (DIN: 01875126) as an Independent Director.	26	6120515	99.998	01	150	0.002	Nil	Nil

(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.

5. 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 26.5 of the Financial Statements.

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

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

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

The Company has adopted the Whistle Blower Mechanism for employees to report concerns about any actual or possible/suspected unlawful, unethical or improper practice or act, and it provides for a mechanism for all stakeholders, including employees to report to the designated Committee. Accordingly, the Company has formulated and implemented the Whistle Blower Policy ("the Policy") and the Policy is available on the Company's website at https://www.thejo-engg.com/thejo-admin/upload/policies/WB_Policy.pdf

ANNEXURE TO BOARD'S REPORT

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

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

- D.** The Company has complied with all the mandatory requirements and has adopted the non-mandatory requirements to the extent as given under the head "Adoption of Discretionary Requirements".

E. Policy for determining Material Subsidiary

The Company has formulated a Policy for determining Material Subsidiary in compliance with Regulation 16(1)(c) of SEBI Listing Regulations. The same is uploaded on the Company's website at https://www.thejo-engg.com/thejo-admin/upload/policies/Material_Sub Policy.pdf

F. Policy on Related Party Transactions

The Company has formulated a Policy on Related Party Transactions in compliance with Regulation 23(1) of SEBI Listing Regulations. The same is uploaded on the Company's website at https://www.thejo-engg.com/thejo-admin/upload/policies/RPT_Policy.pdf

G. Disclosure of commodity price risks and commodity hedging activities

The prices of most of the raw materials used by the Company are volatile. The Company is doing its best to address this risk of material prices by framing appropriate procurement and pricing policies. The Company has not entered into any hedging contracts during the year.

- H.** During the year the Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI Listing Regulations.

I. Certificate from Practicing Company Secretary on Non-Disqualification of Directors

The Company has obtained a certificate from a Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority in accordance with SEBI Listing Regulations and the same is attached as Annexure 8.

- J.** There is no instance, where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the financial year 2023-2024.

- K.** M/s. Brahmayya & Co., Chartered Accountants are the statutory auditors of the Company. Total fees paid for the year ended 31st March 2024 by the Company and its subsidiaries, on a consolidated basis to the statutory auditors including all entities in their network firm/entity of which they are a part is given below:

Particulars	Amount (₹ in lakhs)
Statutory Audit fees	18.50
Tax Audit Fees	3.00
Fees for other services	12.60
Total	34.10

ANNEXURE TO BOARD'S REPORT

- L.** The Company has in place an anti-sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. There was no complaint of harassment, reported during the year and no complaint was pending resolution either at the beginning or at the end of the year. The Company has complied with the provisions relating to constitution of Internal Complaints Committee under the said Act.
- M.** No Loans and advances in the nature of loans to firms/companies in which Directors are interested were made by the Company and its subsidiaries during the Financial Year ended 31st March, 2024.
- N. Disclosure on Material Subsidiary**
Thejo Australia Pty Ltd (TAPL), a material subsidiary of the Company was incorporated on 14th February, 2012 at Australia. DM Advisory Services, Chartered Accountant, were appointed as the Statutory Auditor of TAPL for the FY 2023-24 on 31st March, 2024.
- O. Dividend Distribution Policy**
The Company has formulated a Dividend Distribution Policy in compliance with Regulation 43A of SEBI Listing Regulations. The same is uploaded on the Company's website at <https://www.thejo-engg.com/thejo-admin/upload/allstatutory/DivDisbPolicy.pdf>
- P. Adoption of Discretionary Requirements**
The Company has adopted the following discretionary requirements as contained in Part E of Schedule II of SEBI Listing Regulations:
- i. The Company is in the regime of financial statements with unmodified audit opinion.
 - ii. The Internal auditors of the Company report directly to the Audit Committee.
- Q.** The Company has complied with corporate governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI Listing Regulations.
- R.** The securities of the Company were not suspended from trading anytime during FY2023-24.
- S.** No agreement, as mentioned in Regulation 30A read with Clause 5A of Para A of Part A of Schedule III of the SEBI Listing Regulations, has been entered into during the financial year and there were no such agreement subsisting as on the date of notification of the aforesaid Clause 5A.

Compensation / Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

ANNEXURE TO BOARD'S REPORT

S. No.	Name of the Member	Status	No. of meetings held during FY 2023-24	
			Held during the tenure	Attended
1	Mr. Sridhar Ganesh	Independent Director, Member	1	1
2	Mr. Thomas John	Promoter & Non-Executive Non-Independent Director, Member	1	1
3	Mr. V.A. George	Executive Chairman, Member	1	1
4	Mr. Srinivas Acharya	Independent Director, Member	1	1
*	Mr. V.K. Srivastava	Independent Director, Chairman	1	1

Notes:

1. Mr. Sridhar Ganesh was appointed as the Chairman of the Committee at its Meeting held on 27th May, 2024.
- * Mr. V.K. Srivastava was a Member of the Committee until he completed his second term as an Independent Director on 31st March, 2024.

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 25th May, 2023.

The terms of reference of the Corporate Social Responsibility Committee include:

1. Formulating and recommending to the Board, a Corporate Social Responsibility Policy ("CSR Policy") which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies act, 2013;
2. Monitoring the CSR Policy and making appropriate recommendations to the Board, from time to time;
3. Recommending the amount of expenditure to be incurred on CSR activities;
4. Formulating a CSR annual action plan and recommending it to the Board;
5. Reviewing/Monitoring the successful implementation of the CSR annual action plan, in accordance with the Company's CSR policy and provisions of applicable laws from time to time;
6. Reviewing the Company's initiatives and programs under the CSR Policy;
7. Reviewing the impact assessment report(s) (if any);
8. Monitoring the administrative overheads, if any, in pursuance of CSR activities or projects or programs so that they do not exceed the prescribed thresholds; and
9. Reporting progress of various CSR initiatives and making appropriate disclosures on a periodic basis.

Audit Qualifications

The Financial Statements of the Company for the Financial Year 2023-24 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.

ANNEXURE TO BOARD'S REPORT
Designated Exclusive email-id

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

6. MEANS OF COMMUNICATION**(i) Quarterly Results**

The Quarterly Results of the Company are submitted to the Stock Exchange in accordance with the SEBI Listing Regulations and these results are also displayed on the Stock Exchange Website (www.nseindia.com).

(ii) Newspapers wherein results are normally published

The quarterly and annual financial results of the Company are published in leading english newspaper 'Business Standard' and regional newspaper 'Makkal Kural'.

(iii) 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.

7. GENERAL SHAREHOLDER INFORMATION**Annual General Meeting (Day, Date, Time and Venue)**

Thursday, 29th August, 2024 at 10.30 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, 23rd August, 2024 to Thursday, 29th August, 2024 (both days inclusive) for payment of dividend and Thursday, 22nd August, 2024 will be the Record Date for the purpose of payment of dividend.

Dividend Payment: Within 30 days of declaration of the dividend.

Listing on Stock Exchanges & Stock Code:

Shares	Code	Stock Exchange
EQUITY SHARES	THEJO	National Stock Exchange of India Limited (NSE) Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. Trading Symbol: THEJO – EQ ISIN : INE121N01019

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

ANNEXURE TO BOARD'S REPORT

Market Price Data:

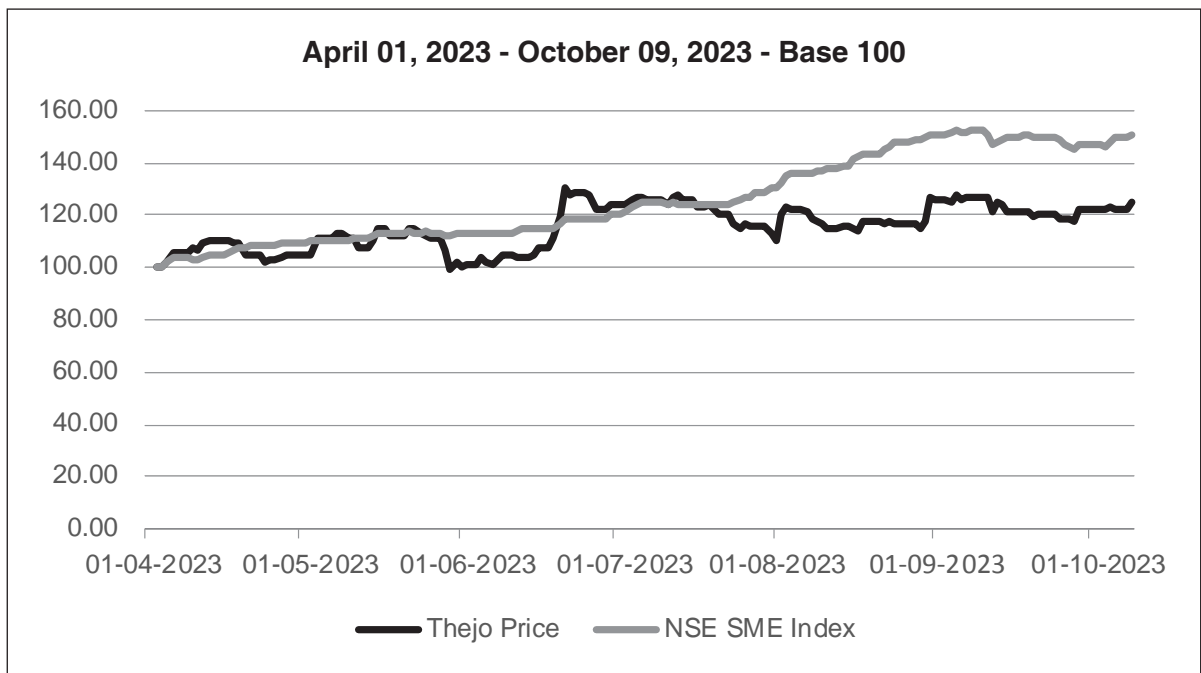
(in ₹ per share)

Month	National Stock Exchange of India Limited	
	Month's High Price	Month's Low Price
Apr-23	1,490.40	1,351.00
May-23	1,558.90	1,337.70
Jun-23	1,760.55	1,355.00
Jul-23	1,723.00	1,522.50
Aug-23	1,709.75	1,493.00
Sep-23	1,725.00	1,590.00
Oct-23	1,890.20	1,649.50
Nov-23	2,231.20	1,726.30
Dec-23	2,000.00	1,812.95
Jan-24	1,934.15	1,810.60
Feb-24	2,735.25	1,804.60
Mar-24	2,740.00	2,117.40

Notes:

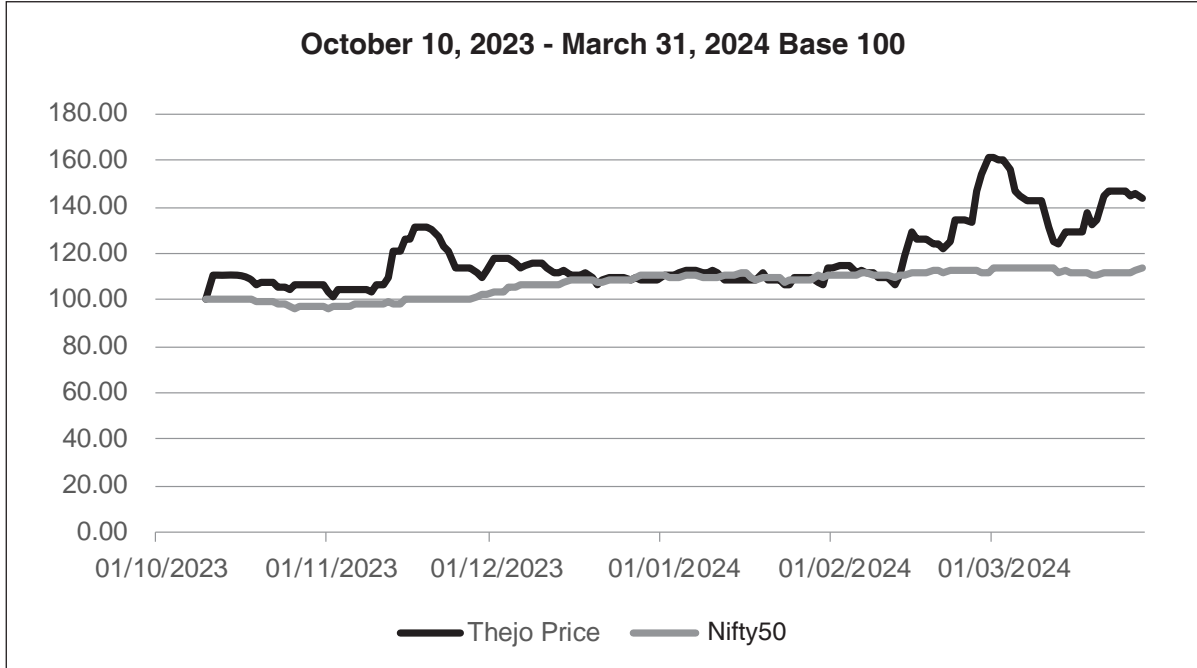
1. Month's High Price / Low Price are arrived based on the daily closing rate.
2. The trading in the equity shares of the Company migrated from NSE SME Exchange to Mainboard of NSE on 10th October 2023.

Performance in comparison to the NSE SME index (prior to migration to Main Board of NSE on 10th October, 2023):



ANNEXURE TO BOARD'S REPORT

Performance in comparison to the NSE index (post migration to Main Board of NSE- effective 10th October, 2023):



Registrar and Transfer Agents :

Cameo Corporate Services Limited,
 Subramanian Building,
 No.1, Club House Road,
 Chennai 600 002
 Tamilnadu, India
 Tel: +91 44 4002 0700
 Online Investor Portal: <https://wisdom.cameoindia.com>
 Website: <https://www.cameoindia.com>
 SEBI Registration INR 000003753

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

ANNEXURE TO BOARD'S REPORT

Distribution of Shareholding as on 31st March, 2024:

Nominal Value of Shares (in ₹)		Number of Holders	% of Total Holders	Total Face Value (in ₹)	% of Total Face Value
From	To				
1	100	2,649	61.01	61,625	0.57
101	500	1,057	24.34	2,42,501	2.25
501	1,000	230	5.30	1,67,935	1.56
1,001	2,000	207	4.77	3,05,404	2.84
2,001	3,000	44	1.01	1,08,529	1.01
3,001	4,000	27	0.62	94,448	0.88
4,001	5,000	22	0.51	99,895	0.93
5,001	10,000	43	0.99	3,06,411	2.85
10,001	Above	63	1.45	93,77,886	87.12
Total		4,342	100.00	1,07,64,274	100.00

Shareholding Pattern as on 31st March, 2024:

Sl. No.	Category	No. of Shares	As a percentage of Total Shares
A	Promoters' & Promoter Group Holding		
	Individuals	58,15,320	54.02
B	Non-Promoters' Holding		
	Alternate Investment Funds	82,200	0.76
	Foreign Portfolio Investors	53,233	0.49
	Directors and their relatives	2,50,220	2.32
	Key Managerial Personnel	8,810	0.08
	Relatives of Promoters	52,050	0.48
	Bodies Corporate	4,60,667	4.28
	Individuals	30,35,753	28.20
	Hindu Undivided Family	9,67,506	8.99
	Non-Resident Indians	38,515	0.36
	Total	1,07,64,274	100.00

Dematerialisation of Shares and Liquidity as on 31st March, 2024:

Sl. No.	Mode of Holding	No. of Shares	% to total equity shares
1	NSDL	83,06,212	77.16
2	CDSL	24,58,062	22.84
3	Physical	-	-
	Total	1,07,64,274	100.00

Equity Shares of the Company are regularly traded on NSE.

ANNEXURE TO BOARD'S REPORT

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

Commodity price risks or foreign exchange risk and hedging activities: The prices of most of the raw materials used by the Company are volatile. The Company is doing its best to address this risk of material prices by framing appropriate procurement and pricing policies. The Company's foreign exchange risk is primarily related to receivables and payables in respect of its exports and imports. The Company manages the foreign exchange risk considering the quantum of forex involved, timing of receipt/payments, prevailing market conditions, etc, in consultation with bankers/consultants. The Company has not entered into any hedging contracts during the year.

Plant Locations and Research & Development Centre (as on 31st March, 2024)

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

Investor Contacts

Company Secretary and Compliance Officer

Mr. M.D. Ravikanth,
VDS House, 3rd Floor,
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.
Tamilnadu, India
Tel: +91 44 4002 0700
Online Investor Portal: <https://wisdom.cameoindia.com>
Website: <https://www.cameoindia.com>
SEBI Registration INR 000003753

Credit Ratings:

During the Financial Year 2023-24, CRISIL has reaffirmed the long-term credit rating on the bank facilities as CRISIL A/Stable and short-term credit ratings on the bank facilities as CRISIL A1.

ANNEXURE 8 TO BOARD'S REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of
M/s. THEJO ENGINEERING LIMITED

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. THEJO ENGINEERING LIMITED** (CIN: L27209TN1986PLC012833) having its Registered office at 3rd Floor, VDS House No. 41, Cathedral Road, Chennai-600086 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	DIN	Name of the Director	Designation	Date of appointment
1.	00435035	Mr. Thomas John	Director	26-03-1986
2.	00633989	Mrs. Sujatha Jayarajan	Director	06-03-2015
3.	07599476	Mr. Joseph Manesh	Director	23-06-2021
4.	01681018	Mr. Sridhar Ganesh	Director	15-11-2021
5.	05161087	Mr. Rajesh John	Whole-time director	16-01-2012
6.	01493737	Mr. Vadakkakara Antony George	Whole-time director	15-07-2013
7.	00434579	Mr. Manoj Joseph	Managing Director	04-10-2001
8.	00031213	Mr. Nilesh Shivji Vikamsey	Director	08-03-2023
9.	00017412	Mr. Srinivas Acharya	Director	08-03-2023
10.	00056000	Mr. Narayanaier Venkiteswaran	Director	31-03-2024
11.	01875126	Mr. Kalaikuruchi Jairaj	Director	31-03-2024
12.	00611678	Mr. Virendra Kumar Srivastava	Director	16-01-2012
13.	05158896	Mr. Ayyalraju Satyaseelan	Director	16-01-2012

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PORSELVAM AND ASSOCIATES

Place : Chennai
Date : 28/05/2024
UDIN : A044831F000464525

SINDHUJA PORSELVAM
Company Secretary in Practice
Mem. No 44831; CP No. 23622

ANNEXURE 9 TO BOARD'S REPORT

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
M/s. THEJO ENGINEERING LIMITED

We have examined the compliance conditions of Corporate Governance of M/s. THEJO ENGINEERING LIMITED for the year ended March 31, 2024 as stipulated in SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the SEBI (LODR) Regulations, 2015.

We further state that such compliance is neither an assurance as to further viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For PORSELVAM AND ASSOCIATES

Place : Chennai
Date : 28/05/2024
UDIN : A044831F000464558

SINDHUJA PORSELVAM
Company Secretary in Practice
Mem. No 44831; CP No. 23622

ANNEXURE TO BOARD'S REPORT

ANNEXURE 10 TO BOARD'S REPORT**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT****SECTION A: GENERAL DISCLOSURES****I. Details:**

1	Corporate Identity Number (CIN) of the Company	L27209TN1986PLC012833
2	Name of the Company	Thejo Engineering Limited
3	Date of incorporation	26-03-1986
4	Registered office address	3 rd Floor, VDS House, No.41, Cathedral Road, Chennai- 600 086.
5	Corporate address	3 rd Floor, VDS House, No.41, Cathedral Road, Chennai- 600 086.
6	E-mail	investor@thejo-engg.com
7	Telephone	044-42221900
8	Website	www.thejo-engg.com
9	Financial year for which reporting is being done	1 st April, 2023 to 31 st March, 2024 (FY24/FY2023-24/ FY23-24)
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited
11	Paid-up Capital	₹ 10,76,42,740/- (As on 31 st March, 2024)
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. M.D. Ravikanth, Company Secretary & Compliance Officer, Tel: +91 44 4222 1900 E-mail: investor@thejo-engg.com
13	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain only to Thejo Engineering Limited.
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II. Products/services16. Details of business activities (*accounting for 90% of the turnover*):

The Company is engaged in manufacturing of rubber and polyurethane-based engineered products, marketing and servicing activities catering to installation, operation and maintenance of conveyor belts and allied services. Further details are provided in the Management Discussion and Analysis section of the Annual Report.

17. Products/Services sold by the entity (*accounting for 90% of the entity's Turnover*):

S. No.	Product/Service	NIC Code	% of Sales
1	Manufacture of rubber products	2219	25%
2	Manufacture of industrial machinery	2829	12%
3	Manufacture of adhesives	2029	8%
4	Maintenance and Repair Services	3312	39%
5	Supply of manpower	7830	8%

ANNEXURE TO BOARD'S REPORT

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated (as on 31st March 2024):

Location	Number of plants	Number of offices	Total
National	3	1 Corporate Office, 4 Zonal Offices, 11 Branch Offices, 32 Site offices offering Service backup for clients, 14 Site offices offering Operations & Maintenance to clients and 1 In-house R&D Centre	66
International	Nil	1 Branch at Perth, Australia.	1

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	10
International (No. of Countries)	1

Note: Number of National locations are given based on the number of states in which GST registration has been taken.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of total turnover of the Company - 12.64%

c. A brief on types of customers:

The Company serves customers across diversified industries viz., Mines, Mineral processing Plants, Power Plants, Chemical plants, Cement, Aggregates, Bulk Sea Ports, OEM's, EPC's, Corrosion protection, Space Research and Defence.

IV. Employees

20. Details as at the end of Financial Year: 31st March, 2024

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	551	532	96.55	19	3.45
2.	Other than Permanent (E)	69	68	98.55	1	1.45
3.	Total employees (D + E)	620	600	96.77	20	3.23
WORKERS						
4.	Permanent (F)	841	832	98.93	9	1.07
5.	Other than Permanent (G)	834	834	100.00	0	0.00
6.	Total workers (F + G)	1,675	1,666	99.46	9	0.54

ANNEXURE TO BOARD'S REPORT

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	NA	NA	NA	NA
2.	Other than Permanent (E)	0	NA	NA	NA	NA
3.	Total differently abled employees (D + E)	0	NA	NA	NA	NA
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	4	4	100.00	0	0.00
5.	Other than permanent (G)	0	NA	NA	NA	NA
6.	Total differently abled workers (F + G)	4	4	100.00	0	0.00

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (as on 31/3/24)	13	1	7.69
Key Management Personnel (as on 31/3/24)	4	0	0.00

22. Turnover rate for permanent employees and workers

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.59%	15.79%	12.70%	17.18%	0.00%	16.51%	16.59%	17.39%	16.63%
Permanent Workers	13.82%	44.44%	14.15%	10.84%	0.00%	10.76%	16.02%	66.67%	16.37%

Note: Number of employees/workers resigned as a % of number of employees/workers at year end
Employee turnover in terms of number of employees who resigned is given below:

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	67	3	70	90	0	90	76	4	80
Permanent Workers	115	4	119	84	0	84	136	4	140

ANNEXURE TO BOARD'S REPORT

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name	Subsidiary / Associate	% of shares held
1	Thejo Australia Pty Ltd	Subsidiary	90%
2	Thejo Hatcon Industrial Services Company	Subsidiary	51%
3	Thejo Brasil Comercio E Servicos Ltda	Subsidiary	99.99%
4	Thejo Engineering LatinoAmerica SpA	Subsidiary	99.86%
5	TE Global FZ-LLC	Subsidiary	100%

The subsidiary companies generally do not participate in the BR initiatives of the Company.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) -Yes
(ii) Turnover - ₹ 39,106.18 Lakhs
(iii) Net worth - ₹ 21,692.44 Lakhs

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct: Nil (PY: Nil)
26. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Pollution free transportation of ores, minerals, etc.	Opportunity	With commitment to reducing pollution being prime focus of major industries, usage of methodology like pipe conveyor to transport ores, raw materials to reduce pollution will be priority for many of the core sector industries.	Not Applicable	Positive: The Company can partner with its customers in their efforts to reduce pollution while transporting materials by offering installation and maintenance services for pipe conveyors.
2	Reduction of pollution at material transfer points in conveyors	Opportunity	There is scope for reducing the pollution at material transfer points while transferring materials through conveyors.	Not Applicable	Positive: Based on studies done by the Company, a specialised solution called Sustainable Synergetic Solutions (SSS), which can sizeably reduce pollution at conveyor chutes, has been offered to its customers.

ANNEXURE TO BOARD'S REPORT

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Introduction of Carbon Border Adjustment Mechanism in European Union	Opportunity and Risk	The transitional phase of Carbon Border Adjustment Mechanism (CBAM) of European Union (EU) began on 1 st October 2023 covering some of the sectors serviced by the Company. There is a possibility of exports to EU getting affected to some extent. There is a possibility of some of the goods manufactured by the Company getting covered in the subsequent phases.	The Company intends to adopt to the same by taking consistent measures to reduce carbon footprint of its operations.	<p>Positive: Company can focus and reduce its carbon footprint and make positive contribution to the future generation.</p> <p>Negative: If exports to EU of the Company's customers are affected, there is a possibility of business to the Company from them reducing to some extent.</p> <p>If the goods manufactured by the Company are covered under CBAM, based on the extant regulations/ formula, there is a possibility of the overall cost of import increasing for the Company's customers in EU.</p>
4	Waste Management	Risk	Solid waste disposal and management pose significant challenges. Lack of proper treatment of waste causes several spillover effects, including organic decay of matter that contributes to GHG emissions.	The Company is keen on waste minimization, recycling and reuse of material as a means of alleviating the burden of unsustainable levels of waste generation on the environment.	Negative: If waste management is not handled properly, it will have negative implication on the environment and the business.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3** Businesses should promote the wellbeing of all employees
- P4** Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5** Businesses should respect and promote human rights
- P6** Businesses should respect, protect, and make efforts to restore the environment
- P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8** Businesses should support inclusive growth and equitable development
- P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.	a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	N	N	N	N	N	N	N	N
	c. Web Link of the Policies, if available	https://www.thejo-engg.com/investors/Policies								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	N	ISO	N	N	N	N	N	N	ISO
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.									

ANNEXURE TO BOARD'S REPORT

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9										
	The Company is making sincere efforts in ensuring safety of environment, responsible attitude towards the society and formulating and upholding high standards of Governance in its operations and activities. Towards this, the Company has formulated various policies and taken various measures. We remain committed to sustainable growth with focus on ESG.																			
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Managing Director																		
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No.																		
10.	Details of Review of NGRBCs by the Company:																			
	Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee							Frequency (Annually / Half yearly / Quarterly / Any other – please specify)											
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
	Performance against above policies and follow up action	N	N	N	N	N	N	N	N	N	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q	
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	N	N	N	N	N	N	N	N	N	N

* - Compliance of all regulations relevant to the operations of the Company is reviewed on a quarterly basis based on certification by MD/WTD.

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Not Applicable

ANNEXURE TO BOARD’S REPORT

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:- Nil
2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year: Nil
3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed- Not Applicable
4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Though there is no specific policy for anti-corruption or anti-bribery, Code of conduct for Board Members and Senior Managers address the topic broadly.
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: Nil
6. Details of complaints with regard to conflict of interest: Nil
7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest- Not Applicable
8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	64	89

Note: Accounts payable as at Balance Sheet date, cost of materials and consumables purchased, and manufacturing and other direct expenses incurred during the year have been considered for the above purpose.

ANNEXURE TO BOARD’S REPORT

9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	2.53%	2.52%
	b. Number of dealers / distributors to whom sales are made	9	9
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	100%	100%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	1.07%	2.80%
	b. Sales (Sales to related parties / Total Sales)	6.89%	6.14%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

Note:

- 1) Imports from overseas trading houses are considered for the above purpose. Domestic traders are not considered as trading house.
- 2) Sales to and purchases from related parties include reimbursement of expenses.
- 3) Where related party is also a distributor, the data is shown only under related party and is not included in sale to distributors.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively. - Nil

ANNEXURE TO BOARD'S REPORT

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) - Yes.
- b. If yes, what percentage of inputs were sourced sustainably?
 - Natural Rubber is a product that is derived from trees. It comprises about 15% of the raw material procured at our manufacturing units.
 - The Company is making efforts to substitute synthetic rubbers with Natural rubbers in our formulations used for making products.
 - The Company is taking efforts to reduce the usage of Carbon Black (derived from Oil) in our formulations and looking for ways to replace it with a natural product, which is sustainable.
 - The Company currently source Natural rubber through organisations who directly procure from rubber plantations, while enabling the best price advantages to the farmers.
 - The Company use agricultural waste fuel for the Steam Boilers at our manufacturing plants. The fuel comes in briquette form made from groundnut, coconut, and rice husk and wooden particles.
 - The Company is taking efforts to procure solar power for a part of its energy needs at the manufacturing unit.
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
 - The Company has identified organizations engaged in reclaim of rubber from rubber waste. This is an eco-friendly measure for disposal of rubber waste.
 - The in-house R&D Centre of the Company is engaged in researching a process for biodegradation of finished rubber product waste.
 - The Company recycles used hydraulic and lubrication oils from equipment, thereby reducing the procurement of new oils.
 - Plastic wastes are segregated and disposed to plastic recycling companies.
 - The Company use crates and pallets made of wood to substitute plastic used for the same.
 - The Company uses paper carton box in place of Polystyrene packing, wherever possible.
 - Rubber wastes are segregated and disposed through an authorized vendor.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
No.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:
 - Group Accident insurance cover given to all permanent employees
 - Health insurance is provided to management cadre employees
 - Annual medical camps organised

ANNEXURE TO BOARD'S REPORT

- Regular training on technical skills and personality development are given

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	532	98	18.42	532	100.00	NA	NA	0	0.00	0	0.00
Female	19	16	84.21	19	100.00	19	100.00	NA	NA	0	0.00
Total	551	114	20.69	551	100.00	19	100.00	0	0.00	0	0.00
Other than Permanent employees											
Male	68	0	0.00	68	100.00	NA	NA	0	0.00	0	0.00
Female	1	0	0.00	1	100.00	1	100.00	NA	NA	0	0.00
Total	69	0	0.00	69	100.00	1	100.00	0	0.00	0	0.00

- b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	832	0	0.00	832	100.00	NA	NA	0	0.00	0	0.00
Female	9	0	0.00	9	100.00	9	100.00	NA	NA	NA	NA
Total	841	0	0.00	841	100.00	9	100.00	0	0.00	0	0.00
Other than Permanent workers											
Male	834	0	0.00	834	100.00	NA	NA	0	0.00	0	0.00
Female	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	834	0	0.00	834	100.00	NA	NA	0	0.00	0	0.00

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the company	3.66%	4.00%

Note: Staff Welfare Expenses as contained in the financial statement is taken as the basis for calculating the aforementioned percentage.

ANNEXURE TO BOARD'S REPORT

2. Details of retirement benefits, for Current FY and Previous FY

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N / N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N / N.A.)
PF	100.00	100.00	Y	100.00	100.00	Y
Gratuity	100.00	100.00	NA	100.00	100.00	NA
ESI	20.69	45.66	Y	23.79	20.35	Y
Others: Super Annuation	39.56	0.00	NA	33.39	0.00	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. - Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Code of Conduct for Board and Senior Managers enables equal opportunities by committing to provide a workplace free of discrimination and harassment on the basis of race, colour, religion, age, gender, national origin, disability, or any other bias.

5. Return to work and Retention rates of permanent employees and workers that took parental leave – Not applicable as there are no such cases.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief. - Yes

A hotline (WhatsApp number) exists for any permanent as well as non-permanent employee/worker to communicate, register their grievances confidentially and directly with the Corporate Safety & HR Team.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

There is currently no recognized trade union.

ANNEXURE TO BOARD'S REPORT

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	532	260	48.87	271	50.94	524	368	70.23	110	20.99
Female	19	3	15.79	1	5.26	21	6	28.57	0	0.00
Total	551	263	47.73	272	49.36	545	374	68.62	110	20.18
Workers										
Male	832	420	50.48	421	50.60	775	422	54.45	0	0.00
Female	9	0	0.00	0	0.00	6	0	0.00	0	0.00
Total	841	420	49.94	421	50.06	781	422	54.03	0	0.00

- Periodic Health & Safety Training are conducted at the 'Excellence Centre'-Chennai as well as at respective branch and site offices. Topics covered under the training are:
 - Fire Safety Training
 - First-aid Training
 - Material Handling
 - Workplace Safety
 - Work at height
 - Risk Assessment / Job Safety Analysis
 - Emergency Preparedness
 - PPE awareness and Usage
 - Safe Chemical Handling
 - Environmental Safety
 - Safe Operating procedures
- Skill upgradation Training program
 - We conduct two batches of skill upgradation training program at the 'Excellence Centre' every month.

ANNEXURE TO BOARD'S REPORT

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	532	532	100.00	524	524	100.00
Female	19	19	100.00	21	21	100.00
Total	551	551	100.00	545	545	100.00
Workers						
Male	832	832	100.00	775	775	100.00
Female	9	9	100.00	6	6	100.00
Total	841	841	100.00	781	781	100.00

Every year, all employees undergo an exhaustive appraisal exercise, which rates the employees on their performance, attitudinal, interpersonal aspects, ethical and value systems. Feedback of their scores is also given to the respective employee.

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage of such system?
 - Yes. Primarily it covers Service, Operation & Maintenance and Manufacturing personnel.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
 - Risk Assessment documents
 - Risk Assessment Training for all employees with Procedures
 - Practical demonstration session with Assessment Format/Reports
 - Internal Audits
 - Periodic Safety Meeting by departments
- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)
 - Yes. This is done through Safety Violation Notification form and Safety Suggestions Box.
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**

Yes, Annual Medical camps through authorised Medical Practitioners.

ANNEXURE TO BOARD'S REPORT

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	0.61	1.26
Total recordable work-related injuries	Employees	0	0
	Workers	5	8
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- Daily Safety Meeting
- Safety Observation sharing and Corrective action plan follow-up
- Work Permit system
- Reporting Procedures for Safety Violation
- Conducting internal Safety Audit
- Regular and periodical Safety Checklist
- Pre and Post commissioning Inspections
- SHE Committee Meetings
- Complying Legal and statutory requirements

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Excludes suggestions	0	0	Excludes suggestions
Health & Safety	0	0	Excludes Suggestions	0	0	Excludes Suggestions

ANNEXURE TO BOARD’S REPORT

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Working Conditions	33%
Health & Safety	33%

Note: The percentage given above relates to our manufacturing plants. During the year, assessment was done relating to Environment Monitoring - Ambient Air Quality, Lux, Noise, Stack Emission, Indoor Air Quality, Drinking water, ETP / STP Water analysis at our main manufacturing plant.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Some of the key corrective actions taken based on safety related incidents are as follows:

- Static electricity discharge provision.
- Temperature monitoring provision.
- Usage of full length hand glove for specified operations.
- Usage of heat resistant, cut resistant gloves for specified operations.

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.
Stakeholders who have a material impact on or due to the Company are identified as key stakeholders.
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Various	Regular	Various
Customers	No	Various	Regular	Various
Suppliers	No	Various	Regular	Various
Investors	No	Various	Annual/Periodic	Various

ANNEXURE TO BOARD'S REPORT

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	551	263	47.73	545	11	2.02
Other than permanent	69	0	0.00	72	0	0.00
Total Employees	620	263	42.42	617	11	1.78
Workers						
Permanent	841	420	49.94	781	0	0.00
Other than permanent	834	0	0.00	763	0	0.00
Total Workers	1675	420	25.07	1544	0	0.00

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	= Min Wage		>Min Wages		Total (D)	= Min Wages		>Min Wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	532	10	1.88	522	98.12	524	20	3.82	504	96.18
Female	19	0	0.00	19	100.00	21	0	0.00	21	100.00
Other than Permanent										
Male	68	0	0.00	68	100.00	66	0	0.00	66	100.00
Female	1	0	0.00	1	100.00	6	0	0.00	6	100.00
Workers										
Permanent										
Male	832	286	34.37	546	65.63	775	285	36.77	490	63.23
Female	9	0	0.00	9	100.00	6	0	0.00	6	100.00
Other than Permanent										
Male	834	143	17.15	691	82.85	763	351	46.00	412	54.00
Female	0	NA	NA	NA	NA	0	NA	NA	NA	NA

ANNEXURE TO BOARD'S REPORT

3. Details of remuneration/salary/wages:

a) Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary / wages of respective category (₹ in Lakhs)	Number	Median remuneration / salary / wages of respective category (₹ In Lakhs)
Board of Directors (BoD):				
(a) Executive Directors	3	65.52	-	-
(b) Non-Executive Non Independent Directors ³	2	4.00	-	-
(c) Non-Executive Independent Directors ³	5	5.00	1	6.50
Key Managerial Personnel	1	46.89	-	-
Employees other than BoD and KMP	529	4.14	19	4.64
Workers	832	2.92	9	1.55

Notes:

- 1) Number of Director/KMP/Employee/Workers is as at 31st March, 2024. KMP excludes Executive Directors.
- 2) Remuneration/Salary/Wage represents salary/wages per annum based on fixed gross salary/wages per month as on 31st March, 2024.
- 3) In respect of Non-Executive Directors, remuneration represents Sitting Fee paid (excluding GST paid on reverse charge and profit related commission approved by the Board on 28th May 2024) and median is taken based on Non-Executive Directors who have served the Company throughout the financial year.
- 4) Employees/Workers other than Directors and KMP represents permanent employees/workers.

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to Females as % of total wages	2.05%	2.35%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to / by the business? **(Yes/No)** No
5. Describe the internal mechanisms in place to redress grievances related to human rights issues.
The grievances relating to human rights will be addressed in a fair and transparent manner by following principles of natural justice in line with the HR Policy and other applicable policies of the Company.

ANNEXURE TO BOARD'S REPORT

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labour	NIL	NIL	-	NIL	NIL	-
Forced Labour / Involuntary Labour	NIL	NIL	-	NIL	NIL	-
Wages	NIL	NIL	-	NIL	1	-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	NA	NA
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company believes in and follows the principle of not discriminating or harassing any complainant merely for lodging a complaint. The Company views complaints and suggestion as ways to improve. The Company treats such complaints as a positive step to take corrective steps, if proved correct.

9. Do human rights requirements form part of your business agreements and contracts? No

ANNEXURE TO BOARD'S REPORT

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NIL
Forced/involuntary labour	NIL
Sexual harassment	NIL
Discrimination at workplace	NIL
Wages	NIL
Others – please specify	NIL

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above

Not Applicable.

PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:
in Mega Joules

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	Nil	Nil
From non-renewable sources		
Total electricity consumption (D)	10763280	10714024
Total fuel consumption (E)	184280	147074
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	10947560	10861098
Total energy consumed (A+B+C+D+E+F)	10947560	10861098
Energy intensity per rupee of turnover <i>(Total energy consumed/ Revenue from operations)</i>	0.0057	0.0065
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) <i>(Total energy consumed/ Revenue from operations adjusted for PPP)</i>	0.1277	0.1441
Energy intensity in terms of physical output	3.5475 MJ/Kg	4.0862 MJ/Kg
Energy intensity <i>(optional)</i> – the relevant metric may be selected by the entity	-	-

ANNEXURE TO BOARD’S REPORT

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF for India, which are as follows:

For the year ended March 31, 2024 – 22.401

For the year ended March 31, 2023 – 22.167

Energy intensity in terms of physical output is calculated based on production of moulded and extruded products and adhesives.

The energy consumption data relates to our manufacturing units. Energy intensity per rupee of turnover is based on turnover of products. 1kWh (Unit) = 3.6 Mega Joules.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. - No
3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	15100	7200
(iii) Third party water	Nil	5837
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	15100	13037
Total volume of water consumption (in kilolitres)	15100	13037
Water intensity per rupee of turnover <i>(Total Water consumption / Revenue from operations)</i>	0.0078 litres	0.0079 litres
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) <i>(Total Water consumption / Revenue from operations adjusted for PPP)</i>	0.1747 litres	0.1751 litres
Water intensity in terms of physical output	0.0049 KL/Kg	0.0049 KL/Kg
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF for India, which are as follows:

For the year ended March 31, 2024 – 22.401

For the year ended March 31, 2023 – 22.167

Water intensity in terms of physical output is calculated based on production of moulded and extruded products and adhesives.

ANNEXURE TO BOARD'S REPORT

The water consumption data relates to our manufacturing units and water intensity per rupee of turnover is based on turnover of products.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No.

4. Provide the following details related to water discharged:

	Parameter	FY 2023-24	FY 2022-23
(i)	To Surface water		
	- No treatment	Nil	Nil
	- With treatment -please specify level of treatment	Nil	Nil
(ii)	To Ground water		
	- No treatment	Nil	Nil
	- With treatment -please specify level of treatment	Nil	Nil
(iii)	To Surface water		
	- No treatment	Nil	Nil
	- With treatment -please specify level of treatment	Nil	Nil
(iv)	Sent to third parties		
	- No treatment	Nil	Nil
	- With treatment -please specify level of treatment	Nil	Nil
(v)	others		
	- No treatment	Nil	Nil
	- With treatment -please specify level of treatment	Nil	Nil
	Total Water discharged (in Kilolitres)	Nil	Nil

Note: Water is treated through STP and treated water is used for gardening.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. STP (25 KLD) plant is being operated to maintain zero discharge.

ANNEXURE TO BOARD'S REPORT

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: The Company operates boilers, DG sets, etc., at its manufacturing facilities. These are operated within the permitted parameters. The highest measurement in respect of the below parameters based on the ambient air quality test done at various places inside the manufacturing facilities are given hereunder:

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	µg/m ³	23.60	14.93
SOx	µg/m ³	12.30	25.30
Particulate matter (PM):			
PM10	µg/m ³	69.20	56.28
PM2.5	µg/m ³	29.30	25.83
Persistent organic pollutants (POP)	NA	BLQ	BLQ
Volatile organic compounds (VOC)	NA	BLQ	BLQ
Hazardous air pollutants (HAP)	NA	BLQ	BLQ
Others	NA	NA	NA

BLQ – Below Limit of Quantification.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes.

The measurement of the ambient air quality was carried out by Hubert Enviro Care Systems Private Limited and RVN Laboratory.

All the above parameters are within the permitted industrial standards.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	4706 MT	2643 MT
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	2984 MT	6467 MT
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.0040 Kg	0.0055 Kg
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations <i>adjusted for PPP</i>)		0.0896 Kg	0.1219 Kg

ANNEXURE TO BOARD'S REPORT

<i>Parameter</i>	<i>Unit</i>	FY 2023-24	FY 2022-23
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.0025 MT/Kg	0.0034 MT/Kg
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF for India, which are as follows:

For the year ended March 31, 2024 – 22.401

For the year ended March 31, 2023 – 22.167

Emission intensity in terms of physical output is calculated based on production of moulded and extruded products and adhesives.

The Greenhouse gas emission data relates to our manufacturing units and Total Scope 1 and 2 emission per rupee of turnover is based on turnover of products.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – Yes

Hubert Enviro Care Systems Private Limited

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. - No
9. Provide details related to waste management by the entity, in the following format:

<i>Parameter</i>	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.00	0.00
E-waste (B)	0.00	0.00
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	13.50	0.00
Battery waste (E)	0.00	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G) (i) Oil sledge	12.00	4.81
Other Non-hazardous waste generated (H) . Please specify, if any.	0.00	0.00
Total (A+B + C + D + E + F + G + H)	25.50	4.81
Waste intensity per rupee of turnover <i>(Total waste generated/ Revenue from Operations)</i>	0.000013 Kg	0.000003 Kg

ANNEXURE TO BOARD'S REPORT

<i>Parameter</i>	FY 2023-24	FY 2022-23
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) <i>(Total waste generated / Revenue from operations adjusted for PPP)</i>	0.000291 Kg	0.000067 Kg
Waste intensity in terms of physical output	0.000008 MT/Kg	0.000002 MT/Kg
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	Construction & Demolition Waste	
(i) Recycled	0.00	0.00
(ii) Re-used	13.50	0.00
(iii) Other recovery operations	0.00	0.00
Total	13.50	0.00
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	Oil Sledge	
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations Through third party: Oil sledge (Other Hazardous waste)	12.00	4.81
Total	12.00	4.81

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF for India, which are as follows:

For the year ended March 31, 2024 – 22.401

For the year ended March 31, 2023 – 22.167

Waste intensity in terms of physical output is calculated based on production of moulded and extruded products and adhesives.

The waste management data relates to our manufacturing units and excludes items like cut rubber, metal pieces, used packing films, etc, which are sold by the Company and further used by the purchaser. Waste intensity per rupee of turnover is based on turnover of products.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

ANNEXURE TO BOARD’S REPORT

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.
- Our manufacturing units are equipped with STP and Condensate Recovery Units
 - Cut rubber pieces/flashes from production are offered/sold to rubber reclaiming operators for conversion to useable raw materials in production.
11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals / clearances are required, please specify details in the following format: Not Applicable
12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: Not Applicable
13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). - Yes.
If not, provide details of all such non-compliances: Not Applicable.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations - 15.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Confederation of Indian Industry	National
2	Indo-Australian Chamber of Commerce	National
3	All India Management Association	National
4	All India Manufacturers' Organization	National
5	Industrial Waste Management Association	National
6	Indian Institute of Material Management	National
7	Capexil	National
8	Federation of Indian Export Organizations	National
9	Madras Chamber of Commerce & Industries	State
10	Madras Management Association	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities. Not applicable

ANNEXURE TO BOARD’S REPORT

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. - Nil
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: Not Applicable
3. Describe the mechanisms to receive and redress grievances of the community.
 - The public and community at large may post their grievances in confidentiality on a dedicated email established on the company website
 - Any such grievances are immediately addressed by the HR department, brought to the notice of the top management, and resolved.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	2%	NA
Directly from within India -Sourced directly from within the district and neighbouring districts	33%	35%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2023-24	FY 2022-23
Rural	0.00%	0.00%
Semi-urban	28.76%	29.88%
Urban	23.01%	22.22%
Metropolitan	48.23%	47.90%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Note: % of total wage cost is based on fixed monthly gross of employees as at year end.

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
The Customer can email the company or call the company’s representative about any complaint. The Company shall take timely step to assess the complaint and if correct, take remedial steps to resolve the same to the satisfaction of the customer.

ANNEXURE TO BOARD'S REPORT

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a % of Total Turnover
Environmental and Social parameters relevant to the product	95%
Safe and responsible usage	100%
Recycling and/or safe disposal	90%

Note: The above is relating to products and is provided by means of Material Safety Data Sheets, User Manual and Warning Labels, wherever applicable.

3. Number of consumer complaints in respect of the following:

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of the year		Received during the year	Pending resolution at end of the year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive trade practices	Nil	Nil	-	Nil	Nil	-
Unfair trade practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

4. Details of instances of product recalls on account of safety issues
Nil
5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy - No.
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services- Not Applicable.
7. Provide the following information relating to data breaches:
- Number of instances of data breaches – Nil
 - Percentage of data breaches involving personally identifiable information of customers – Not Applicable
 - Impact, if any, of the data breaches – Not Applicable

ANNEXURE 11 TO BOARD'S REPORT

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To The Members of THEJO ENGINEERING LIMITED

We hereby declare that all the Board Members and Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

For Thejo Engineering Limited

Place : Chennai
Date : 28th May, 2024

Manoj Joseph
Managing Director
DIN 00434579

V.A. GEORGE
Executive Chairman
DIN 01493737

CEO AND CFO CERTIFICATION

The Board of Directors,
Thejo Engineering Limited,
Chennai.

Dear Members of the Board,

We have reviewed the Financial Statements and the cash flow statement of Thejo Engineering Limited for the year ended 31st March, 2024 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

Chennai
28th May, 2024

M.D. RAVIKANTH
CFO & Secretary

V.A. GEORGE
Executive Chairman
DIN 01493737

MANOJ JOSEPH
Managing Director
DIN 00434579

ANNEXURE 12 TO BOARD'S REPORT

CERTIFICATE UNDER REGULATION 13 OF SECURITIES & EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

We have examined the Employees Stock Option Scheme of **Thejo Engineering Limited** namely, Thejo Employees Stock Option Scheme 2015 (ESOP 2015), for the purpose of issuing a Certificate pursuant to Regulation 13 of the Securities & Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

In our opinion and to the best of our information and based on the Management's representation, we hereby certify that the Scheme has been implemented in accordance with Securities & Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolution of the Company in the general meeting.

For PORSELVAM AND ASSOCIATES

Place : Chennai
Date : 28/05/2024
UDIN : A044831F000474106

SINDHUJA PORSELVAM
Company Secretary in Practice
Mem. No 44831; CP No. 23622

Standalone Financial Statements
2023 - 2024

INDEPENDENT AUDITOR'S REPORT**To the Members of Thejo Engineering Limited****Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying standalone Ind AS financial statements of Thejo Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the statement of Profit and Loss, including Other Comprehensive Income, statement of changes in Equity and statement of Cash Flows for the year then ended, and notes to the standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and Profit and Other Comprehensive loss, changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

INDEPENDENT AUDITORS' REPORT

Responsibility of Management for Standalone Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- a) Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

INDEPENDENT AUDITOR'S REPORT

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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.
 - c) The Balance Sheet, the Statement of Profit and Loss including the statement of Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report.

INDEPENDENT AUDITORS' REPORT

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note No.26.1.2 of Standalone Ind AS Financial Statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.

- (v) The final dividend declared and paid by the Company during the year in respect of the previous financial year is in accordance with section 123 of the Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

INDEPENDENT AUDITOR'S REPORT

- (vi) Based on our examination which included test checks and further confirmations from Software provider, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

P. BABU
Partner
Membership No.: 203358
UDIN: 24203358BKAIOA6193

Place : Chennai
Date : May 28, 2024

“Annexure-A” to the Independent Auditors’ Report**Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our report of even date**

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
The Company has maintained proper records showing full particulars of intangible assets.
- b) The Property Plant and Equipment were physically verified by the management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the Property, Plant and Equipment. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) Based on our examination of the records of the company and according to the information and explanations given to us, the title deeds of all the immovable properties which are freehold are held in the name of the company and such title deeds have been pledged with banks as security for loan facilities.
- d) Based on our examination of the records of the company and according to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment and Intangible Assets during the year.
- e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records which were not material, have been properly dealt with in the books of account.
- b) Based on our examination of the records of the company and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks on the basis of security of current assets. The monthly/quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.
- (iii) Based on our examination of records and according to the information and explanations given to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. In our opinion and according to information and explanation given to us, the investments made during the year are not prejudicial to Interest of the company. Accordingly, reporting under clause 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan to its directors, covered under Section 185 of Companies Act, 2013. Section 186 of the Companies Act, 2013 is not applicable to the company for the year.
- (v) According to the information and explanations given to us, The Company has not accepted public deposits which requires compliance with the provisions of sections 73 to 76 of the Companies Act or any other relevant provisions of the Act and rules made thereunder. Accordingly, reporting under clause 3(v) of the Order is not applicable.

“Annexure-A” to the Independent Auditors’ Report

- (vi) According to the information and explanations given to us, the Maintenance of cost records has been specified by the Central Government under subsection (1) of section 148 of the Act in respect of the products manufactured by the Company and we have broadly reviewed the cost records and are of the opinion that, prima facie, the prescribed cost records have been so made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) The Company is regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees’ state insurance, income tax, and other statutory dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of these statutory dues outstanding as at March 31, 2024 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, in case dues of income tax, sales tax, customs duty have not been deposited on account of dispute, the amounts involved and the forum where dispute is pending are mentioned below:

(₹ in Lakhs)

Name of Statute	Amount of Dispute (31/3/24)	Amount of Dispute (31/3/23)	Amount Deposited (31/3/24)	Forum where dispute is pending
Commercial Tax (VAT, CST, Sales Tax, Entry Tax).	16.18	16.18	-	Hon’ble High Court.
Commercial Tax (VAT, CST, Sales Tax, Entry Tax).	3.30	3.30	-	Deputy Commissioner
Commercial Tax (VAT, CST, Sales Tax, Entry Tax).	31.90	25.07	2.00	Commercial Tax Officer
Customs Duty Act 1962	12.50	12.50	-	Commissioner of Customs
Income Tax Act 1961	58.48	58.48	30.00	Income-Tax Appellate Tribunal
Income Tax Act 1961	35.16	74.28	7.03	Commissioner Appeals
Income Tax Act 1961	6.57	14.47	-	Assessing Officer
Total	164.09	204.28	39.03	

- (viii) According to the information and explanation given to us, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, reporting under clause 3(viii) of the order is not applicable.
- (ix) a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Accordingly, reporting under clause 3(ix)(a) of the order is not applicable.
- b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

“Annexure-A” to the Independent Auditors’ Report

- c) According to the information and explanations given to us and based on our examination of the records of the Company, the term loans were applied for the purpose for which loans were obtained during the year.
 - d) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not utilized the funds raised on short term basis for long term purposes.
 - e) According to the information and explanations given to us and on our examination of the records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, reporting under clause 3(ix)(e) of the order is not applicable.
 - f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable.
- (x)
- a) In our opinion and according to the information and explanations given to us, the Company has neither raised during the year any money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the order is not applicable.
 - b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares/ fully or partly or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the order is not applicable.
- (xi)
- a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the course of our audit.
 - b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) As represented to us by the Management, no whistle blower complaints were received by the Company during the year.
- (xii)
- In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as per provisions of the Companies Act, 2013. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- (xiii)
- According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- (xiv)
- a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - b) The reports of internal auditors of the company issued for period under audit have been considered by us.

“Annexure-A” to the Independent Auditors’ Report

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors. Accordingly, reporting under clause 3(xv) of the order is not applicable.
- (xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) Based on our examination of the records of the company, the Company has not incurred cash losses during the current year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) a) There is no unspent amount towards Corporate Social Responsibility (CSR) projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

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

P. BABU
Partner
Membership No. 203358
UDIN: 24203358BKAIOA6193

Place : Chennai
Date : May 28, 2024

“Annexure-B” to the Independent Auditors’ Report

Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements of our report of even date

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

We have audited the internal financial controls over financial reporting of Thejo Engineering Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

“Annexure-B” to the Independent Auditors’ Report

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

P. BABU
Partner
Membership No. 203358
UDIN: 24203358BKAIOA6193

Place : Chennai
Date : May 28, 2024

THEJO ENGINEERING LIMITED
Balance Sheet as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Particulars	Note	As at 31-03-2024	As at 31-03-2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,427.03	6,480.38
Right-of-use Assets	4	1,855.34	2,018.02
Capital work-in-progress	4	223.89	164.45
Intangible assets	4	141.21	46.44
Intangible assets under development	4	0.00	20.34
Financial assets			
Investments in subsidiaries	5	3,002.67	2,330.18
Other financial assets	6	263.62	210.47
Deferred tax assets (net)		282.67	194.46
Other non-current assets	7	60.47	54.67
Current assets			
Inventories	8	4,433.59	4,002.22
Financial assets			
Trade receivables	9	10,222.64	8,837.41
Cash and cash equivalents	10A	2,786.48	1,573.95
Bank balances (other than cash equivalents)	10B	807.22	919.73
Other financial assets	6	814.84	836.62
Other current assets	11	947.66	1,057.95
TOTAL ASSETS		<u>32,269.33</u>	<u>28,747.29</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,076.43	1,070.10
Share Application Money	12	0.00	0.00
Other equity	13	20,616.01	16,940.92
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	576.68	511.29
Lease liabilities		1,977.35	2,029.56
Current liabilities			
Financial liabilities			
Borrowings	14	288.08	209.21
Lease liabilities		97.95	85.60
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	15	22.61	0.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	15	3,231.97	3,904.85
Other financial liabilities	16	1,604.21	1,170.28
Other current liabilities	17	2,127.52	2,302.85
Provisions	18	650.52	522.63
TOTAL EQUITY AND LIABILITIES		<u>32,269.33</u>	<u>28,747.29</u>
Basis of preparation and material accounting policies	2&3		
Contingent liabilities and commitments	26.1		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For BRAHMAYYA & CO.

 Chartered Accountants
 Firm Registration No. 000511S

 P. BABU
 Partner
 M. No. 203358

 Place : Chennai
 Date : 28th May, 2024

 V A GEORGE
 Executive Chairman
 DIN 01493737

 MANOJ JOSEPH
 Managing Director
 DIN 00434579

 THOMAS JOHN
 Vice Chairman
 DIN 00435035

 M D RAVIKANTH
 CFO and Secretary

THEJO ENGINEERING LIMITED
Statement of Profit and Loss for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Particulars	Note	Year ended	Year ended
		31-03-2024	31-03-2023
INCOME			
Revenue from operations	19	39,157.26	33,269.82
Other income	20	189.53	205.84
TOTAL INCOME		<u>39,346.79</u>	<u>33,475.66</u>
EXPENSES			
Cost of materials consumed	21	8,904.54	8,186.91
Purchases of stock-in-trade	21	114.17	186.82
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(293.54)	(104.67)
Employee benefits expenses	23	11,105.83	10,213.97
Finance costs	24	442.32	370.17
Depreciation and amortisation expenses	4	1,537.14	803.24
Other expenses	25	12,410.39	10,108.95
TOTAL EXPENSES		<u>34,220.85</u>	<u>29,765.39</u>
Profit before exceptional items and tax		5,125.94	3,710.27
Exceptional items		0.00	0.00
Profit before tax		5,125.94	3,710.27
Tax Expenses			
Current tax		1,409.11	948.45
Deferred tax charge/(credit)		(88.21)	3.65
PROFIT FOR THE YEAR (A)		<u>3,805.04</u>	<u>2,758.17</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of net defined benefit plans		(47.26)	(70.90)
Income-tax on Items that will not be reclassified subsequently to profit or loss			
Remeasurements of net defined benefit plans		(11.89)	(17.84)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		<u>(35.37)</u>	<u>(53.06)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		<u>3,769.67</u>	<u>2,705.11</u>
Earnings per equity share (of face value of ₹ 10/- each)			
Basic (in ₹)		35.46	25.82
Diluted (in ₹)		35.17	25.52
Basis of preparation and material accounting policies	2&3		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For BRAHMAYYA & CO.

 Chartered Accountants
 Firm Registration No. 000511S

 P. BABU
 Partner
 M. No. 203358

 Place : Chennai
 Date : 28th May, 2024

 V A GEORGE
 Executive Chairman
 DIN 01493737

 MANOJ JOSEPH
 Managing Director
 DIN 00434579

 THOMAS JOHN
 Vice Chairman
 DIN 00435035

 M D RAVIKANTH
 CFO and Secretary

THEJO ENGINEERING LIMITED
Statement of Cash Flows for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and tax	5,125.94	3,710.27
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	1,537.14	803.24
Interest income	(67.16)	(55.24)
Dividend income	0.00	(80.25)
Finance Costs	442.32	370.17
Employee stock option cost	31.84	66.55
Unrealised foreign exchange (gain)/loss, net	42.78	33.50
Loss/(Profit) on disposal of assets	(97.09)	22.45
Cash generated from operations before working capital changes	7,015.77	4,870.69
<i>Adjustments for:</i>		
(Increase)/decrease in trade receivables	(1,404.03)	(439.17)
(Increase)/decrease in other non-current financial assets	(52.68)	185.18
(Increase)/decrease in other current financial assets	25.29	(381.63)
(Increase)/decrease in other non-current assets	5.13	(5.14)
(Increase)/decrease in other current assets	110.29	(90.15)
(Increase)/decrease in inventories	(431.37)	(272.01)
Increase/(decrease) in trade payables	(192.61)	1,234.31
Increase/(decrease) in other current financial liabilities	433.93	119.83
Increase/(decrease) in other current provisions	61.21	23.84
Increase/(decrease) in other current liabilities	(175.34)	550.06
Cash generated from operations	5,395.59	5,795.81
Taxes (paid)/refund received	(1,377.80)	(1,097.57)
Net cash generated from/(used in) operating activities (A)	4,017.79	4,698.24
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,860.49)	(4,388.48)
Sale of property, plant and equipment	160.69	10.88
Investments made	(672.49)	0.00
(Investment)/Disposal in bank deposits, Net	112.04	(162.41)
Purchase of intangibles	(124.64)	(57.31)
Loans/Advance repaid by subsidiaries	0.00	0.00
Interest received	56.96	43.30
Dividend received	0.00	80.25
Net cash generated from/(used in) investing activities (B)	(2,327.93)	(4,473.77)

THEJO ENGINEERING LIMITED
Statement of Cash Flow for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital/Premium on account of issue of shares (incl share application money)	94.31	61.80
Proceeds from long-term borrowing	414.96	708.10
Repayments towards long-term borrowing	(272.33)	(123.88)
Increase/(decrease) in short-term borrowing	0.00	0.00
Lease deposit/Principal payment of lease liability/right-of-use assets	(33.17)	(27.02)
Interest payment for lease liability	(173.69)	(179.36)
Dividend paid	(214.39)	(213.56)
Finance Costs	(267.00)	(186.61)
Net cash generated from/(used in) financing activities (C)	(451.31)	39.47
Exchange difference on translation of cash and cash equivalents (D)	(26.02)	(7.66)
Net increase/(decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	1,212.53	256.28
Cash and cash equivalents at the beginning of the year	1,573.95	1,317.67
Cash and cash equivalents at the end of the year	2,786.48	1,573.95

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

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

 V A GEORGE
Executive Chairman
DIN 01493737

 THOMAS JOHN
Vice Chairman
DIN 00435035

 P. BABU
Partner
M. No. 203358

 MANOJ JOSEPH
Managing Director
DIN 00434579

 M D RAVIKANTH
CFO and Secretary

 Place : Chennai
Date : 28th May, 2024

THEJO ENGINEERING LIMITED
Statement of Changes in Equity for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Particulars	Amount
Equity share capital	
As at 1 st April, 2022*	1,065.71
Changes in equity share capital during the year	4.39
As at 31 st March, 2023	1,070.10
As at 1 st April, 2023*	1,070.10
Changes in equity share capital during the year	6.33
As at 31 st March, 2024	1,076.43

Other Equity

	Reserves and surplus				Item of Other Comprehensive Income	Total
	Securities Premium	ESOP Outstanding	General Reserve	Retained Earnings	Remeasurements of net defined benefit plans	
As at 1 st April 2022*	1,423.44	169.70	642.05	12,111.96	(21.75)	14,325.40
Profit for the year				2,758.17		2,758.17
Other comprehensive income for the year					(53.06)	(53.06)
<i>Total comprehensive income for the year</i>				2,758.17	(53.06)	2,705.11
Dividend on equity shares				(213.56)		(213.56)
Issue of equity shares on exercise of employee stock options	96.68	(39.26)				57.42
Employee stock option cost for the year		66.55				66.55
As at 31 st March, 2023	1,520.12	196.99	642.05	14,656.57	(74.81)	16,940.92
As at 1 st April 2023*	1,520.12	196.99	642.05	14,656.57	(74.81)	16,940.92
Profit for the year				3,805.04		3,805.04
Other comprehensive income for the year					(35.37)	(35.37)
<i>Total comprehensive income for the year</i>				3,805.04	(35.37)	3,769.67
Dividend on equity shares				(214.39)		(214.39)
Issue of equity shares on exercise of employee stock options	149.88	(61.91)				87.97
Employee stock option cost for the year		31.84				31.84
As at 31 st March, 2024	1,670.00	166.92	642.05	18,247.22	(110.18)	20,616.01

* - There are no changes due to changes in accounting policy or prior period errors.

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

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

 V A GEORGE
 Executive Chairman
 DIN 01493737

 THOMAS JOHN
 Vice Chairman
 DIN 00435035

 P. BABU
 Partner
 M. No. 203358

 MANOJ JOSEPH
 Managing Director
 DIN 00434579

 M D RAVIKANTH
 CFO and Secretary

 Place : Chennai
 Date : 28th May, 2024

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note 1

Corporate Information

Thejo Engineering Limited (“the Company”) is a public limited company, with its Registered Office at VDS House, 3rd Floor, No. 41, Cathedral Road, Chennai 600086. The Company is an Engineering Solutions provider for Bulk Material Handling, Mineral Processing and Corrosion Protection to the Core Sector Industries like mining, power, steel, cement, ports and fertilizers. The Company’s services include belt conveyor installation, maintenance and operations, while its product portfolio covers design, manufacture and supply of engineering products for Bulk Material Handling, Mineral Processing and Corrosion Protection.

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

The Company was listed on the SME Platform of National Stock Exchange of India Limited (NSE) till 9th October 2023 and had migrated to the Main Board of NSE with effect from 10th October 2023, after obtaining all necessary approvals.

Basis of Preparation and Material Accounting Policies

Note 2

Basis of Preparation

2.1 *Basis of preparation*

These Financial Statements for the year ended 31st March, 2024 have been prepared under Ind-AS on accrual and going concern basis using accounting policies that are applied consistently. The assets and liabilities have been classified as Current or Non-Current based on the normal operating cycle of the Company, which has been determined as 12 months based on the nature of products and services, and the time gap between acquisition of assets for processing and their realisation in cash and cash equivalents.

The financial statements for the year ended 31st March, 2024 were approved for issue by the Board of Directors at their meeting held on 28th May, 2024.

2.2 *Basis of measurement*

The financial statements have been prepared under historical cost convention unless stated otherwise.

2.3 *Use of estimates and judgements*

In the preparation of financial statements, the management has to make certain estimates, judgements and assumptions in the application of accounting policies that affects the reported amounts of assets, liabilities, income and expenses. Actual outcome may differ from these estimates. The management continuously evaluates these estimates and judgements and make appropriate revisions prospectively.

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Information about critical judgements, estimates and assumptions that have the most significant impact on the amounts recognized in the financial statements are included in the following notes:

- (a) Measurement of defined benefit obligations
- (b) Measurement and likelihood of occurrence of provisions and contingencies
- (c) Recognition of deferred tax assets
- (d) Useful lives of property, plant and equipment
- (e) Useful lives of intangible assets
- (f) Measurement of share based payments

2.4 *Functional and Presentation Currency*

Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (“the functional currency”). Indian Rupee (“INR”/“Rs.”/“₹”) is the functional currency of the Company.

The Financial Statements are presented in INR, which is the presentation currency of the Company. Presentation is made in INR rounded to the nearest lakh except where indicated otherwise.

2.5 *Recent Accounting Pronouncements*

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standard) Rules, 2015, from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Note 3

Material Accounting Policies

The material accounting policies used in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless stated otherwise.

3.1 *Property, Plant and Equipment*

Property, plant and equipment (PPE) are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company’s accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Depreciation of these assets, on the same basis as other PPE assets, commences when the assets are ready for their intended use. PPE which are not ready for intended use are disclosed under “Capital work-in-progress”.

Subsequent cost/expenses related to an item of PPE are recognized in the carrying amount of PPE when the cost/expenses meet the recognition criteria, i.e. cost can be measured reliably and it is probable that the future benefits will flow to the Company.

Depreciation is charged on a pro-rata basis under written down value method based on the useful life of individual asset as prescribed in Schedule II of the Companies Act, 2013 (“the Act”), retaining a residual value of 5% of the cost of the assets except the following:

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Plant and equipment are depreciated over a period of 1 to 15 years, office equipment over 2 to 5 years and dyes and moulds over 3 to 10 years based on technical evaluation/advice.

No depreciation is charged on the free hold land.

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period and adjustment required, if any, are done prospectively.

Assets on leased premises, which cannot be used independent of the leased premises, are depreciated on the remaining period of lease or as per the useful life as stated above, whichever is earlier. Assets costing ₹ 5,000 and below are depreciated over a period of one year.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Upon first time adoption of Ind-AS, the Company had elected to measure all its property, plant and equipment at the carrying value under Previous GAAP as their deemed cost on the date of transition to Ind-AS (1st April, 2020).

3.2 *Intangible Assets*

A. Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a written down value basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

B. Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) The intention to complete the intangible asset and use or sell it;
- (c) The ability to use or sell the intangible asset;
- (d) The probable future economic benefits that will be generated from the intangible asset;
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

C. Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognized.

D. Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Life
Software & Licenses	1-6 years

Upon first time adoption of Ind-AS, the Company had elected to measure its intangible assets at the carrying value under Previous GAAP as their deemed cost on the date of transition to Ind-AS (1st April, 2020).

Impairment of Tangible & Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives, goodwill and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the

Notes forming part of the Financial Statements for the year ended 31st March, 2024

increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.3 Leases**Company as Lessee**

At the inception of a contract, the Company assesses if the contract conveys the right to control the use of an identified asset for a specified period of time for a consideration. If so, such contracts are considered to be/to contain lease. Where the Company is a lessee, except in case of short-term leases (tenure less than twelve months) and leases of low value assets, the Company recognizes lease liability and right-of-use assets. In the case of leases for short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates being the rate the Company would have to pay to borrow fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Subsequent to the initial measurement, the lease liability is increased by the interest on the lease liability and reduced by the lease payments made. A lease liability is re-measured when there is a change in the lease term or a change in an index or rate used to determine lease payments, etc. Lease liability and Right-of-use asset are presented separately in the Balance Sheet. In the Statement of Cash Flows, lease payments have been classified as cash flow from financing activities.

Company as Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as expenses over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

3.4 Investment in Subsidiaries and Joint Ventures

Investments in subsidiaries and joint ventures are carried at cost net of accumulated impairment losses, if any. Where an indication of impairment exists, the carrying value of the investment is assessed for the amount of impairment loss and written down to its recoverable amount. At the time of disposal of investments, the difference between the net proceeds of disposal and the carrying amount is recognized in the Statement of Profit and Loss.

Upon first time adoption of Ind-AS, the Company had elected to measure its investment in subsidiaries at the carrying value under Previous GAAP as their deemed cost on the date of transition to Ind-AS (1st April, 2020).

Notes forming part of the Financial Statements for the year ended 31st March, 2024**3.5** *Inventories*

Inventories are valued at lower of cost and net realisable value based on FIFO Basis. Cost of work-in-progress and finished goods includes the cost of purchase, conversion and all other cost incurred in bringing the inventory to their current condition and location. Net realizable value is the estimated selling price in the ordinary course of business net of estimated cost of completion and cost required to be incurred to complete the sale.

3.6 *Cash and Cash Equivalents*

Cash and cash equivalents are short-term (three months from the date of acquisition), highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

3.7 *Financial Instruments***A.** *Financial Assets*

Financial assets comprises investments in equity and debt securities, trade receivables, cash and cash equivalents, and other financial assets. Financial assets are recognized when the Company becomes a party to the contractual positions of an instrument.

Trade receivables are recognized initially at transaction cost and other financial assets are recognized initially at fair value. In the case of financial assets other than those recognized at fair value through profit and loss (FVTPL), the transaction costs attributable to the acquisition of financial assets are added to the fair value for the initial recognition. In the case of financial assets recognized at FVTPL, the transaction costs are recognized in the Statement of Profit and Loss.

Financial assets are subsequently measured at

- (i) Amortized cost
- (ii) Fair value through other comprehensive income (FVOCI) or
- (iii) Fair value through profit and loss (FVTPL)

- (i) Amortized Cost

Financial assets that are held within the business model with an objective to hold them to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding are measured subsequently at amortized cost using the effective interest rate method (EIR method) net of impairment, if any. The amortization as per EIR and loss on account of impairment, if any, are recognized in the Statement of Profit and Loss.

By applying the above criteria, the following financial assets are measured at amortized cost:

- (a) Trade receivables
- (b) Loans
- (c) Other financial assets

Notes forming part of the Financial Statements for the year ended 31st March, 2024**(ii) Fair value through other comprehensive income**

Financial assets that are held within the business model whose objective is achieved by both selling the financial assets and collecting the contractual cash flows that are solely payments of principal and interest are measured subsequently at fair value through other comprehensive income. Movements in the fair value of such financial asset are recognized in the other comprehensive income. Interest income as per EIR and loss on account of impairment, if any, are recognized in the Statement of Profit and Loss. On derecognition, the cumulative gain or loss that has previously been recognized in the other comprehensive income is reclassified to other income in the Statement of Profit and Loss.

(iii) Fair value through profit or loss

A financial asset is measured subsequently at fair value through profit or loss if it does not meet the classification criteria for measurement at amortized cost or fair value through other comprehensive income. Such financial assets are measured at fair value with all changes in the fair value, including interest and dividend income, if any, being recognized as other income in the Statement of Profit and Loss.

A financial asset is derecognized when the contractual rights to the cash flow from the asset expires, or when the contractual rights to receive the cash flows are transferred.

Subsequent to initial recognition, impairment losses are recognized in respect of all financial assets other than those classified for subsequent measurement under FVTPL. In respect of trade receivables, expected credit loss over the lifetime of the asset is estimated by adopting a simplified approach of provision matrix based on historical loss rates reflecting present conditions and forecast of future economic conditions. Under this approach, trade receivables are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other relevant factors to estimate the expected cash loss from these assets. In respect of financial assets other than trade receivables, if the credit risk has increased significantly since initial recognition, the impairment is measured at lifetime credit losses. The impairment losses and reversals are recognized in the Statement of Profit and Loss.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

B. Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual positions of an instrument.

Financial liabilities are recognized initially at fair value. In the case of financial liabilities other than those recognized at fair value through profit and loss (FVTPL), the transaction costs attributable to the acquisition of the financial liability are added to the fair value for the initial recognition. In the case of financial liabilities recognized at FVTPL, the transaction costs are recognized in the Statement of Profit and Loss.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Financial liabilities other than those recognized at FVTPL are subsequently measured at amortized cost using EIR method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

The Company measures the following financial liabilities under amortized cost:

- (a) Borrowings
- (b) Lease liabilities
- (c) Trade payables
- (d) Other financial liabilities

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities and financial assets are offset and net amount presented in the Balance sheet when the Company has a legal right to offset and intends to settle the same on net basis or realize the asset and settle the liability simultaneously.

A financial liability is derecognized when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in Statement of Profit and Loss under other income.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

C. Fair Value Hierarchy

The fair value of financial instruments are classifiable into three categories based on the inputs used in valuation technique. The three categories are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs and

Level 3: Inputs which are not based on observable market data.

3.8 *Provisions and Contingent Liabilities*

Provisions are recognized if the Company has a reliably estimated present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured based on the best estimate of expenditure required to settle the obligation as at the date of balance sheet. In cases where the effect of the time value of money is material, provisions are discounted to reflect its present value using current pre-tax rate reflecting the risk specific to the obligation. When discounting is used, the increase in the amount of provision due to the passage of time is recognized as finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Contingent liabilities are disclosed when there is a possible obligation arising from past events, which is contingent upon the occurrence or non-occurrence of one or more uncertain future events, which are not fully within the control of the Company or when there is a present obligation arising from past events where it is either not probable that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable. Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/ development of assets and amounts pertaining to Investments which have been committed but not called for.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

3.9 Revenue Recognition**Sale of goods**

Revenue is recognised at transaction value when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

Rendering of services

The performance obligation under service contracts are provision of various services as set forth in the contracts. Revenue from rendering of services are recognised over a period of time by reference to the stage of completion as the customer simultaneously receives and consumes the benefit provided by the Company's performance. Payment for the service rendered is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Revenue disaggregation as per business segment and geography are contained in the segment information given in Note 26.3.

Notes forming part of the Financial Statements for the year ended 31st March, 2024**3.10** *Employee Benefits*

Short-term benefits

All short-term employee benefit obligations are measured on an undiscounted basis and expensed as the related services are rendered.

Defined contribution plans

Contribution to defined contribution plans like provident fund, superannuation fund, employee state insurance, etc are charged as an expense to the extent of periodic contribution required to be made as and when services are rendered to the Company. The Company has no further obligations beyond the periodic contribution in respect of defined contribution plans.

Defined benefit plans

The Company provides for gratuity, a defined benefit plan, to all eligible employees. The amount recognized as employee benefit expense in the Statement of Profit and Loss is the cost of accruing employee benefits promised to the eligible employees over the year and costs of past/future service benefit changes and similar costs. The defined benefit plan surplus or deficit as on the date of balance sheet comprises the difference between fair value of plan assets and present value of the defined benefit liabilities, discounted at the yield rate at the reporting date on risk free government bonds.

All re-measurements of defined benefit liabilities and assets are recognized in other comprehensive income and are subsequently not reclassified to the Statement of Profit and Loss. The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India.

3.11 *Share-based Payments*

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 26.9.

The Company makes equity settled share based payment to selected employees under its ESOP program. The fair value of options granted as on grant date, calculated by an independent valuer on the basis of Black Scholes model, is recognized as employee benefit expense with a corresponding increase in equity over the vesting period. At the end of each reporting period, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. Fresh equity shares are issued upon exercise of vested options.

3.12 *Income-tax Expenses*

Income-tax expenses comprises current tax and deferred tax and is recognized in the Statement of Profit and Loss except to the extent that it relates to an item which is recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income using applicable tax rates enacted or substantively enacted as at the reporting date and any adjustments relating to income-tax of previous years.

Deferred tax is recognized in respect of temporary difference between the carrying amounts of assets and liabilities as per the financial statements and taxation laws. Deferred tax liability is recognized based on the expected manner of realization or settlement of the difference in carrying amounts applying tax rates enacted or substantively enacted as at the reporting date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available to utilize the same. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that it will be realized.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Current tax assets and liabilities are offset when there is a legally enforceable right to set them off and there is an intent to settle them on a net basis. Deferred tax assets and liabilities are set off when they are related to income-tax levied by the same taxation authority and there is a legally enforceable right to set off current tax assets and liabilities.

3.13 Foreign Currency

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. The income and expense of foreign branch operations are translated using average exchange rates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

3.14 Earnings Per Share

The Company presents the basic earnings per share by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued without a corresponding change in resources like bonus issue, the weighted number of equity shares outstanding during the period as well as all periods presented are adjusted for such events.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, consolidation of shares, etc. as appropriate.

3.15 Segment Reporting

The Company reports business and geographic segments in a manner consistent with the reporting provided to the Chief Operating Decision Maker, in line with Ind-AS 108.

3.16 Dividend Distributed to Equity Shareholders

Dividend distributed to equity shareholders is recognized as distribution to owners of capital in the Statement of Changes in Equity after it is approved by the Members.

3.17 Borrowings and related costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

3.18 *Cash flow statement*

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents includes balances in current accounts, cash on hand and cheques/drafts on hand. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Note 4
A. Property, plant and equipment

	As at 01-04-2022	Additions 2022-23	Deletions 2022-23	As at 31-03-2023	Additions 2023-24	Deletions 2023-24	As at 31-03-2024
<i>Gross Block</i>							
Land	65.72	0.00	0.00	65.72	0.00	0.00	65.72
Buildings	1,119.21	2,168.49	4.55	3,283.15	433.14	15.37	3,700.91
Plant and machinery	1,609.97	1,853.75	34.09	3,429.63	651.28	36.71	4,044.20
Furnitures and fittings	268.19	175.53	13.79	429.93	57.97	7.34	480.56
Vehicles	363.62	239.08	9.92	592.78	126.52	62.16	657.13
Office equipments	143.34	59.17	7.80	194.71	65.60	1.99	258.32
<i>Total</i>	<i>3,570.05</i>	<i>4,496.02</i>	<i>70.15</i>	<i>7,995.92</i>	<i>1,334.51</i>	<i>123.57</i>	<i>9,206.85</i>
<i>Accumulated Depreciation</i>							
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Buildings	172.16	94.13	3.83	262.46	352.61	4.17	610.90
Plant and machinery	494.18	297.82	14.57	777.43	711.06	20.01	1,468.48
Furnitures and fittings	87.35	46.49	7.08	126.76	82.95	4.26	205.45
Vehicles	126.07	113.97	6.95	233.09	120.93	30.57	323.44
Office equipments	63.67	56.52	4.39	115.80	56.71	0.95	171.55
<i>Total</i>	<i>943.44</i>	<i>608.94</i>	<i>36.82</i>	<i>1,515.54</i>	<i>1,324.26</i>	<i>59.96</i>	<i>2,779.82</i>
<i>Net Block</i>							
Land	65.72			65.72			65.72
Buildings	947.06			3,020.69			3,090.02
Plant and machinery	1,115.79			2,652.20			2,575.72
Furnitures and fittings	180.84			303.17			275.12
Vehicles	237.54			359.69			333.69
Office equipments	79.67			78.91			86.77
<i>Total</i>	<i>2,626.61</i>			<i>6,480.38</i>			<i>6,427.03</i>

B. Right-of-use Assets

	As at 01-04-2022	Additions 2022-23	Deletions 2022-23	As at 31-03-2023	Additions 2023-24	Deletions 2023-24	As at 31-03-2024
<i>Gross Block</i>							
Land	1,816.72	0.00	0.00	1,816.72	0.00	73.66	1,743.06
Buildings	618.33	0.00	0.00	618.33	0.00	0.00	618.33
<i>Total</i>	<i>2,435.05</i>	<i>0.00</i>	<i>0.00</i>	<i>2,435.05</i>	<i>0.00</i>	<i>73.66</i>	<i>2,361.39</i>
<i>Accumulated Depreciation</i>							
Land	62.76	92.39	0.00	155.15	75.39	73.66	156.88
Buildings	174.59	87.29	0.00	261.88	87.29	0.00	349.17
<i>Total</i>	<i>237.35</i>	<i>179.68</i>	<i>0.00</i>	<i>417.03</i>	<i>162.68</i>	<i>73.66</i>	<i>506.06</i>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	As at 01-04-2022	Additions 2022-23	Deletions 2022-23	As at 31-03-2023	Additions 2023-24	Deletions 2023-24	As at 31-03-2024
<i>Net Block</i>							
Land	1,753.96			1,661.57			1,586.18
Buildings	443.74			356.45			269.16
<i>Total</i>	<i>2,197.70</i>			<i>2,018.02</i>			<i>1,855.34</i>

C. Capital work-in-progress

	As at 01-04-2022	Additions 2022-23	Deletions 2022-23	As at 31-03-2023	Additions 2023-24	Deletions 2023-24	As at 31-03-2024
Capital work-in-progress	73.31	164.47	73.33	164.45	223.91	164.47	223.89

D. Intangible assets

	As at 01-04-2022	Additions 2022-23	Deletions 2022-23	As at 31-03-2023	Additions 2023-24	Deletions 2023-24	As at 31-03-2024
Computer software							
Gross block	45.12	36.97	0.01	82.08	144.98	0.06	227.00
Accumulated depreciation	21.02	14.62	0.00	35.64	50.20	0.05	85.79
Net block	24.10			46.44			141.21

E. Intangible assets under development

	As at 01-04-2022	Additions 2022-23	Deletions 2022-23	As at 31-03-2023	Additions 2023-24	Deletions 2023-24	As at 31-03-2024
Intangible assets under development	0.00	20.34	0.00	20.34	0.00	20.34	0.00

As at **As at**
31-03-2024 **31-03-2023**

Note 5
Investment in Subsidiaries
Unquoted

2,040 Equity Shares of FV of SAR 1,000/- each fully paid-up held in Thejo Hatcon Industrial Services Company, Kingdom of Saudi Arabia (31/3/23 - 2,040 Equity shares)	333.72	333.72
27,00,000 Equity Shares of FV of AUD 1/- each fully paid-up held in Thejo Australia Pty Ltd, Australia (31/3/23 - 22,20,000 Equity Shares)	1,647.56	1,202.45
5,01,406 Equity Shares of FV of BRL 1/- each fully paid-up held in Thejo Brasil Comercio E Servicos Ltda, Brazil (31/3/23 - 5,01,406 Equity Shares)	98.62	98.62
725 Equity Shares of FV of CLP 9,50,000/- each fully paid-up held in Thejo Engineering LatinoAmerica SpA, Chile (31/3/23 - 725 Equity Shares)	695.39	695.39
1,000 Equity Shares of FV of AED 1,000/- each fully paid-up held in TE Global FZ-LLC, Ras Al-Khaimah, (31/3/23 - Nil)	227.38	0.00
Total	<u>3,002.67</u>	<u>2,330.18</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	As at 31-03-2024	As at 31-03-2023
Note 6		
Other Financial Assets		
(Unsecured, considered good)		
Non-current		
Fixed Deposits with remaining maturity of more than 12 months	20.79	20.32
Earnest Money/Security Deposits	104.60	67.11
Lease/Rental Deposit	71.99	65.39
Others	70.35	59.77
Less: Provision for ECL on Earnest Money/Security Deposits	4.11	2.13
Total	263.62	210.47
<i>Movement in Provision for Expected Credit Loss</i>		
Opening Balance	2.13	9.28
Add: Provision made during the year	1.98	0.00
Less: Reversed during the year	0.00	7.15
Closing Balance	4.11	2.13
Current		
Earnest Money/Security Deposits	823.21	809.12
Interest accrued but not due on deposits	30.27	26.76
Advances to employees	23.88	25.50
Others	75.12	81.84
Less: Provision for ECL on Earnest Money/Security Deposits	137.64	106.60
Total	814.84	836.62
<i>Movement in Provision for Expected Credit Loss</i>		
Opening Balance	106.60	68.29
Add: Provision made during the year	31.04	38.31
Less: Reversed during the year	0.00	0.00
Closing Balance	137.64	106.60
Note 7		
Other Non-current Assets		
Capital Advances	30.18	19.25
Prepaid expenses	24.59	30.33
Deposits with Government Authorities	5.70	5.09
Total	60.47	54.67

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	As at 31-03-2024	As at 31-03-2023
Note 8		
Inventories		
Raw Materials and components	1,573.23	1,435.42
Work-in-progress	915.81	893.63
Finished goods	1,850.27	1,575.53
Stock-in-Trade	14.06	55.74
Stock in Transit	80.22	41.90
Total	<u><u>4,433.59</u></u>	<u><u>4,002.22</u></u>
Note 9		
Trade Receivables		
Unsecured, considered good	10,294.48	8,926.43
Less: Provision for Expected Credit Loss	71.84	89.02
Total	<u><u>10,222.64</u></u>	<u><u>8,837.41</u></u>
<i>Movement in Provision for Expected Credit Loss</i>		
Opening Balance	89.02	145.93
Add: Provision made during the year	0.00	0.00
Less: Reversed during the year	17.18	56.91
Closing Balance	<u><u>71.84</u></u>	<u><u>89.02</u></u>
Note 10		
A Cash and Cash Equivalents		
Cash on hand	7.58	14.14
Balance with bank in current accounts	2,695.25	1,559.81
Cheques/Drafts in hand/Funds in transit	83.65	0.00
Total	<u><u>2,786.48</u></u>	<u><u>1,573.95</u></u>
B Bank balances (other than cash equivalents)		
Term deposits with original maturity of 3 months or more	807.22	919.73
(Of the above, amount Held as Margin Money for BG & LC: ₹ 276.85 lakhs PY - ₹ 464.34 lakhs)		
Total	<u><u>807.22</u></u>	<u><u>919.73</u></u>
Note 11		
Other Current Assets		
Balances with indirect tax authorities	580.06	615.98
Prepaid Expenses	93.93	93.93
Advance to suppliers	271.54	346.11
Other advances	2.14	1.93
Total	<u><u>947.66</u></u>	<u><u>1,057.95</u></u>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Note 12
Equity Share Capital

	As at 31-03-2024	As at 31-03-2023
Authorised		
1,50,00,000 (31/3/23: 1,50,00,000) equity shares of ₹ 10/- each	1,500.00	1,500.00
Issued, subscribed and fully paid-up		
1,07,64,274 (31/3/23: 1,07,00,958) equity shares of ₹ 10/- each	1,076.43	1,070.10
Total	<u>1,076.43</u>	<u>1,070.10</u>
Share Application Money	0.00	0.00

Reconciliation of number of shares

	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year*	1,07,00,958	1,070.10	1,06,57,126	1,065.71
Shares issued during the year	63,316	6.33	43832	4.39
Balance as at the end of the year	<u>1,07,64,274</u>	<u>1,076.43</u>	<u>1,07,00,958</u>	<u>1,070.10</u>

* There are no changes due to prior period errors.

Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31-03-2024		As at 31-03-2023	
	Number of shares	% holding	Number of shares	% holding
Girish Gulati HUF	8,23,200	7.65%	8,23,200	7.69%
Mr. K.J. Joseph	6,89,500	6.41%	6,89,500	6.44%
Mr. Thomas John	6,50,604	6.04%	6,50,604	6.08%
Mrs. Celinamma John	6,50,598	6.04%	6,50,598	6.08%
Mr. Rajesh John	6,50,598	6.04%	6,50,598	6.08%
Mrs. Rosamma Joseph	5,42,960	5.04%	5,42,960	5.07%

Details of equity shares held by the promoters of the Company

	As at 31-03-2024		As at 31-03-2023		Change in holding %
	Number of shares	% holding	Number of shares	% holding	
Mr. K.J. Joseph	6,89,500	6.41%	6,89,500	6.44%	(0.03%)
Mr. Thomas John	6,50,604	6.04%	6,50,604	6.08%	(0.04%)

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Shares reserved for issue under options

	No. of Shares	No. of Shares
	31-03-2024	31-03-2023
Under Thejo Employee Stock Option Plan 2015 (Net of exercise)	4,36,382	4,99,698
Total	4,36,382	4,99,698

The Company has one class of equity shares of face value of ₹ 10/- each with one share entailing one vote. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts as per extant statutory provisions..

Details of allotment of shares for consideration other than cash, bonus issue and buy back of share in the last five years:

70,94,756 equity share of face value of ₹ 10/- each were allotted as fully paid bonus shares on 15th October 2021 by capitalising securities premium

	As at 31-03-2024	As at 31-03-2023
Note 13		
Other Equity		
Securities Premium	1,670.00	1,520.12
ESOP Outstanding Account	166.92	196.99
General Reserve	642.05	642.05
Retained Earnings	18,247.22	14,656.57
Items of Other Comprehensive Income		
Remeasurements of Defined Benefit Plans	(110.18)	(74.81)
Total	20,616.01	16,940.92

Refer Note 26.18 for nature and movement of items under Other Equity

Note 14
Borrowings
Non-current
Secured
Term Loans

From Banks	824.98	642.44
From Others (Financial Institutions)	39.78	78.06
	864.76	720.50
Less:		
Current Maturity on Term Loans from Banks	259.62	170.73
Current Maturity on Term Loans from financial institutions	28.46	38.48
	288.08	209.21
Total	576.68	511.29

Current
Secured

Loans repayable on demand from Banks	0.00	0.00
Current Maturities of Term Loan from Banks	259.62	170.73
Current Maturities of Term Loan from financial institutions	28.46	38.48
Total	288.08	209.21

Refer Note 26.14 for details of security and terms of repayment

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	As at 31-03-2024	As at 31-03-2023
Note 15		
Trade Payables		
Due to Micro and small enterprises (as per intimation received from vendors)	22.61	0.00
Due to Others	3,231.97	3,904.85
Total	<u>3,254.58</u>	<u>3,904.85</u>
Note 16		
Other Financial Liabilities		
Current		
Employee related liabilities	1,583.45	1,150.06
Other payables	20.76	20.22
Total	<u>1,604.21</u>	<u>1,170.28</u>
Note 17		
Other Current Liabilities		
Statutory payables	1,095.85	891.47
Advances from customers	229.35	500.10
Security Deposit from vendors	102.89	60.43
Other outstanding liabilities	699.43	850.85
Total	<u>2,127.52</u>	<u>2,302.85</u>
Note 18		
Provisions		
Current		
For employee benefits (Compensated absence, Gratuity, etc)	571.65	463.18
Direct Taxes (Net)	78.87	59.45
Total	<u>650.52</u>	<u>522.63</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	Year ended 31-03-2024	Year ended 31-03-2023
Note 19		
Revenue from operations		
Sale of Products	19,258.33	16,594.61
Sale of Services & Works Contract	19,847.85	16,627.59
Other Operating Income	51.08	47.62
Total	39,157.26	33,269.82
Note 20		
Other income		
Interest (Other than on Lease Deposits)	60.47	48.88
Interest on Lease Deposits	6.69	6.36
Dividend Received	-	80.25
Difference in foreign exchange (gain)	0.94	57.99
Miscellaneous Income	24.34	12.36
Profit on sale of assets	97.09	-
Total	189.53	205.84
Note 21		
Cost of materials consumed		
Opening Stock of Raw Materials	1,435.42	1,268.07
Add: Purchases made during the year	8,422.80	7,801.20
	9,858.22	9,069.27
Less: Closing Stock of Raw Materials	1,573.23	1,435.42
	8,284.99	7,633.85
Add: Consumables	619.55	553.06
Total	8,904.54	8,186.91
Purchase of Traded Goods	114.17	186.82
Note 22		
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock :		
Work-in-Progress	893.63	633.29
Finished Goods	1,575.53	1,513.35
Stock-in-Trade	55.74	154.91
Stock in Transit	41.92	160.60
Closing Stock :		
Work-in-Progress	915.81	893.63
Finished Goods	1,850.27	1,575.53
Stock-in-Trade	14.06	55.74
Stock in Transit	80.22	41.92
Total	(293.54)	(104.67)

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	Year ended 31-03-2024	Year ended 31-03-2023
Note 23		
Employee Benefits Expense		
Salaries and incentives	8,331.35	7,586.36
Contributions to PF, Superannuation, Gratuity & ESI	993.64	859.35
Staff welfare expenses	1,431.27	1,330.14
LTA, Ex-gratia, & Leave Encashment	317.73	371.57
Employee Stock Option Expense	31.84	66.55
Total	<u>11,105.83</u>	<u>10,213.97</u>

Note 24
Finance costs

Interest (Other than on Lease Liabilities)	107.16	29.35
Interest on Lease Liabilities	173.69	179.36
Other finance costs	161.47	161.46
Total	<u>442.32</u>	<u>370.17</u>

Note 25
Other expenses
A. Manufacturing & Other Direct Expenses

Power and fuel	653.24	530.91
Machinery Hire and Maintenance	654.00	674.56
Factory Maintenance	177.56	76.65
Electrical maintenance	29.40	14.13
Testing charges	18.45	9.94
Dyes & Moulding charges	148.66	132.05
Cartage, Coolie & Freight charges	593.74	555.32
Packing materials & charges	423.03	376.72
Service & Labour charges	6,842.53	5,112.85
Total Manufacturing & Other Direct Expenses	<u>9,540.61</u>	<u>7,483.13</u>

B. Administrative & Selling Expenses

Professional Service Charges	319.10	264.88
Rent	107.80	108.86
Repairs & Maintenance	111.67	106.13
Travelling, Conveyance & Vehicle hire charges	783.80	745.00
Foreign Travel expenses	106.27	45.86
Vehicle Maintenance	283.28	270.88
Telephone, Telex & Postage	52.05	51.22
Printing & Stationery	58.39	51.91

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	Year ended 31-03-2024	Year ended 31-03-2023
Office Maintenance	87.14	66.21
Books & Periodicals	5.27	5.53
Computer Maintenance	223.11	165.66
Seminar & Conference	36.89	13.88
Electricity	27.08	29.33
Legal Fee & Charges	1.87	3.17
Donation	7.13	5.91
Recruitment, Training & Development	7.38	11.37
ECGC Premium	5.97	3.69
ISO Certification Charges	3.10	0.85
CSR Expenses	70.00	58.00
Insurance	52.03	61.79
Rates and taxes	40.74	53.16
Sitting Fees & Commission to Non-Executive Directors	65.50	30.75
Commission	28.29	20.12
Advertisement	26.86	20.74
Sales Promotion Expenses	13.17	14.40
Freight on Exports	129.30	254.72
Loading & Unloading charges	16.53	20.38
Late Delivery Charges	73.18	26.60
Bad Debts	1.87	23.24
Provision for Expected Credit Loss	15.85	-
Provision/Reversal of Provision for Expected Credit Loss	-	(25.76)
Loss on Sale of Assets	-	22.45
Payments to the Auditors		
a. Statutory Audit	18.50	18.50
b. Tax Audit	3.00	3.00
c. For certification & other services	12.60	11.25
Miscellaneous expenses	0.07	0.20
<i>Total Administration & Selling Expenses</i>	2,794.79	2,563.88
<i>Goods and Services Tax and Other Indirect Tax Expenses</i>	74.99	61.94
Total	<u>12,410.39</u>	<u>10,108.95</u>

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

(₹ in lakhs)

Note 26 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS
Note 26.1 Contingent Liabilities (to the extent not provided for)

Particulars	2023-24	2022-23
26.1.1 Guarantees issued by the Banks	1,773.84	2,361.14
	1,773.84	2,361.14

26.1.2 Claims against the Company not acknowledged as debt

Name of Statute	Amount of Dispute (31/3/24)	Amount of Dispute (31/3/23)	Amount Deposited (31/3/24)	Period to which it relates	Forum where dispute is pending
Commercial Taxes	51.38	44.55	2.00	Various	Various
Customs	12.50	12.50	0.00	2001	Commissioner of Customs
Income-tax	100.21	147.23	37.03	Various	Various
Total	164.09	204.28	39.03		

26.1.3 Commitments

Estimated amount of contracts remaining to be executed on capital account: ₹ 49.19 lakhs (Previous Year - ₹ 285.13 lakhs).

Note. 26.2 Employee Benefits

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

26.2.1 Defined Contribution Schemes

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

26.2.2 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 Ind-AS 19 in this regard is given hereunder:

Assumptions	2023-24	2022-23
Discount Rate	6.97%	7.17%
Salary Escalation	6.05%	6.50%
Attrition Rate	10.09%	8.00%
Expected return on plan assets	6.97%	7.17%

THEJO ENGINEERING LIMITED

 Notes forming part of the Financial Statements for the year ended 31st March, 2024

Table Showing Changes In Present Value Of Obligations

₹ in Lakhs

Particulars	As at 31 st March	
	2024	2023
Present value of obligations at the beginning of the year	1,246.95	1,041.36
Interest Cost	86.76	72.48
Current Service Cost/Past Service Cost (Vested)	189.35	86.81
Benefits Paid	(73.93)	(26.46)
Actuarial (Gain) / Loss on obligations	47.69	72.76
Present value of obligations as at end of the year	1,496.82	1,246.95

Table Showing Changes In Fair Value Of Plan Assets

₹ in Lakhs

Particulars	As at 31 st March	
	2024	2023
Fair value of plan assets at the beginning of the year	1087.85	942.24
Expected return on plan assets	81.05	69.06
Contributions	158.95	101.15
Benefits Paid	(73.93)	(26.46)
Actuarial Gain / (Loss) on plan assets	0.43	1.86
Fair value of plan assets as at the end of the year	1,254.36	1,087.85

Table Showing Actual Return On Plan Assets

₹ in Lakhs

Particulars	As at 31 st March	
	2024	2023
Expected return on plan asset	81.05	69.06
Actuarial gain (loss) on plan asset	0.43	1.86
Actual return on plan asset	81.48	70.92

Actuarial Gain / (Loss) Recognized

₹ in Lakhs

Particulars	For the year ended 31 st March	
	2024	2023
Actuarial gain / (loss) on obligations	(47.69)	(72.76)
Actuarial gain / (loss) for the year – plan assets	0.43	1.86
Total gain / (loss) for the year	(47.26)	(70.90)
Actuarial gain / (loss) recognized in the year	(47.26)	(70.90)

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

₹ in Lakhs

Particulars	As at 31 st March	
	2024	2023
Present value of obligations as at the end of the year	1,496.82	1,246.95
Fair value of plan assets as at the end of the year	1,254.37	1,087.86
Amount determined under para 63 of Ind-AS 19	242.44	159.09
Net defined benefit liability recognized in balance sheet	242.44	159.09
Present value of future deduction in contribution under para 65 of Ind AS-19	0.00	0.00
Net defined benefit asset recognized under para 64 of Ind AS-19	0.00	0.00

Expenses Recognized In Statement of Profit and Loss

₹ in Lakhs

Particulars	For the year ended 31 st March	
	2024	2023
Current Service Cost/Past Service Cost (Vested)	189.34	86.80
Net interest on defined benefit obligation	5.71	3.43
Expenses recognized in Statement of Profit and Loss	195.05	90.23

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2024
Amount Recognized In Other Comprehensive Income ₹ in Lakhs

Particulars	For the year ended 31 st March	
	2024	2023
Actuarial (gain)/loss on plan obligation	47.69	72.76
Difference between Actual Return and Interest income on Plan Assets – (gain)/loss	(0.43)	(1.86)
Amount recognized in Other Comprehensive Income	47.26	70.90

Movements in the liability recognized in the Balance Sheet ₹ in Lakhs

Particulars	For the year ended 31 st March	
	2024	2023
Opening net liability adjusted for effect of balance sheet limit	159.09	99.11
Amount recognized in profit and loss	195.04	90.23
Amount recognized in other comprehensive income	47.26	70.90
Contribution paid	(158.95)	(101.15)
Closing net liability	242.44	159.09

Amount for the current period ₹ in Lakhs

Particulars	For the year ended 31 st March	
	2024	2023
Present value of obligation	1,496.81	1,246.95
Plan assets	1,254.36	1,087.86
Surplus/(deficit)	(242.44)	(159.09)
Experience adjustment on plan liabilities– (loss)/gain	(38.93)	(82.42)
Impact of change in assumptions on plan liabilities – (loss)/gain	(8.76)	9.66
Experience adjustment on plan assets– (loss)/gain	0.43	1.86

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

The following table sets out the additional disclosures required under Ind-AS 19 All Amounts are in ₹ in Lakhs

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
-Date of Valuation	31/03/2024	31/03/2023
-Average Duration of Defined benefit Obligation (in years)	7.1	7.2
Sensitivity Analysis		
A. Discount Rate + 50 BP	7.47%	7.67%
Defined Benefit Obligation [PVO]	1,450.70	1,208.14
Current Service Cost	125.32	92.74
B. Discount Rate - 50 BP	6.47%	6.67%
Defined Benefit Obligation [PVO]	1,545.73	1,288.14
Current Service Cost	135.04	100.10
C. Salary Escalation Rate + 50 BP	6.55%	7.00%
Defined Benefit Obligation [PVO]	1,545.33	1,287.37
Current Service Cost	135.20	100.15
D. Salary Escalation Rate - 50 BP	5.55%	6.00%
Defined Benefit Obligation [PVO]	1,450.62	1,208.49
Current Service Cost	125.14	92.66
BP Denotes "Basis Point"		

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2024

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Expected Contributions in Following Years [mid - year cash flows]		
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA
"NA" denotes "Not Available"		
Expected Benefit Payments in Following Years [mid - year cash flows]		
Year 1	143.29	135.80
Year 2	250.65	185.16
Year 3	141.78	146.49
Year 4	173.73	109.44
Year 5	169.80	137.46
Next 5 Years	709.52	596.65

Note 26.3 Segment Reporting

The Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on the analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the material accounting policies.

Accordingly, the business segments of the Company are:

- (i) Manufacturing Units
- (ii) Service Units
- (iii) Others

and the geographic segments of the Company are:

- (i) India
- (ii) Outside India

Reporting for business segment is on the following basis:

Segment Revenue relating to individual segment is recorded in accordance with accounting policies followed by the Company. All expenditure, which are directly attributable to a business segment is charged to the respective segment. The income and costs which cannot be reasonably attributed to any specific business segment are shown as unallocable expenses (net of income)

Segment Results represents the profit before tax earned by each segment excluding finance costs and unallocable expenses (net of income).

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

For the purpose of monitoring segment performance and allocating resources between segments:

Property, plant and equipment employed in the operations are allocated to the segment to which the activity relates. The depreciation on the corresponding assets is charged to the respective segments.

All other assets that are directly attributable to a particular segment of operations are allocated to the respective reportable segments.

All liabilities (other than borrowings, current and deferred tax liabilities) that are directly attributable to a particular segment of operation are allocated to the respective reportable segments.

The following is an analysis of the Company's revenue and results from operations by reportable segment.

(i) Segment revenues and results

₹ in Lakhs

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others		2023-24	2022-23
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23		
Segment Revenue	21,452.35	17,212.89	22,457.24	19,072.77	130.78	1,668.36	44,040.37	37,954.02
Less: Inter segment Revenue	4,877.06	4,682.92	6.05	1.28	0.00	0.00	4,883.11	4,684.20
Total Revenue	16,575.29	12,529.97	22,451.19	19,071.49	130.78	1,668.36	39,157.26	33,269.82
Segment Results	3,962.64	2,814.70	3,430.44	2,414.42	(77.06)	44.14	7,316.02	5,273.26
Less : Finance Cost							442.32	370.17
Unallocable Expenses (net of income)							1,747.76	1,192.82
Total Profit Before Tax							5,125.94	3,710.27
Tax Expenses							1,320.90	952.10
Profit after Tax							3,805.04	2,758.17

(ii) Segment assets and liabilities

₹ in Lakhs

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others		2023-24	2022-23
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23		
Segment Assets	16,026.43	14,612.94	10,033.31	9,007.83	570.56	710.07	26,630.30	24,330.84
Segment Liabilities	5,162.65	5,491.98	2,284.05	2,720.81	4.44	87.03	7,451.14	8,299.82
Capital Employed	10,863.78	9,120.96	7,749.26	6,287.02	566.11	623.04	19,179.16	16,031.02
Unallocated Capital Employed							2,513.28	1,980.00
Total Capital Employed							21,692.44	18,011.02

(iii) Geographical information

The Company is operating across multiple geographies with India being country of domicile, the details are as follows:

₹ in Lakhs

Particulars	India		Outside India		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue from external customers	34,212.44	28,061.05	4,944.83	5,208.77	39,157.27	33,269.82
Carrying amount of Segment Assets	24,408.64	22,245.00	2,221.66	2,085.84	26,630.30	24,330.84
Cost incurred to acquire tangible and intangible fixed assets	1,240.06	4,389.29	0.00	37.60	1,240.06	4,426.89

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note 26.4 Financial Instruments

Capital Management

The Company's business model is working capital centric. The Company manages its working capital needs and long term capital expenditure, through a balanced mix of capital (including retained earnings), short term debt and long term debt.

The capital structure of the Company comprises of net debt (borrowings reduced by cash and bank balances) and equity. The Company is not subject to any externally imposed capital requirements.

The Company reviews its capital requirements on an annual basis as part of its Annual Operating Plan. As part of the Annual Operating Plan, the Company estimates the capital required and formulates the broad financing mechanism for the same.

Gearing Ratio

As the cash and cash equivalents were greater than debt, the Gearing Ratio is Nil.

Categories of Financial instruments

(₹ in lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Financial assets		
Non-current assets		
Investments in subsidiaries	3,002.67	2,330.18
Other financial assets	263.62	210.47
Current assets		
Trade receivables	10,222.64	8,837.41
Cash and cash equivalents	2,786.48	1,573.95
Bank balances (other than cash equivalents)	807.22	919.73
Other financial assets	814.84	836.62
Financial liabilities		
Non-current liabilities		
Borrowings	576.68	511.29
Lease liabilities	1,977.35	2,029.56
Current liabilities		
Borrowings	288.08	209.21
Lease liabilities	97.95	85.60
Trade payables	3,254.58	3,904.85
Other financial liabilities	1,604.21	1,170.28

Investment in subsidiaries are carried at cost net of accumulated impairment losses, if any. All other financial assets and liabilities are carried at amortized cost.

Financial Risk Management

The Company's activities expose it to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks by taking various measures.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company manages such risks through natural hedge.

Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies, resulting in exposure to exchange rate fluctuations. The foreign currency transactions primarily relate to imports and exports. Considering the volume of imports and exports, exchange rate exposures of the Company are managed through natural hedge.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ In lakhs

Particulars	Liabilities		Assets	
	Year ended 31 st March, 2024	Year ended 31 st March, 2023	Year ended 31 st March, 2024	Year ended 31 st March, 2023
AUD	0.00	3.92	639.77	242.05
EUR	0.00	20.68	130.20	62.33
GBP	0.00	25.11	0.00	1.72
USD	135.98	256.86	1,019.86	1,211.39

Foreign Currency sensitivity analysis

The above exposures when subjected to a sensitivity of 5% have the following impact:

₹ In lakhs

Particulars	Impact on profit with increase in Foreign Currency rate by 5%		Impact on profit with decrease in Foreign Currency rate by 5%	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
AUD	31.99	11.91	(31.99)	(11.91)
EUR	6.51	2.08	(6.51)	(2.08)
GBP	0.00	(1.17)	0.00	1.17
USD	44.19	47.73	(44.19)	(47.73)
Total	82.69	60.55	(82.69)	(60.55)

Interest rate risk management

The Company's exposure to interest rate risk is limited to the extent of Working capital and Term Loan funding availed from the Bankers, which is at the External Benchmark Lending rate subject to a periodic reset.

Interest rate sensitivity analysis

The interest rate sensitivity analysis is being done based on the assumption that the amount of liability outstanding at the end of the period was outstanding for the whole year and all other variables remaining constant:

If interest rates had been 50 basis points higher: The finance cost, for the financial year 2023-24, would have been higher and profits (pre-tax) would have been lesser by ₹ 4.32 lakhs (FY 2022-23: ₹ 3.60 lakhs).

If interest rates had been 50 basis points lower: The finance cost, for the financial year 2023-24, would have been lower and profits (pre-tax) would have been higher by ₹ 4.32 lakhs (FY 2022-23: ₹ 3.60 lakhs).

This is mainly attributable to Company's exposure to interest rates on its variable rate borrowings.

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Other price risks

Company's investments in equity instruments are restricted to its investment in its subsidiaries, which are held for strategic purposes rather than for trading. The Company, as on the reporting date of March 31, 2024 has five subsidiaries. All the five subsidiaries are incorporated abroad, closely held companies and unlisted.

As the purpose of all such investments are strategic rather than for trading, the Company does not recognise any impact of sensitivity in the equity prices.

Credit Risk Management

The credit risk to the Company arises primarily from customers defaulting on their contractual obligations, thus resulting in financial loss to the Company.

As part of mitigation process to address the risk, the Company evaluates the credentials of a customer before participating in the tender or before quoting for their order. Company evaluates the potential customers' credentials by considering various factors such as:

- (i) their financial health based on the publicly available financial statements;
- (ii) their credit rating, available in the public domain;
- (iii) their repute in the market; and
- (iv) past experience, if the Company has done any business with them earlier.

The Company makes provision on its financial assets, on every reporting period, as per Expected Credit Loss Method. The percentage at which the provision is made, is determined on the basis of historical experience of such provisions, modified to the current and prospective business and customer profile.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas.

Many of the customers of the Company comprise of Public Sector Undertakings, with whom the Company does not perceive any major risk.

Liquidity Risk Management

The liquidity requirements of the Company are met by Equity (including internal accruals) and working capital funding from the banks. The liquidity requirements for the operations are met by allocating the cash flows from the customers.

The Company has established a practice of prioritising the regulatory payments, employee related payments and supplier/ site level payments.

Financing facilities

Particulars	₹ In lakhs	
	As at 31 st March, 2024	As at 31 st March, 2023
Secured fund based facilities, reviewed annually and payable at call		
Amount used/outstanding	0.00	0.00
Amount unused/available	4,675.00	4,675.00
Secured non- fund based facilities, reviewed annually		
Amount used/outstanding	2,502.16	3,315.72
Amount unused/available	2,097.84	1,284.28
Term loans		
Amount used/outstanding (including current maturities)	864.76	720.50
Amount unused/available	60.22	1,685.23

Fair value measurements

Fair value of financial assets and liabilities measured at amortised cost: Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets are at carrying values that approximate fair value. Borrowings, trade payables and other financial liabilities are at carrying values that approximate fair value. If measured at fair value in the financial statements, these financial instruments would be classified as Level 3 in the fair value hierarchy.

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note 26.5 Related Party Disclosures
List of Related Parties

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

Related Party Transaction Details for the year ended 31st March, 2024

₹ in Lakhs

<i>Related Party</i>	<i>Nature of Payment</i>	<i>Transaction during FY2023-24</i>	<i>Outstanding as on 31st March, 2024</i>
Thejo Hatcon Industrial Services Company	Share Capital	0.00	333.72
Thejo Australia Pty Ltd [^]	Share Capital	445.11	1647.56
Thejo Brasil Comercio E Servicos Ltda	Share Capital	0.00	98.62
Thejo Engineering LatinoAmerica SpA	Share Capital	0.00	695.39
TE Global FZ-LLC	Share Capital	227.38	227.38
Thejo Hatcon Industrial Services Company	Purchase & Sales	298.05	102.28
Thejo Australia Pty Ltd	Purchase & Sales	1,255.22	623.79
Thejo Brasil Comercio E Servicos Ltda	Purchase & Sales	384.67	52.73
Thejo Engineering LatinoAmerica SpA	Purchase & Sales	772.72	506.55
TE Global FZ-LLC	Purchase & Sales	16.69	16.79
Thejo Australia Pty Ltd	Other Income/ Expense		
	Reimbursement	64.68	0.00
Mr. Thomas John	Sitting Fee	4.00	0.00
Mr. V.A. George	Remuneration	120.00	(6.71)
Mr. Manoj Joseph	Remuneration	91.81	(3.24)
Mr. Rajesh John	Remuneration	54.60	(2.13)
Mr. Manesh Joseph**	Remuneration	36.80	0.00
Mr. M.D. Ravikanth*	Remuneration	53.29	(1.10)

Notes:

1) Remuneration excludes retirement benefits.

2) Outstanding amount in brackets represents amount payable.

 3) Remuneration and outstanding as on 31st March, 2024 excludes commission approved by the Board for FY 2023-24 that would be paid in FY 2024-25 to Mr. V.A. George (₹ 15 lakhs); Mr. Manoj Joseph (₹ 14 lakhs); Mr. Rajesh John (₹ 12 lakhs) and Mr. Manesh Joseph (₹ 9 lakhs).

* Remuneration of Mr. M.D. Ravikanth excludes ₹ 69.81 lakhs of taxable value of perquisite on exercise of options under ESOP.

 ** Mr. Manesh Joseph served as Whole-time Director till 31st December 2023 and continues as a Non-Executive Director from 1st January, 2024.

[^] Transaction during the year represents purchase of shares in Thejo Australia Pty Ltd from Bridgestone Mining Solutions Australia Pty Ltd.

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2024
Related Party Transaction Details for the year ended 31st March, 2023
₹ in Lakhs

<i>Related Party</i>	<i>Nature of Payment</i>	<i>Transaction during FY2022-23</i>	<i>Outstanding as on 31st March, 2023</i>
Thejo Hatcon Industrial Services Company	Share Capital	0.00	333.72
Thejo Australia Pty Ltd	Share Capital	0.00	1,202.45
Thejo Brasil Comercio E Servicos Ltda	Share Capital	0.00	98.62
Thejo Engineering LatinoAmerica SpA	Share Capital	0.00	695.39
Thejo Hatcon Industrial Services Company	Dividend Received	80.25	0.00
Thejo Hatcon Industrial Services Company	Purchase & Sales	318.44	120.14
Thejo Australia Pty Ltd	Purchase & Sales	622.49	566.61
Thejo Brasil Comercio E Servicos Ltda	Purchase & Sales	89.71	19.58
Thejo Engineering LatinoAmerica SpA	Purchase & Sales	1,058.99	653.89
Thejo Australia Pty Ltd	Other Income/ Expense Reimbursement	190.54	(116.24)
Mr. Thomas John	Sitting Fee	4.00	0.00
Mr. V.A. George	Remuneration	114.00	(6.29)
Mr. Manoj Joseph	Remuneration	64.02	(3.19)
Mr. Rajesh John	Remuneration	60.82	(2.03)
Mr. Manesh Joseph	Remuneration	47.60	(2.32)
Mr. M.D. Ravikanth*	Remuneration	48.93	(2.72)
Mrs. Rosamma Joseph	Remuneration	12.09	(0.88)
Mrs. Celinamma John	Remuneration	11.95	(0.93)

Notes:

1) Remuneration excludes retirement benefits.

2) Outstanding amount in brackets represents amount payable.

* Remuneration of Mr. M.D. Ravikanth excludes ₹ 37.35 lakhs of taxable value of perquisite on exercise of options under ESOP.

Note 26.6 Calculation of Deferred Tax
₹ in Lakhs

<i>Particulars</i>	<i>DTA</i>	<i>DTL</i>	<i>DTA</i>	<i>DTL</i>
	31st March, 2024		31 st March, 2023	
On Account of:				
Property Plant & Equipment (including Right-of-Use Asset)	0.00	393.65	0.00	482.68
Provision for Leave Encashment	82.85	0.00	76.53	0.00
Lease Liabilities	518.03	0.00	527.48	0.00
Lease Deposit	21.68	0.00	23.37	0.00
Provision for Expected Credit Loss	53.76	0.00	49.76	0.00
Total	676.32	393.65	677.14	482.68
Net Deferred Tax Liability/(Asset)	282.67	0.00	194.46	0.00

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2024
Note 26.7 Leases

The Company has taken land and commercial premises under leases.

The Movement of Lease liabilities during the year is as follows:

₹ in Lakhs

Particulars	31st March, 2024	31st March, 2023
Opening Balance of Lease Liabilities	2,115.16	2,148.54
Addition during the year	0.00	0.00
Interest Expense for the year	173.68	179.36
Lease payment during the year	213.54	212.74
Closing Balance	2,075.30	2,115.16

Maturing analysis of Lease liabilities (Carrying Value)

₹ in Lakhs

Particulars	31st March, 2024	31st March, 2023
Less than 1 year	97.95	85.60
More than 1 year up to 5 years	248.56	343.64
More than 5 years	1,728.79	1,685.92
Total	2,075.30	2,115.16

Refer Note 3.3 for accounting policy on lease.

Note 26.8 Earnings Per Share
Basic:

Particulars	2023-24	2022-23
Net Profit after Tax (₹ in Lakhs)	3,805.04	2,758.17
Weighted Average Number of Equity Shares during the year (Nos.)	1,07,29,034	1,06,81,378
Earnings per Share (FV of ₹ 10/- each fully paid-up) (₹)	35.46	25.82

Diluted:

Particulars	2023-24	2022-23
Net Profit after Tax (₹ in Lakhs)	3,805.04	2,758.17
Weighted Average Number of Equity Shares during the year (Nos.)	1,08,17,989	1,08,06,140
Earnings per Share (FV of ₹ 10/- each fully paid-up) (₹)	35.17	25.52

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2024
Note 26.9 Thejo Employee Stock Option Plan 2015

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

Name of the Plan	Thejo Employee Stock Option Plan 2015 (“ESOP 2015”)
Date of Shareholders’ Approval	August 26, 2015
Number of options approved under the Scheme ¹	6,72,348 options equivalent to 6,72,348 Equity shares of ₹ 10/- each.
Vesting Schedule	1/6 th of Options granted on completion of one year of grant; balance in 6 equal instalments on completion of 18, 24, 30, 36, 42 and 48 months of grant.
Pricing Formula	The exercise price shall not be less than 75% of the prevailing market value of the Shares on the date of grant of Options as fixed by Compensation/ Nomination and Remuneration Committee based on the closing market price one day prior to date of grant.
Maximum Term of Options granted	60 Months from the date of granting of the Options.
Source of Shares	Primary
Method of Settlement	Equity Shares
Variation in terms of Options	None
Method used for accounting	Fair Value Method
Impact of Fair Value Method	Not applicable as expense has been accounted under Fair Value Method.
Option Movement during the year ¹	Number of Options at the beginning of the period – 1,75,149 Number of Options Granted during the year – Nil Number of Options forfeited/lapsed during the year – 970 Number of Options vested during the year – 37,335 Number of Options exercised during the year – 63,316 Number of Shares arising as a result of exercise of options – 63,316 Money Realized by exercise of Option – ₹ 94.31 lakhs Loan Repaid by the Trust from exercise price received – NA Number of Options outstanding at the end of the year – 1,10,863 Number of Options exercisable at the end of the year – 98,238
Weighted Average Exercise Price ¹	₹ 224.02/- per share (for outstanding options)
Weighted Average Fair Value/Option ¹	₹ 175.49/- (for outstanding options)
Details of Options Granted to specified employees during the year	(A) Senior Managerial Personnel: Nil (B) Any other employee granted options amounting to 5% or more of option granted during the year: Nil (C) Identified employee who was granted option during the year equal to or exceeding 1% of issued capital: Nil

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2024

Method and Significant Assumptions to estimate fair value ¹	<p>Method Used: Black Scholes Method Significant Assumptions Used:</p> <p>A) Options granted in FY 19-20 Weighted Average Value of Share Price: ₹ 188/- Weighted Average Price of Exercise Price: ₹ 141/- Expected Volatility: 41.70%-44.60% Expected Option Life: 3-4.5 years Expected Dividends: 1.18% Risk-free interest rate: 6.65%-6.85%</p> <p>B) Options granted in FY 22-23 Weighted Average Value of Share Price: ₹ 895.65/- Weighted Average Price of Exercise Price: ₹ 671.75/- Expected Volatility: 88.50%-105.50% Expected Option Life: 3-4.5 years Expected Dividends: 0.70% Risk-free interest rate: 6.62%-6.94%</p> <p>Method to determine Expected Volatility: Standard deviation of the continuously compounded rate of return of the stock during the expected option life based on historic value.</p>				
Status of Options ¹					
Particulars	As at 31/3/2024		As at 31/3/2023		
	No. of Options	WAEP (₹)	No. of Options	WAEP(₹)	
Outstanding at the beginning of the year	1,75,149	199.36	1,99,721	141.00	
Add: Granted during the year	0	NA	19,260	671.75	
Less: Forfeited/Lapsed during the year	970	671.75	0	NA	
Less: Exercised during the year	63,316	148.95	43,832	141.00	
Outstanding at the end of the year	1,10,863	224.02	1,75,149	199.36	
Exercisable at the end of the year	98,238	166.48	1,24,359	141.00	
WAEP – Weighted Average Exercise Price / Option NA – Not Applicable					
Summary of Options Outstanding ¹ : Thejo ESOP 2015					
As at 31/3/2024			As at 31/3/2023		
No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life	No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life
93,521	141.00	2 Months	1,55,889	141.00	14 Months
17,342	671.75	38 Months	19,260	671.75	50 Months
Diluted EPS as per Ind-AS 33		Diluted EPS (Per Equity Share of face value of ₹ 10/- each fully paid) – ₹ 35.17/-			
Price of underlying shares in Market at the time of grant of option ¹		A) Grant given in FY 19-20: ₹ 188/- per Equity Share B) Grant given in FY 22-23: ₹ 895.65/- per Equity Share			

Note: 1. Where needed, the numbers have been adjusted for change in exercise price and/or number of outstanding options on account of issue of bonus shares.

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2024
Note 26.10 Payment to Auditors
₹ in Lakhs

<i>Description</i>	2023-24	2022-23
For Audit	18.50	18.50
For Taxation Matters	3.00	3.00
For Certification	12.60	11.25
Total	<u>34.10</u>	<u>32.75</u>

Note 26.11 Corporate Social Responsibility

The Company has spent ₹ 70.00 lakhs for various CSR activities (PY ₹ 58.00 lakhs)

₹ in Lakhs

Particulars	2023-24	2022-23
Amount required to be spent during the year	69.93	57.70
Amount of expenditure incurred	70.00	58.00
Shortfall at the end of the year	0.00	0.00
Total of previous years shortfall	0.00	0.00
Reason for shortfall	Not Applicable	Not Applicable
Nature of CSR activities	Preventive health care, promoting education, malnutrition and hunger eradication, etc.	
Details of related party transactions in relation to CSR expenditure	Nil	Nil
Movement in provisions relating to CSR during the year	Not Applicable	Not Applicable

Note 26.12 Key Ratios

Particulars	Numerator/Denominator	2023-24	2022-23	% Variance
Current ratio (in Times)	Current Asset/Current Liabilities	2.49	2.10	18.57%
Debt-Equity ratio (in Times)	Total Debt/Shareholder's Equity	0.14	0.16	(12.50%)
Debt service coverage ratio (in Times)	Earnings Available for debt service/Debt Service	7.56	7.23	4.56%
Return on Equity (as %)	Net Profit/Average Equity	19.17%	16.51%	16.11%
Inventory turnover ratio (in Times)	Sales/Average Inventory	9.27	8.59	7.92%
Trade receivables turnover ratio (in Times)	Net Credit Sales/Average Trade Receivables	4.10	3.85	6.49%
Trade Payables turnover ratio (in Times)	Net Credit Purchases/Average Trade Payables	2.56	2.60	(1.54%)
Net capital turnover ratio (in Times)	Net Sales/Working Capital	3.26	3.68	(11.41%)
Net profit ratio (as %)	Net Profit/Net Sales	9.73%	8.30%	17.23%
Return on capital employed (as %)	Earnings before interest and taxes/Capital Employed	22.61%	19.57%	15.53%
Return on investment (as %)	$\frac{\{MV(T1)-MV(T0)-\text{Sum}[C(t)]\}}{\{MV(T0)+\text{Sum}[W(t)*C(t)]\}}$	NA	NA	NA

Additional Note on Key Ratios:

Net Profit = Net Profit after taxes (and does not include items of Other Comprehensive Income)

Earnings available for debt service = Net Profit + Non-cash operating expenses like depreciation + Interest + Other adjustment like profit/loss on sale of fixed assets, etc.

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Average Inventory = (Opening Inventory + Closing Inventory)/2

Average Trade Receivables = (Opening Trade Receivables + Closing Trade Receivables)/2

Average Trade Payables = (Opening Trade Payables + Closing Trade Payables)/2

Working Capital = Current Assets – Current Liabilities

T1 = End of time period; T0 = Beginning of time period; t = specific date between T1 and T0; MV(T1) = Market Value at T1; MV(T0) = Market Value at T0; C(t) = Cash inflow/outflow on specific date; W(t) = Weight of net cash flow (either inflow or outflow) on day 't', calculated as (T1-t)/T1

Total debt includes Lease Liabilities

Interest includes other finance cost

The Company does not have any financial investment as part of treasury activity. The investments are in the nature of trade investment (Investment in subsidiaries) and Fixed Deposit with banks for the purpose of security/margin money for non-fund based limits. Hence, Return on Investment is given as Not Applicable (NA).

Reason for Variance > 25%: Not Applicable as the variance is less than 25% in all cases.

Note 26.13 Reconciliation of Tax Rate

Particulars	2023-24	2022-23
Statutory Income-tax rate	25.17%	25.17%
Adjustment for Tax Incentives & expenses not allowable	0.60%	0.49%
Effective Rate of Income-tax	25.77%	25.66%

Note 26.14 Details of security provided for Borrowings

Loans repayable on demand from bank represents cash credit facility enjoyed by the Company from its working capital bankers and is secured by pari passu charge on the current assets of the Company with collateral security comprising immovable properties of the Company, second charge on plant & machinery purchased out of subsisting term loan, first charge on other plant & machinery. The security coverage also extends to non-fund based facilities extended by the working capital bankers. The cash credit facility carry interest rate linked to benchmark lending rates. The facilities are also secured by personal guarantee of Mr. Thomas John, Mr. Manoj Joseph, Mr. Rajesh John and Mr. Manesh Joseph.

Term loan from bank comprise of a) loan availed to procure fixed assets that are secured by first charge on the assets purchased from the term loan and repayable in 48 to 60 equal monthly instalments (plus interest) and b) working capital term loan (WCTL) under Emergency Credit Line Guarantee Scheme secured by second charge on the security offered for cash credit. The repayment term for the WCTL is 36 equal monthly instalments (plus interest) after a principal moratorium for 12 months from the date of first drawdown.

Term loan from financial institution comprise of facilities availed for purchase of vehicle and is secured by vehicle purchased and personal guarantee of Mr. Thomas John. The loans are repayable in 35 to 60 Equated Monthly Instalments.

Note 26.15 Age-wise details of Capital Work-in-Progress (Including Intangible Assets under development)

Ageing of Projects in Progress	₹ in lakhs	
	As at 31 st March, 2024	As at 31 st March, 2023
< 1 year	223.89	184.82
1-2 years	0.00	0.00
2-3 years	0.00	0.00
> 3 years	0.00	0.00
Total	223.89	184.82

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Note 26.16 Age-wise details of Trade Receivables

Unsecured, Undisputed and Considered Good

₹ in lakhs

<i>Ageing from due date</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Unbilled Revenue	858.08	996.80
Less than six months*	9,214.64	7,426.89
6 months – 1 Year	106.07	144.20
1-2 Years	41.47	258.34
2-3 Years	33.69	51.26
More than 3 Years	40.53	48.94
Total	10,294.48	8,926.43
Less: Provision for Expected Credit Loss	71.84	89.02
Total after Provision for Expected Credit Loss	10,222.64	8,837.41

* - includes outstanding that are not due.

Disputed receivables - Nil

Note 26.17 Age-wise details of Trade Payables

Payable to Others (i.e. other than MSMEs)

₹ in lakhs

<i>Ageing from due date</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Less than one year*	3,231.97	3,888.23
1-2 Years	0.00	7.22
2-3 Years	0.00	8.47
More than 3 Years	0.00	0.93
Total	3,231.97	3,904.85

* - includes outstanding that are not due.

Dues to MSMEs and disputed dues - Nil

Payable but not due to MSME's- ₹ 22.61 Lakhs

THEJO ENGINEERING LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2024
Note 26.18 Nature and purpose of reserves

Securities Premium: This comprises of the amount received in excess of the face value of equity shares on issue of shares and difference between the fair value of shares on the grant date and the issue price in respect of shares allotted under Employee Stock Option Plan. The movement in Securities Premium during the year is as follows:

₹ in lakhs

<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2024</i>
Balance at the beginning of the year	1,520.12	1,423.44
Add: Addition on issue of shares under ESOP	149.88	96.68
Balance as at the end of the year	1,670.00	1,520.12

Employees Stock Options Outstanding Account (ESOP Outstanding): The amount charged to Statement of Profit and Loss comprising the fair value of Employee stock options is credited to ESOP Outstanding Account. The movement in ESOP outstanding during the year is as follows:

₹ in lakhs

<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Balance at the beginning of the year	197.00	169.70
Add: Fair value of ESOP charged to Statement of Profit and Loss during the year	31.84	66.55
Less: Issue of shares under ESOP	(61.92)	(39.25)
Balance at the end of the year	166.92	197.00

General Reserve: The amount transferred from net profit before declaring dividend under the then extant provisions of the Companies Act, 1956 is accumulated under General Reserve. The balance in ESOP outstanding in respect of options that lapsed on expiry of the options are also transferred to General Reserve. There is no statutory requirement for mandatory transfer to General Reserve under the Companies Act, 2013. The movement in General Reserve during the year is as follows:

₹ in lakhs

<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Balance at the beginning of the year	642.05	642.05
Movement during the year	0.00	0.00
Balance at the end of the year	642.05	642.05

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Retained Earnings: The amount of profits retained by the Company till date after transfers to General Reserve, dividends, other distributions made to the Shareholders, etc is accumulated under Retained Earnings. The movement in Retained Earnings during the year is as follows:

	₹ in lakhs	
<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Balance at the beginning of the year	14,656.57	12,111.96
Add: Profit during the year	3,805.04	2,758.17
Less: Dividend distributed	(214.39)	(213.56)
Balance at the end of the year	18,247.22	14,656.57

Items of Other Comprehensive Income

Re-measurement of Net Defined Benefit Plans: The changes in liability arising on account of change in actuarial assumptions, experience adjustments, etc and difference between interest income on plan assets and actual interest earned thereon are recognized in Other Comprehensive Income and accumulated under this head under Other Equity. The movement in Re-measurement of Net Defined Benefit Plans during the year is as follows:

	₹ in lakhs	
<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Balance at the beginning of the year	(74.81)	(21.75)
Add: Transfer from Other Comprehensive Income during the year	(35.37)	(53.06)
Balance at the end of the year	(110.18)	(74.81)

Note 26.19 Other Disclosures

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

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

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

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

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

Residual value:

In respect of Property, Plant and Equipment 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.

26.19.3 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 relevant Ind-AS.

26.19.4 The Company did not have any outstanding loan or advance due from any of the Promoters, Directors, Key Management Personnel or other related parties as at 31st March, 2024, nor was any loan or advance extended during the year.

26.19.5 The Company has duly filed necessary quarterly returns to the banks which have extended credit facilities on the basis of security of current assets of the Company and such quarterly statements are in agreement with the books of account. The Company has used its borrowed funds only for the purposes for which they were borrowed. The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

26.19.6 The Company did not have anything to report in respect of the following:

- (a) Benami properties
- (b) Trading or investment in crypto or virtual currency
- (c) Giving/receiving of any loan or advance or funds with the understanding that the recipient shall lend, invest, provide security or guarantee on behalf of the Company/funding party
- (d) Transactions not recorded in books that were surrendered or disclosed as income during income-tax assessment
- (e) Charges or satisfaction not registered with ROC beyond statutory period
- (f) Title deeds in respect of freehold immovable properties not being held in the name of the Company.
- (g) Transactions with struck-off companies
- (h) Non-compliance with number of layers as prescribed under the Companies Act, 2013, read with Companies (Restriction on number of Layers) Rules, 2017.

26.19.7 During the FY 2023-24, the Company has incurred a revenue expenditure (excluding depreciation) of ₹ 208.69 lakhs and capital expenditure of ₹ 32.30 lakhs in relation to Research & Development. (FY 2022-23: ₹ 219.94 lakhs and ₹ 23.36 lakhs, respectively).

26.19.8 During the FY 2022-23, the Board has approved the proposal of Bridgestone Mining Solutions Australia Pty Ltd to sell its 26% stake in Thejo Australia Pty Ltd (TAPL) at the book value as on 31st March, 2022 with the shares being purchased by the Company or bought back by Thejo Australia Pty Ltd or as a combination of both in one or more tranches/transactions to be completed on or before 31st March 2025, subject to all necessary statutory compliances. Accordingly, the Company has purchased 16% stake in TAPL during FY 2023-24. Currently, the Company holds 90% stake in Thejo Australia Pty Ltd.

26.19.9 During the FY 2023-24, the Company has incorporated TE Global FZ-LLC ("TE Global") at Ras Al-Khaimah in October 2023. The Company has subscribed and has been allotted 1000 shares in TE Global at the face value of AED 1000/- each in January 2024, representing 100% shareholding in TE Global. Accordingly, TE Global is a wholly-owned subsidiary of the Company.

THEJO ENGINEERING LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2024

26.19.10 The Board has recommended a dividend of ₹ 3/- (Rupees Three Only) per equity share of face value of ₹ 10/- each (fully paid) for the FY 2023-24. Dividend will be treated as an appropriation from Reserves & Surplus during the period in which it is approved by the Members. No provision is being made in the accounts for the current financial year in respect of dividend recommended by the Board after the balance sheet date.

Note 27 Previous Year Figures

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

As per of our report of even date

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

P. BABU
Partner
Membership No. 203358

Place : Chennai
Date : 28th May, 2024

For and on behalf of the Board

V A GEORGE
Executive Chairman
DIN 01493737

MANOJ JOSEPH
Managing Director
DIN 00434579

THOMAS JOHN
Vice Chairman
DIN 00435035

M D RAVIKANTH
Chief Financial Officer
and Secretary

Consolidated Financial Statements
2023 - 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Thejo Engineering Limited

Report on the Audit of the Consolidated Ind AS Financial Statements**Opinion**

We have audited the accompanying Consolidated Ind AS Financial Statements of Thejo Engineering Limited (“the Holding Company”) and its subsidiaries (together referred as “Group”) which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on the financial statements of the Subsidiaries the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 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 March 31, 2024, of consolidated profit and other comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

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

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

Responsibilities of Management for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

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

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

- a) Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management in Consolidated Financial Statements.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision, performance and opinion in respect of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

- a) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs.137.67 Crores as at March 31, 2024, total revenue from operations of Rs.197.06 Crores and net cash inflows amounting to Rs. 5.19 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements of the subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management and our opinion

INDEPENDENT AUDITOR'S REPORT

on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS financial statements, and our report on other legal and regulatory legal requirements, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on the financial statements of subsidiaries as noted in the 'Other Matters' paragraph, 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 Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity 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 Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company to their directors during the year is in accordance with the provisions of section 197 of the Act read with schedule V to the Act.

INDEPENDENT AUDITOR'S REPORT

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Consolidated Ind AS financial statements has disclosed the impact of pending litigations on its financial position of Group in its Consolidated Ind AS financial statements. – Refer Note 28.1.2
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv)
 - (a) The Management of the holding company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management of the holding company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.
 - (v) The final dividend declared and paid by the Holding Company during the year in respect of the previous financial year is in accordance with section 123 of the Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

INDEPENDENT AUDITOR'S REPORT

(vi) Based on our examination which included test checks and further confirmations from Software provider, the Holding company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

The report on the feature of recording Audit Trail (edit Log) facility in accounting software is not applicable to five subsidiaries as they are incorporated outside India

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, according to the information and explanations given to us, and based on the CARO reports issued by us for the holding Company, we report that there are no qualifications or adverse remarks in the CARO report of Holding Company. The reporting as required by the Order is not applicable to five subsidiaries as they are incorporated outside India.

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

P. BABU
Partner
Membership No. 203358
UDIN: 24203358BKAIOB2638

Place : Chennai
Date : May 28, 2024

“Annexure-A” To The Auditors’ Report

Referred to in Paragraph 1(f) under Report on Other Legal and Regulatory Requirements section of our report of even date

Report on the Internal Financial Controls Over Financial Reporting with reference to aforesaid Consolidated Ind AS Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies, Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Ind AS financial statements of the Group as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Thejo Engineering Limited (hereinafter referred to as “the Holding Company”).

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

“Annexure-A” To The Auditors’ Report

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

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

P. BABU
Partner
Membership No. 203358
UDIN: 24203358BKAIOB2638

Place : Chennai
Date : May 28, 2024

THEJO ENGINEERING LIMITED
Consolidated Balance Sheet as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated			
Particulars	Note	As at 31-03-2024	As at 31-03-2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	8,088.91	8,297.29
Right-of-use Assets	4	2,610.77	2,848.44
Capital work-in-progress	4	223.91	164.47
Intangible assets	4	141.22	46.45
Intangible assets under development	4	0.00	20.34
Financial assets			
Investments in subsidiaries	5	0.00	0.00
Other financial assets	6	263.62	210.47
Deferred tax assets (net)		282.67	194.46
Other non-current assets	7	60.47	54.67
Current assets			
Inventories	8	6,246.57	5,899.53
Financial assets			
Trade receivables	9	13,558.50	10,804.53
Cash and cash equivalents	10A	6,010.73	4279.55
Bank balances (other than cash equivalents)	10B	807.22	919.73
Other financial assets	6	837.18	882.21
Other current assets	11	2,245.48	1808.27
TOTAL ASSETS		41,377.25	36,430.41
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,076.43	1,070.10
Share Application Money	12	0.00	0.00
Other equity	13	23,952.05	18,560.44
Non-controlling interest	14	2,228.34	2,318.80
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	797.80	1,031.55
Lease liabilities		2,615.42	2,759.01
Deferred tax liabilities (net)		220.86	225.62
Other non-current liabilities	17	203.15	186.49
Current liabilities			
Financial liabilities			
Borrowings	15	622.65	553.65
Lease liabilities		215.32	186.58
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16	22.61	0.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	4,043.84	4,740.26
Other financial liabilities	18	1,677.18	1,264.54
Other current liabilities	19	2,583.98	2,639.36
Provisions	20	1,117.62	894.01
TOTAL EQUITY AND LIABILITIES		41,377.25	36,430.41
Basis of preparation and material accounting policies	2&3		
Contingent liabilities and commitments	28.1		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For BRAHMAYYA & CO.

Chartered Accountants
Firm Registration No. 000511S

P. BABU

Partner

M. No. 203358

Place : Chennai

Date : 28th May, 2024

V A GEORGE
Executive Chairman
DIN 01493737

MANOJ JOSEPH
Managing Director
DIN 00434579

THOMAS JOHN
Vice Chairman
DIN 00435035

M D RAVIKANTH
CFO and Secretary

THEJO ENGINEERING LIMITED
Consolidated Statement of Profit and Loss for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Particulars	Note	Year ended 31-03-2024	Year ended 31-03-2023
INCOME			
Revenue from operations	21	55,940.49	47,445.59
Other income	22	322.13	313.43
TOTAL INCOME		<u>56,262.62</u>	<u>47,759.02</u>
EXPENSES			
Cost of materials consumed	23	11,869.05	11,063.90
Purchases of stock-in-trade	23	114.17	186.82
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(208.41)	(511.04)
Employee benefits expenses	25	17,154.24	15,969.71
Finance costs	26	642.77	460.84
Depreciation and amortisation expenses	4	2,044.31	1,219.02
Other expenses	27	16,983.52	14,792.38
TOTAL EXPENSES		<u>48,599.65</u>	<u>43,181.63</u>
Profit before exceptional items and tax		7,662.97	4,577.39
Exceptional items		0.00	0.00
Profit before tax		7,662.97	4,577.39
Tax Expenses			
Current tax		1,867.01	1,142.82
Deferred tax charge/(credit)		(142.34)	(45.65)
PROFIT FOR THE YEAR (A)		<u>5,938.30</u>	<u>3,480.22</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of net defined benefit plans		(47.26)	(70.90)
Income-tax on Items that will not be reclassified subsequently to profit or loss			
Remeasurements of net defined benefit plans		(11.89)	(17.84)
Items that will be reclassified subsequently to profit or loss			
Foreign currency translation adjustment		(62.09)	114.24
Income-tax on Items that will be reclassified subsequently to profit or loss			
Foreign currency translation adjustment		0.00	0.00
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		<u>(97.46)</u>	<u>61.18</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		<u>5,840.84</u>	<u>3,541.40</u>

THEJO ENGINEERING LIMITED
Consolidated Statement of Profit and Loss for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Particulars	Note	Year ended 31-03-2024	Year ended 31-03-2023
Profit attributable to:			
Owners of the Company		5,563.87	3,241.75
Non-controlling interests		374.43	238.47
Other comprehensive income attributable to:			
Owners of the Company		(125.33)	(26.13)
Non-controlling interests		27.87	87.31
Total comprehensive income attributable to:			
Owners of the Company		5,438.54	3,215.62
Non-controlling interests		402.30	325.78
Earnings per equity share (of face value of ₹ 10/- each)			
Basic (in ₹)		51.86	30.35
Diluted (in ₹)		51.43	30.00
Basis of preparation and material accounting policies	2&3		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

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

 P. BABU
Partner
M. No. 203358

 Place : Chennai
Date : 28th May, 2024

 V A GEORGE
Executive Chairman
DIN 01493737

 MANOJ JOSEPH
Managing Director
DIN 00434579

 THOMAS JOHN
Vice Chairman
DIN 00435035

 M D RAVIKANTH
CFO and Secretary

THEJO ENGINEERING LIMITED
Consolidated Statement of Cash Flows for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and tax	7,662.97	4,577.39
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	2,044.31	1,219.02
Interest income	(82.05)	(62.72)
Finance Costs	642.77	460.84
Employee stock option cost	31.84	66.55
Unrealised foreign exchange (gain)/loss, net	42.86	214.11
Loss/(Profit) on disposal of assets	(97.09)	33.03
Cash generated from operations before working capital changes	10,245.61	6,508.22
<i>Adjustments for:</i>		
(Increase)/decrease in trade receivables	(2,760.64)	(186.88)
(Increase)/decrease in other non-current financial assets	(52.68)	185.18
(Increase)/decrease in other current financial assets	48.54	(387.92)
(Increase)/decrease in other non-current assets	5.13	(5.14)
(Increase)/decrease in other current assets	(437.21)	(468.01)
(Increase)/decrease in inventories	(347.04)	(677.57)
Increase/(decrease) in trade payables	(216.16)	1275.38
Increase/(decrease) in other current financial liabilities	412.64	131.66
Increase/(decrease) in other current provisions	96.29	168.98
Increase/(decrease) in other non-current liabilities	16.66	51.42
Increase/(decrease) in other current liabilities	(55.37)	565.66
Cash generated from operations	6,955.77	7,160.98
Taxes (paid)/refund received	(1,775.06)	(1,300.25)
Net cash generated from/(used in) operating activities (A)	5,180.71	5,860.73
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,128.83)	(4,887.46)
Sale of property, plant and equipment	160.69	10.88
(Investment)/Disposal in bank deposits, Net	112.04	(162.37)
Purchase of intangibles	(124.64)	(57.31)
Interest received	71.85	50.78
Net cash generated from/(used in) investing activities (B)	(1,908.89)	(5,045.48)

THEJO ENGINEERING LIMITED
Consolidated Statement of Cash Flows for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital/Premium on account of issue of shares (incl share application money)	94.31	61.80
Purchase of shares in Thejo Australia Pty Ltd from Bridgestone Mining Solutions Australia Pty Ltd	(445.11)	0.00
Proceeds from long-term borrowing	1,191.32	708.10
Repayments towards long-term borrowing	(1,357.70)	(790.92)
Increase/(decrease) in short-term borrowing	0.00	0.00
Lease deposit/Principal payment of lease liability/right-of-use assets	(141.91)	(39.79)
Interest payment for lease liability	(173.69)	(179.36)
Dividend paid	(214.39)	(289.74)
Finance Costs	(467.45)	(277.27)
Net cash generated from/(used in) financing activities (C)	(1514.62)	(807.18)
Exchange difference on translation of cash and cash equivalents (D)	(26.02)	(7.66)
Net increase/(decrease) in cash & cash equivalents (A)+(B)+(C)+(D)	1,731.18	0.41
Cash and cash equivalents at the beginning of the year	4,279.55	4,279.14
Cash and cash equivalents at the end of the year	6,010.73	4,279.55

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

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

 P. BABU
 Partner
 M. No. 203358
 Place : Chennai
 Date : 28th May, 2024

 V A GEORGE
 Executive Chairman
 DIN 01493737

 MANOJ JOSEPH
 Managing Director
 DIN 00434579

 THOMAS JOHN
 Vice Chairman
 DIN 00435035

 M D RAVIKANTH
 CFO and Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Particulars	Amount
Equity share capital	
As at 1 st April, 2022*	1,065.71
Changes in equity share capital during the year	4.39
As at 31 st March, 2023	1,070.10
As at 1 st April, 2023*	1,070.10
Changes in equity share capital during the year	6.33
As at 31 st March, 2024	1,076.43

Other Equity

	Reserves and surplus					Items of Other Comprehensive Income			Total - Attributable to the Owners of the Company	Non-Controlling Interest	Grand Total
	Securities Premium	ESOP Outstanding	General Reserve	Retained Earnings	Statutory Reserve	Foreign Currency Translation Reserve	Remeasurements of net defined benefit plans				
As at 1 st April, 2022*	1,423.43	169.68	642.05	12,791.50	215.67	213.83	(21.75)	15,434.41	2,069.20	17,503.61	
Profit for the year				3,241.75			(53.06)	3,241.75	238.47	3,480.22	
Other comprehensive income for the year						26.93	(53.06)	(26.13)	87.31	61.18	
Total comprehensive income for the year				3,241.75		26.93	(53.06)	3,215.62	325.78	3,541.40	
Dividend on equity shares				(213.56)				(213.56)	(76.18)	(289.74)	
Issue of equity shares on exercise of employee stock options	96.67	(39.25)						57.42		57.42	
Employee stock option cost for the year		66.55						66.55		66.55	
Transfer to Statutory Reserve				(15.56)	15.56			0.00		0.00	
As at 31 st March, 2023	1,520.10	196.98	642.05	15,804.13	231.23	240.76	(74.81)	18,560.44	2,318.80	20,879.24	
As at 1 st April, 2023*	1,520.10	196.98	642.05	15,804.13	231.23	240.76	(74.81)	18,560.44	2,318.80	20,879.24	
Profit for the year				5,563.87			(35.37)	5,563.87	374.43	5,938.30	
Other comprehensive income for the year						(89.96)	(35.37)	(125.33)	27.87	(97.46)	
Total comprehensive income for the year				5,563.87		(89.96)	(35.37)	5,438.54	402.30	5,840.84	
Dividend on equity shares				(214.39)				(214.39)	0.00	(214.39)	
Issue of equity shares on exercise of employee stock options	149.88	(61.91)						87.97		87.97	
Employee stock option cost for the year		31.84						31.84		31.84	
Others (Sale of shares by BSMA to Thejo Engineering Limited)						47.65		47.65	(492.76)	(445.11)	
As at 31 st March, 2024	1,669.98	166.91	642.05	21,153.61	231.23	198.45	(110.18)	23,952.05	2,228.34	26,180.39	

* - There are no changes due to changes in accounting policy or prior period errors.

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

P. BABU
Partner

M. No. 203358

Place : Chennai

Date : 28th May, 2024

For and on behalf of the Board

V A GEORGE
Executive Chairman
DIN 01493737

THOMAS JOHN
Vice Chairman
DIN 00435035

MANOJ JOSEPH
Managing Director
DIN 00434579

M D RAVIKANTH
CFO and Secretary

THEJO ENGINEERING LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Note 1

Group Information

Thejo Engineering Limited (“the Company”/“the Parent Company”) is a public limited company, with its Registered Office at VDS House, 3rd Floor, No. 41, Cathedral Road, Chennai 600086. 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 was listed on the SME Platform of National Stock Exchange of India Limited (NSE) till 9th October 2023 and had migrated to the Main Board of NSE with effect from 10th October 2023, after obtaining all necessary approvals. The Company has branches at various locations in India and an overseas branch at Perth, Australia.

The Company and its subsidiaries (hereinafter referred to as “the Group”) are considered in these consolidated financial statements. The Company has five overseas subsidiaries namely, Thejo Hatcon Industrial Services Company, Saudi Arabia, Thejo Australia Pty Ltd, Australia, Thejo Brasil Comercio E Servicos Ltda, Brazil, Thejo Engineering LatinoAmerica SpA, Chile and TE Global FZ-LLC, Ras Al-Khaimah. Thejo Hatcon Industrial Services Company is primarily engaged in rubber lagging and industrial services, Thejo Australia Pty Ltd in conveyor splicing, maintenance and related services, Thejo Brasil Comercio E Servicos Ltda, Thejo Engineering LatinoAmerica SpA and TE Global FZ-LLC in sale of products used in core sector industries for Bulk Material Handling, Mineral Processing and Corrosion Protection.

Basis of Preparation and Material Accounting Policies

Note 2

Basis of Preparation

2.1 *Basis of preparation*

The Consolidated Financial Statements for the year ended 31st March, 2024 have been prepared under Ind-AS on accrual and going concern basis using accounting policies that are applied consistently. The assets and liabilities have been classified as Current or Non-Current based on the normal operating cycle of the Group, which has been determined as 12 months based on the nature of products and services, and the time gap between acquisition of assets for processing and their realisation in cash and cash equivalents.

These Consolidated 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 Ind-AS 110. 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. The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies, which have been applied consistently, for like transactions and other events in similar circumstances.

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.

THEJO ENGINEERING LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Non-controlling interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the non-controlling 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. These are presented in the Consolidated Balance Sheet separately within equity. The profit and other comprehensive income attributable to non-controlling interest are shown separately in the Consolidated Statement of Profit and Loss and Consolidated Statement of Changes in Equity.

The transactions between the Parent Company and the Subsidiaries are eliminated. Any unrealized profit on the closing inventory and fixed assets held by any Company in the Group out of the sales made by another Company in the Group is reduced from the closing inventory and fixed assets on consolidation.

The Consolidated Financial Statements for the year ended 31st March, 2024 were approved for issue by the Board of Directors at their meeting held on 28th May, 2024.

2.2 *Basis of measurement*

The Consolidated Financial Statements have been prepared under historical cost convention unless stated otherwise.

2.3 *Use of estimates and judgements*

In the preparation of the Consolidated Financial Statements, the management has to make certain estimates, judgements and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual outcome may differ from these estimates. The management continuously evaluates these estimates and judgements and make appropriate revisions prospectively.

Information about critical judgements, estimates and assumptions that have the most significant impact on the amounts recognized in the Consolidated Financial Statements are included in the following notes:

- (a) Measurement of defined benefit obligations
- (b) Measurement and likelihood of occurrence of provisions and contingencies
- (c) Recognition of deferred tax assets
- (d) Useful lives of property, plant and equipment
- (e) Useful lives of intangible assets
- (f) Measurement of share based payments

2.4 *Presentation Currency*

The Consolidated Financial Statements are presented in Indian Rupee (“INR”/“Rs.”/“₹”), which is the presentation currency of the Parent Company. Presentation is made in INR rounded to the nearest lakh except where indicated otherwise.

2.5 *Recent Accounting Pronouncements*

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standard) Rules, 2015, from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

THEJO ENGINEERING LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Note 3

Material Accounting Policies

The material accounting policies used in the preparation of the Consolidated Financial Statements are set out below. These policies have been consistently applied to all years presented, unless stated otherwise.

3.1 *Property, Plant and Equipment*

Property, plant and equipment (PPE) are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Depreciation of these assets, on the same basis as other PPE assets, commences when the assets are ready for their intended use. PPE which are not ready for intended use are disclosed under "Capital work-in-progress".

Subsequent cost/expenses related to an item of PPE are recognized in the carrying amount of PPE when the cost/expenses meet the recognition criteria, i.e. cost can be measured reliably and it is probable that the future benefits will flow to the Company.

In respect of the Parent Company, depreciation is charged on a pro-rata basis under written down value method based on the useful life of individual asset as prescribed in Schedule II of the Companies Act, 2013 ("the Act"), retaining a residual value of 5% of the cost of the assets except the following:

Plant and equipment are depreciated over a period of 1 to 15 years, office equipment over 2 to 5 years and dyes and moulds over 3 to 10 years based on technical evaluation/advice.

No depreciation is charged on the free hold land. Assets on leased premises, which cannot be used independent of the leased premises, are depreciated on the remaining period of lease or as per the useful life as stated above, whichever is earlier. Assets costing ₹ 5,000 and below are depreciated over a period of one year.

In respect of the 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.

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period and adjustment required, if any, are done prospectively.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in statement of consolidated profit and loss.

Upon first time adoption of Ind-AS, the Parent Company has elected to measure all its property, plant and equipment at the carrying value under Previous GAAP as their deemed cost on the date of transition to Ind-AS (1st April, 2020). The subsidiaries have measured the same in line with relevant IFRS.

THEJO ENGINEERING LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

3.2 Intangible Assets

A. Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight line/written down value basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

B. Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) The intention to complete the intangible asset and use or sell it;
- (iii) The ability to use or sell the intangible asset;
- (iv) The probable future economic benefits that will be generated from the intangible asset;
- (v) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the Consolidated Statement of Profit and Loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

C. Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognized.

D. Useful lives of intangible assets

In respect of the Parent Company, estimated useful lives of the intangible assets are as follows:

Asset	Useful Life
Software & Licenses	1-6 years

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Upon first time adoption of Ind-AS, the Parent Company has elected to measure its intangible assets at the carrying value under Previous GAAP as their deemed cost on the date of transition to Ind-AS (1st April, 2020). The subsidiaries have measured the same in line with relevant IFRS.

Impairment of Tangible & Intangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives, goodwill and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

3.3 Leases**Group as Lessee**

At the inception of a contract, the Group assesses if the contract conveys the right to control the use of an identified asset for a specified period of time for a consideration. If so, such contracts are considered to be/to contain lease. Where the Group is a lessee, except in case of short-term leases (tenure less than twelve months) and leases of low value assets, the Group recognizes lease liability and right-of-use assets. In the case of leases for short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates being the rate the Parent Company/subsidiary would have to pay to borrow fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Subsequent to the initial measurement, the lease liability is increased by the interest on the lease liability and reduced by the lease payments made. A lease liability is re-measured when there is a change in the lease term or a change in an index or rate used to determine lease payments, etc. Lease liability and Right-of-use asset are presented separately in the Consolidated Balance Sheet. In the Consolidated Statement of Cash Flows, lease payments have been classified as cash flow from financing activities.

Group as Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as expenses over the lease term on the same basis as lease income. The respective leased assets are included in the Consolidated Balance Sheet based on their nature.

3.4 Inventories

Inventories are valued at lower of cost and net realisable value based on FIFO Basis. Cost of work-in-progress and finished goods includes the cost of purchase, conversion and all other cost incurred in bringing the inventory to their current condition and location. Net realizable value is the estimated selling price in the ordinary course of business net of estimated cost of completion and cost required to be incurred to complete the sale.

3.5 Cash and Cash Equivalents

Cash and cash equivalents are short-term (three months from the date of acquisition), highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

3.6 Financial Instruments**A. Financial Assets**

Financial assets comprises investments in equity and debt securities, trade receivables, cash and cash equivalents, and other financial assets. Financial assets are recognized when the Group becomes a party to the contractual positions of an instrument.

Trade receivables are recognized initially at transaction value and other financial assets are recognized initially at fair value. In the case of financial assets other than those recognized at fair value through profit and loss (FVTPL), the transaction costs attributable to the acquisition of financial assets are added to the fair value for the initial recognition. In the case of financial assets recognized at FVTPL, the transaction costs are recognized in the Consolidated Statement of Profit and Loss.

Financial assets are subsequently measured at

- (i) Amortized cost
- (ii) Fair value through other comprehensive income (FVOCI) or
- (iii) Fair value through profit and loss (FVTPL)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**(i) Amortized Cost**

Financial assets that are held within the business model with an objective to hold them to collect the contractual cash flows that are solely payments of principal and interest are measured subsequently at amortized cost using the effective interest rate method (EIR method) net of impairment, if any. The amortization as per EIR and loss on account of impairment, if any, are recognized in the Consolidated Statement of Profit and Loss.

By applying the above criteria, the following financial assets are measured at amortized cost:

- (a) Trade receivables
- (b) Loans
- (c) Other financial assets

(ii) Fair value through other comprehensive income

Financial assets that are held within the business model whose objective is achieved by both selling the financial assets and collecting the contractual cash flows that are solely payments of principal and interest are measured subsequently at fair value through other comprehensive income. Movements in the fair value of such financial asset are recognized in the other comprehensive income. Interest income as per EIR and loss on account of impairment, if any, are recognized in the Consolidated Statement of Profit and Loss. On derecognition, the cumulative gain or loss that has previously been recognized in the other comprehensive income is reclassified to other income in the Consolidated Statement of Profit and Loss.

(iii) Fair value through profit or loss

A financial asset is measured subsequently at fair value through profit or loss if it does not meet the classification criteria for measurement at amortized cost or fair value through other comprehensive income. Such financial assets are measured at fair value with all changes in the fair value, including interest and dividend income, if any, being recognized as other income in the Consolidated Statement of Profit and Loss.

A financial asset is derecognized when the contractual rights to the cash flow from the asset expires, or when the contractual rights to receive the cash flows are transferred.

Subsequent to initial recognition, impairment losses are recognized in respect of all financial assets other than those classified for subsequent measurement under FVTPL. In respect of trade receivables, expected credit loss over the lifetime of the asset is estimated by adopting a simplified approach of provision matrix based on historical loss rates reflecting present conditions and forecast of future economic conditions. Under this approach, trade receivables are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other relevant factors to estimate the expected cash loss from these assets. In respect of financial assets other than trade receivables, if the credit risk has increased significantly since initial recognition, the impairment is measured at lifetime credit losses. The impairment losses and reversals are recognized in the Consolidated Statement of Profit and Loss.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in the Consolidated Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

B. Financial Liabilities

Financial liabilities are recognized when the Group becomes a party to the contractual positions of an instrument.

Financial liabilities are recognized initially at fair value. In the case of financial liabilities other than those recognized at fair value through profit and loss (FVTPL), the transaction costs attributable to the acquisition of the financial liability are added to the fair value for the initial recognition. In the case of financial liabilities recognized at FVTPL, the transaction costs are recognized in the Consolidated Statement of Profit and Loss.

Financial liabilities other than those recognized at FVTPL are subsequently measured at amortized cost using EIR method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognized in the Consolidated Statement of Profit and Loss.

The Group measures the following financial liabilities under amortized cost:

- (i) Borrowings
- (ii) Lease liabilities
- (iii) Trade payables
- (iv) Other financial liabilities

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities and financial assets are offset and net amount presented in the Consolidated Balance Sheet when the Group has a legal right to offset and intends to settle the same on net basis or realize the asset and settle the liability simultaneously.

A financial liability is derecognized when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Consolidated Statement of Profit and Loss.

C. Fair Value Hierarchy

The fair value of financial instruments are classifiable into three categories based on the inputs used in valuation technique. The three categories are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs and

Level 3: Inputs which are not based on observable market data.

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Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

3.7 *Provisions and Contingent Liabilities*

Provisions are recognized if the Group has a reliably estimated present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured based on the best estimate of expenditure required to settle the obligation as at the date of Consolidated Balance Sheet. In cases where the effect of the time value of money is material, provisions are discounted to reflect its present value using current pre-tax rate reflecting the risk specific to the obligation. When discounting is used, the increase in the amount of provision due to the passage of time is recognized as finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, which is contingent upon the occurrence or non-occurrence of one or more uncertain future events, which are not fully within the control of the Group or when there is a present obligation arising from past events where it is either not probable that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable. Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/ development of assets and amounts pertaining to Investments which have been committed but not called for.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each Consolidated Balance Sheet date.

3.8 *Revenue Recognition*

Sale of goods

Revenue is recognised at transaction value when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Group has a right to payment for the asset, customer has legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Group has objective evidence that all criteria for acceptance have been satisfied. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

Rendering of services

The performance obligation under service contracts are provision of various services as set forth in the contracts. Revenue from rendering of services are recognised over a period of time by reference to the stage of completion as the customer simultaneously receives and consumes the benefit provided by the Group's performance. Payment for the service rendered is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Revenue disaggregation as per business segment and geography are contained in the segment information given in Note 28.3.

3.9 Employee Benefits**Short-term benefits**

All short-term employee benefit obligations are measured on an undiscounted basis and expensed as the related services are rendered.

Parent Company:**Defined contribution plans**

Contribution to defined contribution plans like provident fund, superannuation fund, employee state insurance, etc are charged as an expense to the extent of periodic contribution required to be made as and when services are rendered to the Company. The Company has no further obligations beyond the periodic contribution in respect of defined contribution plans.

Defined benefit plans

The Company provides for gratuity, a defined benefit plan, to all eligible employees. The amount recognized as employee benefit expense in the Consolidated Statement of Profit and Loss is the cost of accruing employee benefits promised to the eligible employees over the year and costs of past/future service benefit changes and similar costs. The defined benefit plan surplus or deficit as on the date of balance sheet comprises the difference between fair value of plan assets and present value of the defined benefit liabilities, discounted at the yield rate at the reporting date on risk free government bonds.

All re-measurements of defined benefit liabilities and assets are recognized in other comprehensive income and are subsequently not reclassified to the Consolidated Statement of Profit and Loss. The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India.

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

3.10 Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 28.9.

The Group makes equity settled share based payment to selected employees under its ESOP program. The fair value of options granted as on grant date, calculated by an independent valuer on the basis of Black Scholes model, is recognized as employee benefit expense with a corresponding increase in equity over the vesting period. At the end of each reporting period, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. Fresh equity shares are issued upon exercise of vested options.

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Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

3.11 *Income-tax Expenses*

Income-tax expenses comprises current tax and deferred tax and is recognized in the Consolidated Statement of Profit and Loss except to the extent that it relates to an item which is recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income using applicable tax rates enacted or substantively enacted as at the reporting date and any adjustments relating to income-tax of previous years.

Deferred tax is recognized in respect of temporary difference between the carrying amounts of assets and liabilities as per the financial statements and taxation laws. Deferred tax liability is recognized based on the expected manner of realization or settlement of the difference in carrying amounts applying tax rates enacted or substantively enacted as at the reporting date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available to utilize the same. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that it will be realized.

Current tax assets and liabilities are offset when there is a legally enforceable right to set them off and there is an intent to settle them on a net basis. Deferred tax assets and liabilities are set off when they are related to income-tax levied by the same taxation authority and there is a legally enforceable right to set off current tax assets and liabilities.

3.12 *Foreign Currency*

In preparing the consolidated financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. The income and expense of foreign branch operations are translated using average exchange rates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

The financial statement of the subsidiaries are translated as follows:

- (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, which is routed through Other Comprehensive Income and are accumulated under Foreign Currency Translation Reserve till disposal of the investment.

3.13 *Earnings Per Share*

The basic earnings per share is presented by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued without a corresponding change in resources like bonus issue, the weighted number of equity shares outstanding during the period as well as all periods presented are adjusted for such events.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, consolidation of shares, etc. as appropriate.

3.14 *Segment Reporting*

The Group reports business and geographic segments in a manner consistent with the reporting provided to the Chief Operating Decision Maker, in line with Ind-AS 108.

3.15 *Dividend Distributed to Equity Shareholders*

Dividend distributed to equity shareholders is recognized as distribution to owners of capital in the statement of changes in equity after it is approved by the Members.

3.16 *Borrowings and related costs*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Consolidated Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

3.17 *Government Grants*

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they become receivable. Government grant is recognised either as other operating income, or other income or adjusted against expenses depending upon the nature of the grant and the same is followed consistently. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.18 *Consolidated Cash flow statement*

Cash flows are reported using the indirect method, whereby the consolidated profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The consolidated cash flows from operating, investing and financing activities of the Group are segregated based on the available information. Cash and cash equivalents includes balances in current accounts, cash on hand and cheques/drafts on hand. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Balance Sheet.

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Note 4
A. Property, plant and equipment

	As at	Additions	Deletions	Forex	Others	As at	Additions	Deletions	Forex	Others	As at
	01-04-2022	2022-23	2022-23	Diff/Adj	2022-23	31-03-2023	2023-24	2023-24	Diff/Adj	2023-24	31-03-2024
<i>Gross Block</i>											
Land	65.72	0.00	0.00	0.00	0.00	65.72	0.00	0.00	0.00	0.00	65.72
Buildings	1,433.78	2,168.49	13.88	54.56	0.00	3,642.95	433.15	15.36	9.21	0.00	4,069.95
Plant and machinery	3,505.89	2,071.16	34.81	(35.83)	0.00	5,506.41	798.13	36.69	(19.90)	0.00	6,247.95
Furnitures and fittings	348.65	421.64	15.88	2.14	0.00	756.55	101.58	7.33	(2.66)	0.00	848.14
Vehicles	543.10	239.08	9.93	8.16	0.00	780.41	186.94	62.16	0.41	0.00	905.60
Office equipments	181.35	94.63	9.17	(1.78)	0.00	265.03	83.05	2.02	(1.24)	0.00	344.82
<i>Total</i>	<i>6,078.49</i>	<i>4,995.00</i>	<i>83.67</i>	<i>27.25</i>	<i>0.00</i>	<i>11,017.07</i>	<i>1,602.85</i>	<i>123.56</i>	<i>(14.17)</i>	<i>0.00</i>	<i>12,482.18</i>
<i>Accumulated Depreciation</i>											
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Buildings	325.89	155.01	4.62	49.05	0.00	525.33	401.40	4.17	9.20	0.00	931.76
Plant and machinery	923.26	619.95	14.93	(2.82)	(15.53)	1,509.93	1,009.08	20.01	(7.49)	(10.97)	2,480.54
Furnitures and fittings	118.14	59.67	8.05	5.37	0.00	175.13	104.17	4.26	0.27	0.00	275.31
Vehicles	219.72	136.18	6.96	9.04	0.00	357.98	148.47	30.57	0.83	0.00	476.71
Office equipments	88.33	69.44	5.22	(1.13)	0.00	151.42	79.43	0.94	(0.96)	0.00	228.95
<i>Total</i>	<i>1,675.34</i>	<i>1,040.25</i>	<i>39.78</i>	<i>59.51</i>	<i>(15.53)</i>	<i>2,719.79</i>	<i>1,742.55</i>	<i>59.95</i>	<i>1.86</i>	<i>(10.97)</i>	<i>4,393.27</i>
<i>Net Block</i>											
Land	65.72					65.72					65.72
Buildings	1,107.89					3,117.62					3,138.19
Plant and machinery	2,582.63					3,996.48					3,767.41
Furnitures and fittings	230.51					581.42					572.83
Vehicles	323.38					422.43					428.89
Office equipments	93.02					113.61					115.87
<i>Total</i>	<i>4,403.15</i>					<i>8,297.28</i>					<i>8,088.91</i>

B. Right-of-use Assets

	As at	Additions	Deletions	Forex	Others	As at	Additions	Deletions	Forex	Others	As at
	01-04-2022	2022-23	2022-23	Diff/Adj	2022-23	31-03-2023	2023-24	2023-24	Diff/Adj	2023-24	31-03-2024
<i>Gross Block</i>											
Land	1,816.72	0.00	0.00	0.00	0.00	1,816.72	0.00	73.66	0.00	0.00	1,743.06
Buildings	618.32	843.19	0.00	(12.77)	0.00	1,448.74	33.76	0.00	(9.45)	0.00	1,473.05
<i>Total</i>	<i>2,435.04</i>	<i>843.19</i>	<i>0.00</i>	<i>(12.77)</i>	<i>0.00</i>	<i>3,265.46</i>	<i>33.76</i>	<i>73.66</i>	<i>(9.45)</i>	<i>0.00</i>	<i>3,216.11</i>
<i>Accumulated Depreciation</i>											
Land	62.76	92.39	0.00	0.00	0.00	155.15	75.39	73.66	0.00	0.00	156.88
Buildings	174.59	87.29	0.00	0.00	0.00	261.88	187.14	0.00	(0.56)	0.00	448.46
<i>Total</i>	<i>237.35</i>	<i>179.68</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>417.03</i>	<i>262.53</i>	<i>73.66</i>	<i>(0.56)</i>	<i>0.00</i>	<i>605.34</i>

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Notes forming part of the Consolidated Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	As at	Additions	Deletions	Forex Diff/Adj	Others	As at	Additions	Deletions	Forex Diff/Adj	Others	As at
	01-04-2022					31-03-2023					31-03-2024
		2022-23	2022-23	2022-23	2022-23		2023-24	2023-24	2023-24	2023-24	
<i>Net Block</i>											
Land	1,753.96					1,661.57					1,586.18
Buildings	443.73					1,186.86					1,024.59
<i>Total</i>	2,197.69					2,848.43					2,610.77

C. Capital work-in-progress

Work-in-progress	As at	Additions	Deletions	Forex Diff/Adj	Others	As at	Additions	Deletions	Forex Diff/Adj	Others	As at
	01-04-2022					31-03-2023					31-03-2024
		2022-23	2022-23	2022-23	2022-23		2023-24	2023-24	2023-24	2023-24	
Capital work-in-progress	73.33	164.47	73.33	0.00	0.00	164.47	223.91	164.47	0.00	0.00	223.91

D. Intangible assets

	As at	Additions	Deletions	Forex Diff/Adj	Others	As at	Additions	Deletions	Forex Diff/Adj	Others	As at
	01-04-2022					31-03-2023					31-03-2024
		2022-23	2022-23	2022-23	2022-23		2023-24	2023-24	2023-24	2023-24	
Computer software											
Gross block	45.27	36.97	0.01	(0.02)	0.00	82.21	144.98	0.06	(0.01)	0.00	227.12
Accumulated depreciation	21.16	14.62	0.00	(0.02)	0.00	35.76	50.20	0.05	(0.01)	0.00	85.90
Net block	24.11					46.45					141.22

E. Intangible assets under development

	As at	Additions	Deletions	Forex Diff/Adj	Others	As at	Additions	Deletions	Forex Diff/Adj	Others	As at
	01-04-2022					31-03-2023					31-03-2024
		2022-23	2022-23	2022-23	2022-23		2023-24	2023-24	2023-24	2023-24	
Intangible assets under development	0.00	20.34	0.00	0.00	0.00	20.34	0.00	20.34	0.00	0.00	0.00

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Notes forming part of the Consolidated Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	As at 31-03-2024	As at 31-03-2023
Note 5		
Investment in Subsidiaries		
Unquoted		
2,040 Equity Shares of FV of SAR 1,000/- each fully paid-up held in Thejo Hatcon Industrial Services Company, Saudi Arabia (31/3/23 - 2,040 Equity shares)	333.72	333.72
27,00,000 Equity Shares of FV of AUD 1/- each fully paid-up held in Thejo Australia Pty Ltd, Australia (31/3/23 - 22,20,000 Equity Shares)	1,647.56	1,202.45
5,01,406 Equity Shares of FV of BRL 1/- each fully paid-up held in Thejo Brasil Comercio E Servicos Ltda, Brazil (31/3/23 - 5,01,406 Equity Shares)	98.62	98.62
725 Equity Shares of FV of CLP 9,50,000/- each fully paid-up held in Thejo Engineering LatinoAmerica SpA, Chile (31/3/23 - 725 Equity Shares)	695.39	695.39
1,000 Equity Shares of FV of AED 1,000/- each fully paid-up held in TE Global FZ-LLC, Ras Al-Khaimah (31/03/23 - Nil)	227.38	0.00
Less: Adjustment on Consolidation of subsidiaries	<u>(3,002.67)</u>	<u>(2,330.18)</u>
Total	<u>0.00</u>	<u>0.00</u>
Note 6		
Other Financial Assets		
(Unsecured, considered good)		
Non-current		
Fixed Deposits with remaining maturity of more than 12 months	20.79	20.32
Earnest Money/Security Deposits	104.60	67.11
Lease/Rental Deposit	71.99	65.39
Others	70.35	59.78
Less: Provision for ECL on Earnest Money/Security Deposits	<u>4.11</u>	<u>2.13</u>
Total	<u>263.62</u>	<u>210.47</u>
<i>Movement in Provision for Expected Credit Loss</i>		
Opening Balance	2.13	9.28
Add: Provision made during the year	1.98	0.00
Less: Reversed during the year	<u>0.00</u>	<u>7.15</u>
Closing Balance	<u>4.11</u>	<u>2.13</u>
Current		
Earnest Money/Security Deposits	823.21	809.12
Interest accrued but not due on deposits	30.27	26.76
Advances to employees	18.59	25.32
Others	102.75	127.61
Less: Provision for ECL on Earnest Money/Security Deposits	<u>137.64</u>	<u>106.60</u>
Total	<u>837.18</u>	<u>882.21</u>
<i>Movement in Provision for Expected Credit Loss</i>		
Opening Balance	106.60	68.29
Add: Provision made during the year	31.04	38.31
Less: Reversed during the year	<u>0.00</u>	<u>0.00</u>
Closing Balance	<u>137.64</u>	<u>106.60</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	As at 31-03-2024	As at 31-03-2023
Note 7		
Other Non-current Assets		
Capital Advances	30.18	19.25
Prepaid expenses	24.59	30.33
Deposits with Government Authorities	5.70	5.09
Total	<u>60.47</u>	<u>54.67</u>
Note 8		
Inventories		
Raw Materials and components	1,573.23	1,435.42
Work-in-progress	915.81	893.63
Finished goods	3,444.08	3,345.21
Stock-in-Trade	14.06	55.74
Stock in Transit	299.39	169.53
Total	<u>6,246.57</u>	<u>5,899.53</u>
Note 9		
Trade Receivables		
Unsecured, considered good	13,630.34	10,893.55
Less: Provision for Expected Credit Loss	71.84	89.02
Total	<u>13,558.50</u>	<u>10,804.53</u>
<i>Movement in Provision for Expected Credit Loss</i>		
Opening Balance	89.02	145.93
Add: Provision made during the year	0.00	0.00
Less: Reversed during the year	17.18	56.91
Closing Balance	<u>71.84</u>	<u>89.02</u>
Note 10		
A Cash and Cash Equivalents		
Cash on hand	12.38	19.03
Balance with bank in current accounts	5,659.41	4,150.79
Cheques/Drafts in hand/Funds in transit	83.65	0.00
Deposit (Cash Equivalents)	255.29	109.73
Total	<u>6,010.73</u>	<u>4,279.55</u>
B Bank balances (other than cash equivalents)		
Term deposits with original maturity of 3 months or more	807.22	919.73
(Of the above, amount Held as Margin Money for BG & LC: ₹ 276.85 lakhs PY - ₹ 464.34 lakhs)		
Total	<u>807.22</u>	<u>919.73</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	As at 31-03-2024	As at 31-03-2023
Note 11		
Other Current Assets		
Balances with indirect tax authorities	580.06	615.98
Prepaid Expenses	345.81	223.50
Advance to suppliers	1,144.19	799.45
Other advances	175.42	169.34
Total	<u>2,245.48</u>	<u>1,808.27</u>

Note 12
Equity Share Capital

	As at 31-03-2024	As at 31-03-2023
Authorised		
1,50,00,000 (31/3/23: 1,50,00,000) equity shares of ₹ 10/- each	1,500.00	1,500.00
Issued, subscribed and fully paid-up		
1,07,64,274 (31/3/23: 1,07,00,958) equity shares of ₹ 10/- each	1,076.43	1,070.10
Total	<u>1,076.43</u>	<u>1,070.10</u>
Share Application Money	0.00	0.00

Reconciliation of number of shares

	As at 31-03-2024		As at 31-03-2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginnig of the year*	1,07,00,958	1,070.10	1,06,57,126	1,065.71
Shares issued during the year	63,316	6.33	43,832	4.39
Balance as at the end of the year	1,07,64,274	1,076.43	1,07,00,958	1,070.10

* There are no changes due to prior period errors.

Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31-03-2024		As at 31-03-2023	
	Number of shares	% holding	Number of shares	% holding
Girish Gulati HUF	8,23,200	7.65%	8,23,200	7.69%
Mr. K.J. Joseph	6,89,500	6.41%	6,89,500	6.44%
Mr. Thomas John	6,50,604	6.04%	6,50,604	6.08%
Mrs. Celinamma John	6,50,598	6.04%	6,50,598	6.08%
Mr. Rajesh John	6,50,598	6.04%	6,50,598	6.08%
Mrs. Rosamma Joseph	5,42,960	5.04%	5,42,960	5.07%

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

Details of equity shares held by the promoters of the Company

	As at 31-03-2024		As at 31-03-2023		Change in holding %
	Number of shares	% holding	Number of shares	% holding	
Mr. K.J. Joseph	6,89,500	6.41%	6,89,500	6.44%	(0.03%)
Mr. Thomas John	6,50,604	6.04%	6,50,604	6.08%	(0.04%)

Shares reserved for issue under options

	No. of Shares 31-03-2024	No. of Shares 31-03-2023
Under Thejo Employee Stock Option Plan 2015	4,36,382	4,99,698
Total	4,36,382	4,99,698

The Company has one class of equity shares of face value of Rs. 10/- each with one share entailing one vote. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts as per extant statutory provisions.

Details of allotment of shares for consideration other than cash, bonus issue and buy back of share in the last five years:

70,94,756 equity share of face value of ₹ 10/- each were allotted as fully paid bonus shares on 15th October, 2021 by capitalising securities premium.

	As at 31-03-2024	As at 31-03-2023
Note 13		
Other Equity		
Securities Premium	1,669.98	1,520.10
ESOP Outstanding Account	166.91	196.98
General Reserve	642.05	642.05
Retained Earnings	21,153.61	15,804.13
Statutory Reserve	231.23	231.23
Foreign Currency Translation Reserve	198.45	240.76
Items of Other Comprehensive Income		
Remeasurements of Defined Benefit Plans	(110.18)	(74.81)
Total	23,952.05	18,560.44

Refer Note 28.17 for nature and movement of items under Other Equity

Note 14
Non-controlling interest

Opening Balance	2,318.80	2,069.20
Share of profit/(loss) during the year	374.43	238.47
Share of other comprehensive income during the year/FCTR	27.87	87.31
Less: Dividend Paid	0.00	(76.18)
Sale of shares in Thejo Australia Pty Ltd by Bridgestone Mining Solutions Australia Pty Ltd	(492.76)	0.00
Total	2,228.34	2,318.80

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements as at 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	As at 31-03-2024	As at 31-03-2023
Note 15		
Borrowings		
Non-current		
Secured		
Term Loans		
From Banks	1,380.67	1,500.60
From Others (Financial Institutions)	39.78	84.60
	<u>1,420.45</u>	<u>1,585.20</u>
Less:		
Current Maturity on Term Loans from banks	594.19	508.64
Current Maturity on Term Loans from financial institutions	28.46	45.01
	<u>622.65</u>	<u>553.65</u>
Total	<u><u>797.80</u></u>	<u><u>1,031.55</u></u>
Current		
Secured		
Loans repayable on demand from Banks	0.00	0.00
Trade Finance Loan	0.00	0.00
Current Maturities of Term Loan from Banks	594.19	508.64
Current Maturities of Term Loan from financial institutions	28.46	45.01
Total	<u><u>622.65</u></u>	<u><u>553.65</u></u>
Refer Note 28.13 for details of security and terms of repayment		
Note 16		
Trade Payables		
Due to Micro and small enterprises (as per intimation received from vendors)	22.61	0.00
Due to Others	4,043.84	4,740.26
Total	<u><u>4,066.45</u></u>	<u><u>4,740.26</u></u>
Note 17		
Other Non-current Liabilities		
Termination Provision	203.15	186.49
Total	<u><u>203.15</u></u>	<u><u>186.49</u></u>
Note 18		
Other Financial Liabilities		
Current		
Employee related liabilities	1,656.41	1,244.27
Other payables	20.77	20.27
Total	<u><u>1,677.18</u></u>	<u><u>1,264.54</u></u>

THEJO ENGINEERING LIMITED**Notes forming part of the Consolidated Financial Statements as at 31st March, 2024**

All amount in ₹ lakhs unless otherwise stated

	As at 31-03-2024	As at 31-03-2023
Note 19		
Other Current Liabilities		
Statutory payables	1,370.65	1,142.87
Advances from customers	229.35	500.10
Security deposit from Vendors	102.89	60.43
Other outstanding liabilities	881.09	935.96
Total	<u>2,583.98</u>	<u>2,639.36</u>
Note 20		
Provisions		
Current		
For employee benefits (Compensated absence, Gratuity, etc)	956.41	812.86
Direct Taxes (Net)	161.21	81.15
Total	<u>1,117.62</u>	<u>894.01</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	Year ended 31-03-2024	Year ended 31-03-2023
Note 21		
Revenue from operations		
Sale of Products	27,256.45	20,682.09
Sale of Services & Works Contract	28,632.96	26,715.88
Other Operating Income	51.08	47.62
Total	55,940.49	47,445.59
Note 22		
Other income		
Interest (Other than on Lease Deposit)	75.36	56.36
Interest on Lease Deposit	6.69	6.36
Difference in foreign exchange (gain)	0.00	101.67
Miscellaneous Income	142.99	149.04
Profit on sale of assets	97.09	0.00
Total	322.13	313.43
Note 23		
Cost of materials consumed		
Opening Stock of Raw Materials	1,435.42	1,268.07
Add: Purchases made during the year	10,838.07	10,310.99
	12,273.49	11,579.06
Less: Closing Stock of Raw Materials	1,573.23	1,435.42
	10,700.26	10,143.64
Add: Consumables	1,168.79	920.26
Total	11,869.05	11,063.90
Purchase of Traded Goods	114.17	186.82
Note 24		
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock :		
Work-in-Progress	893.63	633.29
Finished Goods	3,669.79	3,092.33
Stock-in-Trade	55.74	154.91
Stock in Transit	169.53	284.42
Less: Unrealised gain in stock sold by parent to subsidiary	323.76	211.06
	4,464.93	3,953.89
Closing Stock :		
Work-in-Progress	915.81	893.63
Finished Goods	3,782.65	3,669.79
Stock-in-Trade	14.06	55.74
Stock in Transit	299.39	169.53
Less: Unrealised gain in stock sold by parent to subsidiary	338.57	323.76
	4,673.34	4,464.93
Total	(208.41)	(511.04)

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	Year ended 31-03-2024	Year ended 31-03-2023
Note 25		
Employee Benefits Expense		
Salaries and incentives	13,270.28	12,286.93
Contributions to PF, Superannuation, Gratuity & ESI	1,734.22	1,501.49
Staff welfare expenses	1,740.01	1,659.56
LTA, Ex-gratia, & Leave Encashment	377.89	455.18
Employee Stock Option Expense	31.84	66.55
Total	<u>17,154.24</u>	<u>15,969.71</u>

Note 26
Finance costs

Interest (Other than on Lease Liabilities)	181.46	106.49
Interest on Lease Liabilities	282.81	179.36
Other finance costs	178.50	174.99
Total	<u>642.77</u>	<u>460.84</u>

Note 27
Other expenses
A. Manufacturing & Other Direct Expenses

Power and fuel	653.24	530.91
Machinery Hire and Maintenance	1,161.35	1,185.08
Factory Maintenance	180.28	82.17
Electrical maintenance	29.40	14.13
Testing charges	18.45	9.94
Dyes & Moulding charges	148.66	132.05
Cartage, Coolie & Freight charges	651.13	707.81
Packing materials & charges	423.03	376.72
Service & Labour charges	9,317.54	7,705.76
Total Manufacturing & Other Direct Expenses	<u>12,583.08</u>	<u>10,744.57</u>

B. Administrative & Selling Expenses

Professional Service Charges	462.06	344.50
Rent	518.51	589.95
Repairs & Maintenance	161.93	141.63
Travelling, Conveyance & Vehicle hire charges	994.26	939.48
Foreign Travel expenses	106.27	45.86
Vehicle Maintenance	337.99	325.94
Difference in foreign exchange (Loss)	10.34	0.00
Telephone, Telex & Postage	73.90	68.47
Printing & Stationery	78.85	65.77

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

All amount in ₹ lakhs unless otherwise stated

	Year ended 31-03-2024	Year ended 31-03-2023
Office Maintenance	113.51	89.09
Books & Periodicals	10.17	13.68
Computer Maintenance	291.76	229.92
Seminar & Conference	36.89	13.88
Electricity	49.72	50.25
Legal Fee & Charges	67.81	28.22
Donation	7.13	5.91
Recruitment, Training & Development	96.43	204.18
ECGC Premium	5.97	3.69
CSR Expenses	70.00	58.00
Insurance	239.39	158.51
Rates and taxes	79.12	84.04
Sitting Fees and Commission to Non-Executive Directors	65.50	30.75
Commission	55.29	20.12
Advertisement	45.40	54.78
Sales Promotion Expenses	18.26	16.99
Freight on Exports	129.30	254.72
Loading & Unloading charges	33.71	34.56
Late Delivery Charges	73.18	26.60
Bad Debts	1.87	28.53
Provision for Expected Credit Loss	15.85	0.00
Reversal of Provision for Expected Credit Loss	0.00	(25.76)
Loss on Sale of Assets	0.00	33.03
Payments to the Auditors		
a. Statutory Audit	18.50	18.50
b. Tax Audit	3.00	3.00
c. For certification & other services	33.39	23.61
<i>Miscellaneous expenses</i>	<i>20.19</i>	<i>5.46</i>
<i>Total Administration & Selling Expenses</i>	<i>4,325.45</i>	<i>3,985.86</i>
<i>Goods and Services Tax and Other Indirect Tax Expenses</i>	<i>74.99</i>	<i>61.95</i>
Total	<u>16,983.52</u>	<u>14,792.38</u>

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024
Note 28 ADDITIONAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS
Note 28.1 Contingent Liabilities (to the extent not provided for)

₹ in lakhs

Particulars	2023-24	2022-23
28.1.1 Guarantees issued by the Banks	1,773.84	2,361.14
	1,773.84	2,361.14

28.1.2 Claims against the Group not acknowledged as debt

Name of Statute	Amount of Dispute (31/3/24)	Amount of Dispute (31/3/23)	Amount Deposited (31/3/24)	Period to which it relates	Forum where dispute is pending
Commercial Taxes	51.38	44.55	2.00	Various	Various
Customs	12.50	12.50	0.00	2001	Commissioner of Customs
Income-tax	100.21	147.23	37.03	Various	Various
Total	164.09	204.28	39.03		

28.1.3 Commitments

Estimated amount of contracts remaining to be executed on capital account is ₹ 2,094.84 lakhs (Previous Year - ₹ 285.13 lakhs)

Note. 28.2 Employee Benefits

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

Parent Company:
28.2.1 Defined Contribution Schemes

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

28.2.2 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 Ind-AS 19 in this regard is given hereunder:

Assumptions	2023-24	2022-23
Discount Rate	6.97%	7.17%
Salary Escalation	6.05%	6.50%
Attrition Rate	10.09%	8.00%
Expected return on plan assets	6.97%	7.17%

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024
Table Showing Changes In Present Value Of Obligations
₹ in Lakhs

Particulars	As at 31 st March	
	2024	2023
Present value of obligations at the beginning of the year	1,246.95	1,041.36
Interest Cost	86.76	72.48
Current Service Cost/Past Service Cost (Vested)	189.35	86.81
Benefits Paid	(73.93)	(26.46)
Actuarial (Gain) / Loss on obligations	47.69	72.76
Present value of obligations as at the end of the year	1,496.82	1,246.95

Table Showing Changes In Fair Value Of Plan Assets
₹ in Lakhs

Particulars	As at 31 st March	
	2024	2023
Fair value of plan assets at the beginning of the year	1,087.85	942.24
Expected return on plan assets	81.05	69.06
Contributions	158.95	101.15
Benefits Paid	(73.93)	(26.46)
Actuarial Gain / (Loss) on plan assets	0.43	1.86
Fair value of plan assets as at the end of the year	1,254.36	1,087.85

Table Showing Actual Return On Plan Assets
₹ in Lakhs

Particulars	As at 31 st March	
	2024	2023
Expected return on plan asset	81.05	69.06
Actuarial gain / (loss) on plan asset	0.43	1.86
Actual return on plan asset	81.48	70.92

Actuarial Gain / (Loss) Recognized
₹ in Lakhs

Particulars	For the year ended 31 st March	
	2024	2023
Actuarial gain / (loss) on obligations	(47.69)	(72.76)
Actuarial gain / (loss) for the year – plan assets	0.43	1.86
Total gain / (loss) for the year	(47.26)	(70.90)
Actuarial gain / (loss) recognized in the year	(47.26)	(70.90)

Amounts To Be Recognized In Consolidated Balance Sheet & Consolidated Statement of Profit and Loss
₹ in Lakhs

Particulars	As at 31 st March	
	2024	2023
Present value of obligations as at the end of the year	1,496.82	1,246.95
Fair value of plan assets as at the end of the year	1,254.37	1,087.86
Amount determined under para 63 of Ind-AS 19	242.44	159.09
Net defined benefit liability recognized in balance sheet	242.44	159.09
Present value of future deduction in contribution under para 65 of Ind-AS 19	0.00	0.00
Net defined benefit asset recognized under para 64 of Ind-AS 19	0.00	0.00

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024
Expenses Recognized In Consolidated Statement of Profit and Loss
₹ in Lakhs

Particulars	For the year ended 31 st March	
	2024	2023
Current Service Cost/Past Service Cost(Vested)	189.34	86.80
Net interest on defined benefit obligation	5.71	3.43
Expenses recognized in Consolidated Statement of Profit and Loss	195.05	90.23

Amount Recognized In Other Comprehensive Income
₹ in Lakhs

Particulars	For the year ended 31 st March	
	2024	2023
Actuarial (gain)/loss on plan obligation	47.69	72.76
Difference between Actual Return and Interest income on Plan Assets – (gain)/loss	(0.43)	(1.86)
Amount recognized in Other Comprehensive Income	47.26	70.90

Movements in the liability recognized in the Consolidated Balance Sheet
₹ in Lakhs

Particulars	For the year ended 31 st March	
	2024	2023
Opening net liability adjusted for effect of balance sheet limit	159.09	99.11
Amount recognized in profit and loss	195.04	90.23
Amount recognized in other comprehensive income	47.26	70.90
Contribution paid	(158.95)	(101.15)
Closing net liability	242.44	159.09

Amount for the current period
₹ in Lakhs

Particulars	For the year ended 31 st March	
	2024	2023
Present value of obligation	1,496.81	1,246.95
Plan assets	1,254.36	1,087.86
Surplus/(deficit)	(242.44)	(159.09)
Experience adjustment on plan liabilities– (loss)/gain	(38.93)	(82.42)
Impact of change in assumptions on plan liabilities – (loss)/gain	(8.76)	9.66
Experience adjustment on plan assets – (loss)/gain	0.43	1.86

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

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

The following table sets out the additional disclosures required under Ind-AS 19

Particulars	All amounts are in ₹ in Lakhs	
	Year ended 31 st March, 2024	Year ended 31 st March, 2023
-Date of Valuation	31/03/2024	31/03/2023
-Average Duration of Defined benefit Obligation (in years)	7.1	7.2
Sensitivity Analysis		
A. Discount Rate + 50 BP	7.47%	7.67%
Defined Benefit Obligation [PVO]	1,450.70	1,208.14
Current Service Cost	125.32	92.74
B. Discount Rate - 50 BP	6.47%	6.67%
Defined Benefit Obligation [PVO]	1,545.73	1,288.14
Current Service Cost	135.04	100.10
C. Salary Escalation Rate + 50 BP	6.55%	7.00%
Defined Benefit Obligation [PVO]	1,545.33	1,287.37
Current Service Cost	135.20	100.15
D. Salary Escalation Rate - 50 BP	5.55%	6.00%
Defined Benefit Obligation [PVO]	1,450.62	1,208.49
Current Service Cost	125.14	92.66
BP Denotes "Basis Points"		
Expected Contributions in Following Years [mid - year cash flows]		
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA
"NA" denotes "Not Available"		
Expected Benefit Payments in Following Years [mid - year cash flows]		
Year 1	143.29	135.80
Year 2	250.65	185.16
Year 3	141.78	146.49
Year 4	173.73	109.44
Year 5	169.80	137.46
Next 5 Years	709.52	596.65

Subsidiaries

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

THEJO ENGINEERING LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Note 28.3 Segment Reporting

The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on the analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the material accounting policies.

Accordingly, the business segments of the Group are:

- (i) Manufacturing Units
- (ii) Service Units
- (iii) Others

and the geographic segments of the Group are:

- (i) India
- (ii) Outside India

Reporting for business segment is on the following basis:

Segment Revenue relating to individual segment is recorded in accordance with accounting policies followed by the Group. All expenditure, which is directly attributable to a business segment is charged to the respective segment. The income and costs which cannot be reasonably attributed to any specific business segment are shown as unallocable expenses (net of income).

Segment Results represents the profit before tax earned by each segment excluding finance costs and unallocable expenses (net of income).

For the purpose of monitoring segment performance and allocating resources between segments:

Property, plant and equipment employed in the operations are allocated to the segment to which the activity relates. The depreciation on the corresponding assets is charged to the respective segments.

All other assets that are directly attributable to a particular segment of operations are allocated to the respective reportable segments.

All liabilities (other than borrowings, current and deferred tax liabilities) that are directly attributable to a particular segment of operation are allocated to the respective reportable segments.

The following is an analysis of the Group's revenue and results from operations by reportable segment.

(i) Segment revenues and results

₹ in Lakhs

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others		2023-24	2022-23
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23		
Segment Revenue	21,452.35	17,212.89	38,687.64	33,250.34	3,402.73	3,756.20	63,542.72	54,219.43
Less: Inter segment Revenue	7,471.13	6,388.53	34.06	18.82	97.04	366.49	7,602.23	6,773.84
Total Revenue	13,981.22	10,824.36	38,653.58	33,231.52	3,305.69	3,389.71	55,940.49	47,445.59
Segment Results	3,962.64	2,814.70	4,977.63	3,094.81	1,113.22	401.75	10,053.49	6,311.26
Less : Finance Cost							642.77	460.84
Unallocable Expenses (net of income)							1,747.75	1,273.03
Total Profit Before Tax							7,662.97	4,577.39
Tax Expenses							1,724.67	1,097.17
Profit after Tax							5,938.30	3,480.22

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024
₹ in lakhs

(ii) Segment assets and liabilities

Particulars	Business Segments						Total	
	Manufacturing Units		Service Units		Others			
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Segment Assets	16,026.43	14,612.94	20,893.54	19,230.99	3,139.21	2,003.62	40,059.18	35,847.55
Segment Liabilities	5,162.65	5,491.98	6,262.12	7,051.63	872.04	977.45	12,296.81	13,521.06
Capital Employed	10,863.78	9,120.96	14,631.42	12,179.36	2,267.17	1,026.17	27,762.37	22,326.49
Unallocated Capital Employed							(2,733.89)	(2,695.95)
Total Capital Employed							25,028.48	19,630.54

(iii) Geographical information

The Group is operating across multiple geographies with India being country of domicile of the parent company, the details are as follows:

₹ in Lakhs

Particulars	India		Outside India		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue from external customers	34,212.44	28,061.05	21,728.05	19,384.54	55,940.49	47,445.59
Carrying amount of Segment Assets	24,408.64	22,245.00	15,650.54	13,602.55	40,059.18	35,847.55
Cost incurred to acquire tangible and intangible fixed assets	1,240.06	4,389.29	302.13	1,379.79	1,542.19	5,769.08

Note 28.4 Financial Instruments
Capital Management

The Group's business model is working capital centric. The Group manages its working capital needs and long term capital expenditure, through a balanced mix of capital (including retained earnings), short term debt and long term debt.

The capital structure of the Group comprises of net debt (borrowings reduced by cash and bank balances) and equity.

The Group is not subject to any externally imposed capital requirements.

The Group reviews its capital requirements on an annual basis as part of its Annual Operating Plan. As part of the Annual Operating Plan, the Group estimates the capital required and formulates the broad financing mechanism for the same.

Gearing Ratio

As the cash and cash equivalents were greater than debt, the Gearing Ratio is Nil.

Categories of Financial instruments
(₹ in lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Financial assets		
Non-current assets		
Other financial assets	263.62	210.47
Current assets		
Trade receivables	13,558.50	10,804.53
Cash and cash equivalents	6,010.73	4,279.55
Bank balances (other than cash equivalents)	807.22	919.73
Other financial assets	837.18	882.21

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Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

₹ In lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Financial liabilities		
Non-current liabilities		
Borrowings	797.80	1,031.55
Lease liabilities	2,615.42	2,759.01
Current liabilities		
Borrowings	622.65	553.65
Lease liabilities	215.32	186.58
Trade payables	4,066.45	4,740.26
Other financial liabilities	1,677.18	1,264.54

All the financial instruments are carried at amortized cost.

Financial Risk Management

The Group's activities expose it to market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. The Group seeks to minimise the effects of these risks by taking various measures.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group manages such risks primarily through natural hedge.

Foreign Currency risk management

The Group undertakes transactions denominated in foreign currencies, resulting in exposure to exchange rate fluctuations. The foreign currency transactions primarily relate to imports and exports. Considering the volume of imports and exports, exchange rate exposures are primarily managed through natural hedge.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (net) at the end of the reporting period are as follows:

₹ In lakhs

Particulars	Liabilities		Assets	
	Year ended 31 st March, 2024	Year ended 31 st March, 2023	Year ended 31 st March, 2024	Year ended 31 st March, 2023
AUD	0.00	3.92	639.77	242.05
EUR	0.00	20.68	130.20	62.33
GBP	0.00	25.11	0.00	1.72
USD	135.98	256.86	341.51	403.37

THEJO ENGINEERING LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Foreign Currency sensitivity analysis

The above exposures when subjected to a sensitivity of 5% have the following impact:

₹ In lakhs

Particulars	Impact on profit with increase in Foreign Currency rate by 5%		Impact on profit with Decrease in Foreign Currency rate by 5%	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
AUD	31.99	11.91	(31.99)	(11.91)
EUR	6.51	2.08	(6.51)	(2.08)
GBP	0.00	(1.17)	0.00	1.17
USD	10.28	7.33	(10.28)	(7.33)
Total	48.78	20.15	(48.78)	(20.15)

Interest rate risk management

The Group's exposure to interest rate risk is limited to the extent of Working capital and Term Loan funding availed from the Bankers, which is at the External Benchmark Lending rate subject to a periodic reset.

Interest rate sensitivity analysis

The interest rate sensitivity analysis is being done based on the assumption that the amount of liability outstanding at the end of the period was outstanding for the whole year and all other variables remaining constant:

If interest rates had been 50 basis points higher: The finance cost, for the FY 2023-24, would have been higher and profits would have been lesser by ₹ 7.10 lakhs (FY 2022-23: ₹ 7.93 lakhs).

If interest rates had been 50 basis points lower: The finance cost, for the FY 2023-24, would have been lower and profits would have been higher by ₹ 7.10 lakhs (FY 2022-23: ₹ 7.93 lakhs).

This is mainly attributable to Group's exposure to interest rates on its variable rate borrowings.

Other price risks

The Group's investments in equity instruments are restricted to its investment by the Parent Company in subsidiaries, which are held for strategic purposes rather than for trading. As the purpose of all such investments are strategic rather than for trading, the Parent Company does not recognise any impact of sensitivity in the equity prices.

Credit Risk Management

The credit risk to the Group arises primarily from customers defaulting on their contractual obligations, thus resulting in financial loss to the Group.

As part of mitigation process to address the risk, the Group evaluates the credentials of a customer before participating in the tender or before quoting for their order. The Group evaluates the potential customers' credentials by considering various factors such as:

- (i) their financial health based on the publicly available financial statements;
- (ii) their credit rating, available in the public domain;
- (iii) their repute in the market; and
- (iv) past experience, if the Group has done any business with them earlier.

The Group makes provision on its financial assets, on every reporting period, as per Expected Credit Loss Method. The percentage at which the provision is made, is determined on the basis of historical experience of such provisions, modified to the current and prospective business and customer profile.

Liquidity Risk Management

The liquidity requirements of the Group are met by Equity (including Internal accruals) and working capital funding from the banks. The liquidity requirements for the operations are met by allocating the cash flows from the customers.

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Financing facilities

₹ In lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Secured fund based facilities, reviewed annually and payable at call		
Amount used/outstanding	0.00	0.00
Amount unused/available	5,762.33	4,675.00
Secured non- fund based facilities, reviewed annually		
Amount used/outstanding	2,502.16	3,315.72
Amount unused/available	2,097.84	1,284.28
Term loans		
Amount used/outstanding (including current maturities)	1,420.45	1,585.20
Amount unused/available	696.66	2,235.03

Fair value measurements

Fair value of financial assets and liabilities measured at amortised cost: Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets are at carrying values that approximate fair value. Borrowings, trade payables and other financial liabilities are at carrying values that approximate fair value. If measured at fair value in the financial statements, these financial instruments would be classified as Level 3 in the fair value hierarchy.

Note 28.5 Related Party Disclosures
List of Related Parties

<i>Name of the Party</i>	<i>Relationship</i>
Mr. Thomas John	Promoter/Relative of Key Management Personnel
Mr. V.A.George	Key Management Personnel
Mr. Manoj Joseph	Key Management Personnel
Mr. Rajesh John	Key Management Personnel
Mr. M.D. Ravikanth	Key Management Personnel
Mr. Manesh Joseph**	Key Management Personnel
Mrs. Rosamma Joseph	Relative of Key Management Personnel
Mrs. Celinamma John	Relative of Key Management Personnel

Related Party Transaction Details for the year ended 31st March, 2024

₹ in Lakhs

<i>Related Party</i>	<i>Nature of Payment</i>	<i>Transaction during FY24</i>	<i>Outstanding as on 31st March, 2024</i>
Mr. Thomas John	Sitting Fee	4.00	0.00
Mr. V.A. George	Remuneration	120.00	(6.71)
Mr. Manoj Joseph	Remuneration	91.81	(3.24)
Mr. Rajesh John	Remuneration	54.60	(2.13)
Mr. Manesh Joseph**	Remuneration	36.80	0.00
Mr. M.D. Ravikanth*	Remuneration	53.29	(1.10)

Notes:

- 1) Remuneration excludes retirement benefits.
- 2) Outstanding amount in brackets represents amount payable.
- 3) Remuneration and outstanding as on 31st March, 2024 excludes commission approved by the Board for FY 2023-24 that would be paid in FY 2024-25 to Mr. V.A. George (₹ 15 lakhs); Mr. Manoj Joseph (₹ 14 lakhs); Mr. Rajesh John (₹ 12 lakhs) and Mr. Manesh Joseph (₹ 9 lakhs).

* Remuneration of Mr. M.D. Ravikanth excludes ₹ 69.81 lakhs of taxable value of perquisite on exercise of options under ESOP.

** - Mr. Manesh Joseph served as Whole-time Director till 31st December 2023 and continues as a Non-Executive Director from 1st January, 2024.

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Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024
Related Party Transaction Details for the year ended 31st March, 2023
₹ in lakhs

<i>Related Party</i>	<i>Nature of Payment</i>	<i>Transaction during FY23</i>	<i>Outstanding as on 31st March, 2023</i>
Mr. Thomas John	Sitting Fee	4.00	0.00
Mr. V.A. George	Remuneration	114.00	(6.29)
Mr. Manoj Joseph	Remuneration	64.02	(3.19)
Mr. Rajesh John	Remuneration	60.82	(2.03)
Mr. Manesh Joseph	Remuneration	47.60	(2.32)
Mr. M.D. Ravikanth*	Remuneration	48.93	(2.72)
Mrs. Rosamma Joseph	Remuneration	12.09	(0.88)
Mrs. Celinamma John	Remuneration	11.95	(0.93)

Notes:

1) Remuneration excludes retirement benefits.

2) Outstanding amount in brackets represents amount payable.

* Remuneration of Mr. M.D. Ravikanth excludes ₹ 37.35 lakhs of taxable value of perquisite on exercise of options under ESOP.

Note 28.6 Details of Subsidiaries

Name	Ownership by the Parent Company	Minority Interest	Relationship	Reporting Date	Different Accounting policies applied	Reason for not consolidating the accounts of the subsidiary, if any
Thejo Hatcon Industrial Services Company	51% (51%)	49% (49%)	Direct Control	31 st March, 2024	Not Applicable	Not Applicable
Thejo Australia Pty Ltd	90% (74%)	10% (26%)	Direct Control	31 st March, 2024	Not Applicable	Not Applicable
Thejo Brasil Comercio E Servicos Ltda	99.99% (99.99%)	0.01% (0.01%)	Direct Control	31 st March, 2024	Not Applicable	Not Applicable
Thejo Engineering LatinoAmerica SpA	99.86% (99.86%)	0.14% (0.14%)	Direct Control	31 st March, 2024	Not Applicable	Not Applicable
TE Global FZ-LLC	100% (NA)	0% (NA)	Direct Control	31 st March, 2024	Not Applicable	Not Applicable

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Note 28.7 Calculation of Deferred Tax
₹ in Lakhs

<i>Particulars</i>	<i>DTA</i>	<i>DTL</i>	<i>DTA</i>	<i>DTL</i>
	31 st March, 2024		31 st March, 2023	
Parent Company:				
On Account of:				
Property, Plant & Equipment (including Right-of-Use asset)	0.00	393.65	0.00	482.68
Provision for Leave Encashment	82.85	0.00	76.53	0.00
Lease Liabilities	518.03	0.00	527.48	0.00
Lease Deposit	21.68	0.00	23.37	0.00
Provision for Expected Credit Loss	53.76	0.00	49.76	0.00
Total	676.32	393.65	677.14	482.68
Subsidiaries:				
Thejo Australia Pty Ltd	0.00	220.86	0.00	225.62
Total	0.00	220.86	0.00	225.62
Grand Total (Net)	282.67	220.86	194.46	225.62

Note 28.8 Earnings Per Share
Basic:

<i>Particulars</i>	<i>2023-24</i>	<i>2022-23</i>
Net Profit after Tax (₹ in Lakhs)	5,563.87	3,241.75
Weighted Average Number of Equity Shares during the year (Nos.)	1,07,29,034	1,06,81,378
Earnings per Share (FV of ₹ 10/- each fully paid-up) (₹)	51.86	30.35

Diluted:

<i>Particulars</i>	<i>2023-24</i>	<i>2022-23</i>
Net Profit after Tax (₹ in Lakhs)	5,563.87	3,241.75
Weighted Average Number of Equity Shares during the year (Nos.)	1,08,17,989	1,08,06,140
Earnings per Share (FV of ₹ 10/- each fully paid-up) (₹)	51.43	30.00

Note 28.9 Thejo Employee Stock Option Plan 2015

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

Name of the Plan	Thejo Employee Stock Option Plan 2015 (“ESOP 2015”)
Date of Shareholders’ Approval	August 26, 2015
Number of options approved under the Scheme ¹	6,72,348 options equivalent to 6,72,348 Equity shares of ₹ 10/- each.
Vesting Schedule	1/6th of Options granted on completion of one year of grant; balance in 6 equal instalments on completion of 18, 24, 30, 36, 42 and 48 months of grant.
Pricing Formula	The exercise price shall not be less than 75% of the prevailing market value of the Shares on the date of grant of Options as fixed by Compensation/ Nomination and Remuneration Committee based on the closing market price one day prior to date of grant.
Maximum Term of Options granted	60 Months from the date of granting of the Options.

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Source of Shares	Primary
Method of Settlement	Equity Shares
Variation in terms of Options	None
Method used for accounting	Fair Value Method
Impact of Fair Value Method	Not applicable as Fair Value Method is used
Option Movement during the year ¹	<p>Number of Options at the beginning of the period – 1,75,149</p> <p>Number of Options Granted during the year – Nil</p> <p>Number of Options forfeited/lapsed during the year – 970</p> <p>Number of Options vested during the year – 37,335</p> <p>Number of Options exercised during the year – 63,316</p> <p>Number of Shares arising as a result of exercise of options – 63,316</p> <p>Money Realized by exercise of Option – Rs. 94.31 lakhs</p> <p>Loan Repaid by the Trust from exercise price received – NA</p> <p>Number of Options outstanding at the end of the year – 1,10,863</p> <p>Number of Options exercisable at the end of the year – 98,238</p>
Weighted Average Exercise Price ¹	₹ 224.02/- per share (for outstanding options)
Weighted Average Fair Value/Option ¹	₹ 175.49/- (for outstanding options)
Details of Options Granted to specified employees during the year	<p>(A) Senior Managerial Personnel: Nil</p> <p>(B) Any other employee granted options amounting to 5% or more of option granted during the year: Nil</p> <p>(C) Identified employee who was granted option during the year equal to or exceeding 1% of issued capital: Nil</p>
Method and Significant Assumptions to estimate fair value ¹	<p>Method Used: Black Scholes Method</p> <p>Significant Assumptions Used:</p> <p>A) Options granted in FY 19-20</p> <p>Weighted Average Value of Share Price: ₹ 188/-</p> <p>Weighted Average Price of Exercise Price: ₹ 141/-</p> <p>Expected Volatility: 41.70%-44.60%</p> <p>Expected Option Life: 3-4.5 years</p> <p>Expected Dividends: 1.18%</p> <p>Risk-free interest rate: 6.65%-6.85%</p> <p>B) Options granted in FY 22-23</p> <p>Weighted Average Value of Share Price: ₹ 895.65/-</p> <p>Weighted Average Price of Exercise Price: ₹ 671.75/-</p> <p>Expected Volatility: 88.50%-105.50%</p> <p>Expected Option Life: 3-4.5 years</p> <p>Expected Dividends: 0.70%</p> <p>Risk-free interest rate: 6.62%-6.94%</p> <p>Method to determine Expected Volatility: Standard deviation of the continuously compounded rate of return of the stock during the expected option life based on historic value.</p>

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Status of Options ¹					
Particulars	As at 31/3/2024		As at 31/3/2023		
	No. of Options	WAEP (₹)	No. of Options	WAEP(₹)	
Outstanding at the beginning of the year	1,75,149	199.36	1,99,721	141.00	
Add: Granted during the year	0	NA	19,260	671.75	
Less: Forfeited/Lapsed during the year	970	671.75	0	NA	
Less: Exercised during the year	63,316	148.95	43,832	141.00	
Outstanding at the end of the year	1,10,863	224.02	1,75,149	199.36	
Exercisable at the end of the year	98,238	166.48	1,24,359	141.00	

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

Summary of Options Outstanding ¹ : Thejo ESOP 2015					
As at 31/3/2024			As at 31/3/2023		
No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life	No. of Options outstanding	Exercise Price (₹)	Weighted Average Remaining contractual Life
93,521	141.00	2 Months	1,55,889	141.00	14 Months
17,342	671.75	38 Months	19,260	671.75	50 Months

Diluted EPS as per Ind-AS 33	Diluted EPS (Per Equity Share of face value of ₹ 10/- each fully paid) – (Consolidated) ₹ 51.43/-
Price of underlying shares in Market at the time of grant of option ¹	A) Grant given in FY19-20: ₹ 188/- per Equity Share B) Grant given in FY22-23: ₹ 895.65/- per Equity Share

Note: 1. Where needed, the numbers have been adjusted for change in exercise price and/or number of outstanding options on account of issue of bonus shares.

Note 28.10 Payments to Auditors of the Parent Company:
₹ in Lakhs

Particulars	2023-24	2022-23
For Audit	18.50	18.50
For Tax Audit	3.00	3.00
For Certification and other services	33.39	23.61
Total	54.89	45.11

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Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Note 28.11 Leases

The Group has taken land and commercial premises under leases.

The Movement of Lease liabilities during the year is as follows:

₹ in Lakhs

Particulars	31 st March, 2024	31 st March, 2023
Opening Balance of Lease Liabilities	2,945.59	2,148.54
Addition during the year	0.00	830.43
Interest Expense for the year	282.81	179.36
Lease payment during the year	423.68	212.74
Other Adjustments (including forex difference)	26.02	0.00
Closing Balance	2,830.74	2,945.59

Maturing analysis of Lease liabilities (Carrying Value)

₹ in Lakhs

Particulars	31 st March, 2024	31 st March, 2023
Less than 1 year	215.32	186.58
More than 1 year up to 5 years	886.63	898.99
More than 5 years	1,728.79	1,860.02
Total	2,830.74	2,945.59

Refer Note 3.3 for accounting policy on lease.

Note 28.12 Reconciliation of Tax Rate

Particulars	2023-24	2022-23
Statutory Income-tax rate of Parent Company	25.17%	25.17%
Adjustment for Tax Incentives & expenses not allowable (Parent Company)	0.60%	0.49%
Adjustment for differential tax rates of overseas subsidiaries	(3.26%)	(1.69%)
Effective Rate of Income-tax	22.51%	23.97%

Note 28.13 Details of security provided for Borrowings

Parent Company

Loans repayable on demand from bank represents cash credit facility enjoyed by the Company from its working capital bankers and is secured by pari passu charge on the current assets of the Company with collateral security comprising immovable properties of the Company, second charge on plant & machinery purchased out of subsisting term loan, first charge on other plant & machinery. The security coverage also extends to non-fund based facilities extended by the working capital bankers. The cash credit facility carry interest rate linked to benchmark lending rates. The facilities are also secured by personal guarantee of Mr. Thomas John, Mr. Manoj Joseph, Mr. Rajesh John and Mr. Manesh Joseph.

Term loan from bank comprise of a) loan availed to procure fixed assets that are secured by first charge on the assets purchased from the term loan and repayable in 48 to 60 equal monthly instalments (plus interest) and b) working capital term loan (WCTL) under Emergency Credit Line Guarantee Scheme secured by second charge on the security offered for cash credit. The repayment term for the WCTL is 36 equal monthly instalments (plus interest) after a principal moratorium for 12 months from the date of first drawdown.

Term loan from financial institution comprise of facilities availed for purchase of vehicle and is secured by vehicle purchased and personal guarantee of Mr. Thomas John. The loans are repayable in 35 to 60 Equated Monthly Instalments.

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Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Thejo Australia Pty Ltd (Subsidiary)

The term loans taken for purchase of equipment and vehicles are secured by the assets purchased utilising the loan. These loans are repayable in 36 to 60 monthly instalments.

The term loan taken for working capital and settlement of a SBLC backed loan is guaranteed by Federal Government of Australia and is repayable in 120 monthly instalments.

Note 28.14 Age-wise details of Capital Work-in-Progress

₹ in lakhs

<i>Ageing of Projects in Progress</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
< 1 year	223.91	184.82
1-2 years	0.00	0.00
2-3 years	0.00	0.00
> 3 years	0.00	0.00
Total	223.91	184.82

Note 28.15 Age-wise details of Trade Receivables

Unsecured, Undisputed and Considered Good

₹ in lakhs

<i>Ageing from due date</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Unbilled Revenue	858.08	996.80
Less than six months*	11,972.64	9,101.84
6 months – 1 Year	627.55	477.73
1-2 Years	67.94	214.10
2-3 Years	57.30	54.14
More than 3 Years	46.83	48.94
Total	13,630.34	10,893.55
Less: Provision for Expected Credit Loss	71.84	89.02
Total after Provision for Expected Credit Loss	13,558.50	10,804.53

* - includes outstanding that are not due.

Disputed receivables - Nil

Note 28.16 Age-wise details of Trade Payables

Payable to Others (i.e. other than MSMEs)

₹ in lakhs

<i>Ageing from due date</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Less than one year*	4,043.84	4,723.64
1-2 Years	0.00	7.22
2-3 Years	0.00	8.47
More than 3 Years	0.00	0.93
Total	4,043.84	4,740.26

* - includes outstanding that are not due.

Dues to MSMEs and disputed dues - Nil

Payable but not due to MSMEs – ₹ 22.61 Lakhs

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Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Note 28.17 Other Components of equity

Securities Premium: This comprises of the amount received in excess of the face value of equity shares on issue of shares and difference between the fair value of shares on the grant date and the issue price in respect of shares allotted under Employee Stock Option Plan. The movement in Securities Premium during the year is as follows:

₹ in lakhs

<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Balance at the beginning of the year	1,520.10	1,423.43
Add: Addition on issue of shares under ESOP	149.88	96.67
Balance as at the end of the year	1,669.98	1,520.10

Employees Stock Options Outstanding Account (ESOP Outstanding): The amount charged to the Consolidated Statement of Profit and Loss comprising the fair value of Employee stock options is credited to ESOP Outstanding Account. The movement in ESOP outstanding during the year is as follows:

₹ in lakhs

<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Balance at the beginning of the year	196.98	169.68
Add: Fair value of ESOP charged to the Consolidated Statement of Profit and Loss during the year	31.84	66.55
Less: Issue of shares under ESOP	(61.91)	(39.25)
Balance at the end of the year	166.91	196.98

General Reserve: The amount transferred by the Parent Company from net profit before declaring dividend under the then extant provisions of the Companies Act, 1956 is accumulated under General Reserve. The balance in ESOP outstanding in respect of options that lapsed on expiry of the options are also transferred to General Reserve. There is no statutory requirement for mandatory transfer to General Reserve under the Companies Act, 2013. The movement in General Reserve during the year is as follows:

₹ in lakhs

<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Balance at the beginning of the year	642.05	642.05
Add: Movement during the year	0.00	0.00
Balance at the end of the year	642.05	642.05

Retained Earnings: The amount of profits retained by the Group till date after transfers to General Reserve, Statutory Reserve, dividends, other distributions made to the Shareholders, etc is accumulated under Retained Earnings. The movement in Retained Earnings during the year is as follows:

₹ in lakhs

<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Balance at the beginning of the year	15,804.13	12,791.50
Add: Profit during the year	5,563.87	3,241.75
Less: Transfer to Statutory Reserve	0.00	(15.56)
Less: Dividend distributed	(214.39)	(213.56)
Balance at the end of the year	21,153.61	15,804.13

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Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

Statutory Reserve: The amount of profits retained by the Group from its consolidated profits statutorily to a separate reserve as mandated by the law is accumulated in Statutory Reserve. The movement in Statutory Reserve during the year is as follows:

	₹ in lakhs	
<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Balance at the beginning of the year	231.23	215.67
Add: Transfer from the Consolidated Statement of Profit and Loss during the year	0.00	15.56
Balance at the end of the year	231.23	231.23

Items of Other Comprehensive Income

Foreign Currency Translation Reserve: The amount of difference arising on account of conversion of the various balances of foreign subsidiaries at different exchange rates are routed through Other Comprehensive Income and accumulated under Foreign Currency Translation Reserve. The movement in Foreign Currency Translation Reserve during the year is as follows:

	₹ in lakhs	
<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Balance at the beginning of the year	240.76	213.83
Foreign Currency Translation Reserve during the year	(89.96)	26.93
FCTR on purchase of shares of Thejo Australia Pty Ltd	47.65	0.00
Balance at the end of the year	198.45	240.76

Re-measurement of Net Defined Benefit Plans: The changes in liability arising on account of change in actuarial assumptions, experience adjustments, etc and difference between interest income on plan assets and actual interest earned thereon are recognized in Other Comprehensive Income and accumulated under this head under Other Equity. The movement in Re-measurement of Net Defined Benefit Plans during the year is as follows:

	₹ in lakhs	
<i>Particulars</i>	<i>As at 31st March, 2024</i>	<i>As at 31st March, 2023</i>
Balance at the beginning of the year	(74.81)	(21.75)
Add: Transfer from Other Comprehensive Income during the year	(35.37)	(53.06)
Balance at the end of the year	(110.18)	(74.81)

Note 28.18 Other Disclosures

28.18.1 As the estimated recoverable amounts of the assets/cash generating units of the Group and its subsidiaries are higher than their carrying amount, no impairment of assets has been recognized in the consolidated accounts of the Group in line with the relevant Ind-AS.

THEJO ENGINEERING LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

28.18.2 Additional Information, as required under Schedule III to the Companies Act, 2013 in respect of subsidiaries whose accounts are consolidated.

Amount ₹ In Lakhs

Name of the Enterprise	Net Assets i.e. Total assets minus total liabilities		Share in Consolidated profit or (loss)		Share in Consolidated Other Comprehensive Income (OCI)		Share in Consolidated Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of OCI	Amount	As % of TCI	Amount
Parent								
Thejo Engineering Limited	79.59%	21,692.44	64.08%	3,805.04	36.29%	(35.37)	64.54%	3,769.67
Subsidiaries								
Foreign								
1. Thejo Hatcon Industrial Services Company	7.31%	1,993.76	5.05%	299.84	(25.53%)	24.88	5.56%	324.72
2. Thejo Australia Pty Ltd	10.29%	2,803.41	5.31%	315.27	37.94%	(36.98)	4.76%	278.29
3. Thejo Brasil Comercio E Servicos Ltda	4.42%	1,206.02	17.21%	1,021.86	(20.85%)	20.32	17.84%	1,042.18
4. Thejo Engineering LatinoAmerica SpA	1.93%	526.51	3.16%	187.77	100.26%	(97.72)	1.54%	90.05
5. TE Global FZ-LLC	0.60%	164.23	(1.06%)	(62.68)	0.48%	(0.47)	(1.08%)	(63.15)
Non-controlling Interest	8.18%	2,228.34	6.31%	374.43	-28.59%	27.87	6.89%	402.30
Inter-company eliminations	(12.32%)	(3,357.90)	(0.05%)	(3.21)	0.00%	0.00	(0.05%)	(3.21)
Total	100.00%	27,256.82	100.00%	5,938.30	100.00%	(97.46)	100.00%	5,840.84

28.18.3 In respect of taxes on income, Deferred Tax Asset has not been considered in respect of the Subsidiaries.

28.18.4 The Parent Company did not have any transaction with companies struck off under the provisions of the Companies Act, 2013.

28.18.5 The Group did not have anything to report in respect of the following:

(a) Benami properties.

(b) Transactions not recorded in books that were surrendered or disclosed as income during income-tax assessment.

28.18.6 The Parent Company has duly filed necessary quarterly returns to the banks which have extended credit facilities on the basis of security of current assets of the Company and such quarterly statements are in agreement with the books of account. The Company has used its borrowed funds only for the purposes for which they were borrowed. None of the company in the Group has been declared as a wilful defaulter by any bank or financial institution or other lender.

THEJO ENGINEERING LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

28.18.7 During the FY 2022-23, the Board of the Parent Company has approved the proposal of Bridgestone Mining Solutions Australia Pty Ltd to sell its 26% stake in Thejo Australia Pty Ltd (TAPL) at the book value as on 31st March, 2022 with the shares being purchased by the Company or bought back by Thejo Australia Pty Ltd or as a combination of both in one or more tranches/transactions to be completed on or before 31st March 2025, subject to all necessary statutory compliances. Accordingly, the Company has purchased 16% stake in TAPL during FY 2023-24. Currently, the Company holds 90% stake in Thejo Australia Pty Ltd.

28.18.8 During the FY 2023-24, the Company has incorporated TE Global FZ-LLC (“TE Global”) at Ras Al-Khaimah in October 2023. The Company has subscribed and has been allotted 1000 shares in TE Global at the face value of AED 1000/- each in January 2024, representing 100% shareholding in TE Global. Accordingly, TE Global is a wholly-owned subsidiary of the Company.

28.18.9 Dividend will be treated as an appropriation from Reserves & Surplus during the period in which it is approved by the Members. No provision is being made in the accounts for the current financial year in respect of dividend recommended by the Board after the balance sheet date.

Note 29 Previous Year Figures

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

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

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

V A GEORGE
Executive Chairman
DIN 01493737

THOMAS JOHN
Vice Chairman
DIN 00435035

P. BABU
Partner
M. No. 203358

MANOJ JOSEPH
Managing Director
DIN 00434579

M D RAVIKANTH
CFO and Secretary

Place : Chennai
Date : 28th May, 2024

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013														
[Pursuant to Section 129(3) of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014 - AOC 1]														
₹ in lakhs														
Sr. No.	Name of Subsidiary Company	Reporting Period	Reporting Currency and Exchange rate*	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit/(Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Pro-posed Dividend	% of Share-holding
1	Thejo Hatcon Industrial Services Company	01 st April '23 to 31 st March '24	1 SAR = ₹ 22.2258	654.35	2,832.23	4,629.15	4,629.15	-	2,342.16	752.12	164.21	587.91	-	51.00
2	Thejo Australia Pty Ltd	01 st April '23 to 31 st March '24	1 AUD = ₹ 54.3664	1,624.94	1,283.21	6,373.16	6,373.16	-	14,068.61	605.28	203.93	401.35	-	90.00
3	Thejo Brasil Comercio E Servicos Ltda	01 st April '23 to 31 st March '24	1 BRL = ₹ 16.6179	98.62	1,078.48	1,390.35	1,390.35	-	1,788.27	1,057.49	35.63	1,021.86	-	99.99
4	Thejo Engineering LatinoAmerica SpA	01 st April '23 to 31 st March '24	1 CLP = ₹ 0.0851	696.42	64.77	1,141.36	1,141.36	-	1,506.83	188.02	-	188.02	-	99.86
5	TE Global FZ-LLC	12 th October '23 to 31 st March '24	1 AED = ₹ 22.6948	227.38	(62.68)	233.44	233.44	-	-	(62.68)	-	(62.68)	-	100.00

*Following exchange rates have been adopted for converting Reporting currency to INR:

- Share Capital is disclosed based on average rate of investment.
- Reserves and Surplus is computed based on:
 - Opening Balance : INR of previous year of respective balance sheet and
 - Current year Profit at Average rate of FY 2023-24.
- Assets and liabilities are disclosed based on closing rate as on 31st March, 2024.
- Turnover and Profit and Loss are disclosed based on average rate for the FY 2023-24.
- The rates given in the table are exchange rates as on 31st March, 2024.
- TE Global FZ-LLC was incorporated on 12th October 2023. The Company was allotted 1000 shares of AED 1000/- each representing 100% share capital on 11th January 2024.

For BRAHMAYYA & CO.

Chartered Accountants
ICAI Registration No. 000511S

P. BABU
Partner

Membership No. 203358
UDIN: 24203358BKAIOB2638

Place : Chennai

Date : 28th May, 2024

For and on behalf of the Board of Directors

THOMAS JOHN

Vice Chairman

DIN 00435035

MANOJ JOSEPH

Managing Director

DIN 00434579

M.D. RAVIKANTH

CFO & Secretary

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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 **38th Annual General Meeting** of the Company, to be held on Thursday, 29th August, 2024 at 10:30 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 2024. Signature of shareholder



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.



ATTENDANCE SLIP

Registered 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 THIRTY EIGHTH ANNUAL GENERAL MEETING of the Company held on Thursday, the 29th August, 2024 at 10.30 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.

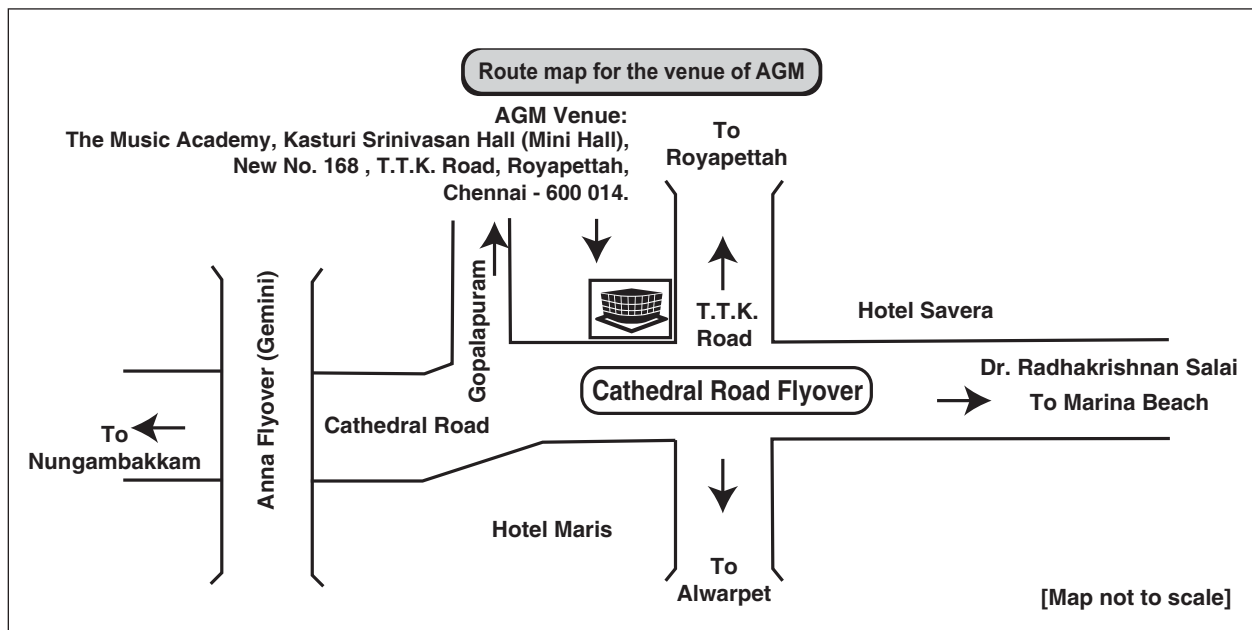
.....
 Name of the Member / Proxy

.....
 Signature of the Member / Proxy

- Notes: 1. Please fill attendance slip and hand it over at the entrance of the meeting hall.
 2. Shareholders may obtain Attendance Slip on request at the venue of the meeting.

THEJO ENGINEERING LIMITED

Resolutions	For	Against
1. Consider and adopt: a) the Audited Financial Statements of the Company for the Financial Year ended 31 st March, 2024, the Reports of the Board of Directors and Auditors thereon b) the Audited Consolidated Financial Statements of the Company together with Report of Auditors thereon for the Financial Year ended 31 st March, 2024		
2. Declaration of Dividend on Equity Shares for the Financial Year ended 31 st March, 2024		
3. Re-appointment of Mr. Manesh Joseph (DIN 07599476) as a Director.		
4. Re-appointment of Mr. Manoj Joseph (DIN 00434579) as a Director.		
5. Ratification of remuneration to the Cost Auditor.		





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Thejo Engineering Ltd.



30th December, 2023 | Taj Club House, Chennai

Dr. R. L. Bhatia

Farmer; Founder, World CSR Day™
Founder, World Sustainability



Aasif Sayed

Project Head
CHRO ASIA™

Educational Partner



Strategic Partner



Academic Partner



Endorsed by





Thejo Engineering Limited

CIN: L27209TN1986PLC012833

3rd Floor, VDS House, No. 41,
Cathedral Road, Chennai - 600 086,
Tamilnadu, India.

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