

### BOARD'S REPORT

The Board of Directors is pleased to present the Thirty-Seventh Annual Report of the Company (hereinafter referred to as "Thejo"/"Thejo Engineering"/"the Company"/"your Company") and its audited financial statements (standalone and consolidated) for the Financial Year ended 31<sup>st</sup> March, 2023. The summarised financial results for the year ended 31<sup>st</sup> March, 2023 are given below:

in lakhs

	Standalone		Consolidated	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
Revenue from Operations	<b>33,269.82</b>	27,753.92	<b>47,445.59</b>	42,446.34
Other income	<b>205.84</b>	145.08	<b>313.43</b>	124.07
<b>Total Income</b>	<b>33,475.66</b>	27,899.00	<b>47,759.02</b>	42,570.41
<b>Expenses</b>				
Operating Expenditure	<b>28,591.98</b>	23,073.48	<b>41,501.77</b>	35,574.49
Depreciation and amortisation expense	<b>803.24</b>	680.58	<b>1,219.02</b>	1,053.05
<b>Total Expenses</b>	<b>29,395.22</b>	23,754.06	<b>42,720.79</b>	36,627.54
Profit before finance costs, exceptional item and tax	<b>4,080.44</b>	4,144.94	<b>5,038.23</b>	5,942.87
Finance Costs	<b>370.17</b>	237.76	<b>460.84</b>	314.99
<b>Profit before Exceptional item and tax</b>	<b>3,710.27</b>	3,907.18	<b>4,577.39</b>	5,627.88
Exceptional item	-	-	-	-
<b>Profit before tax</b>	<b>3,710.27</b>	3,907.18	<b>4,577.39</b>	5,627.88
Tax expense	<b>952.10</b>	982.47	<b>1,097.17</b>	1,376.75
<b>Profit for the year</b>	<b>2,758.17</b>	2,924.71	<b>3,480.22</b>	4,251.13
<b>Attributable to:</b>				
Owners of the Company	<b>2,758.17</b>	2,924.71	<b>3,241.75</b>	3,763.03
Non-controlling interests	-	-	<b>238.47</b>	488.10
<b>Opening balance of retained earnings</b>	<b>12,111.96</b>	9,399.86	<b>12,791.50</b>	9,317.36
Profit for the year	<b>2,758.17</b>	2,924.71	<b>3,241.75</b>	3,763.03
Dividend	<b>213.56*</b>	212.61	<b>213.56*</b>	212.61
Transfer to Statutory Reserve	-	-	<b>15.56</b>	76.27
<b>Closing balance of retained earnings</b>	<b>14,656.57</b>	12,111.96	<b>15,804.13</b>	12,791.50

\* Dividend pertains to the Financial Year 2021-22. No appropriation for dividend has been made in the Accounts for the dividend recommended for the Financial Year 2022-23, pending approval by the Members at the ensuing Annual General Meeting.

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## 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 implemented the expansion of manufacturing facilities with focus on working capital management. The increase in operational costs has resulted in marginal decrease in profitability despite increase in turnover. The financial performance of the Company at standalone and consolidated levels are given below.

#### STANDALONE

Your Company recorded revenue (from operations) of ` 33,269.82 lakhs for the year ended 31<sup>st</sup> March, 2023 as against ` 27,753.92 lakhs in the previous year. It achieved an EBITDA of ` 4,883.68 lakhs (previous year ` 4,825.52 lakhs), resulting in a net profit of ` 2,758.17 lakhs as against ` 2,924.71 lakhs in 2021-22, registering a growth of 1.21% in terms of EBITDA and a decline of 5.69% 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 ` 47,445.59 lakhs (previous year ` 42,446.34 lakhs) on which it made EBITDA of ` 6,257.25 lakhs (previous year ` 6,995.92 lakhs) and net profit (attributable to the Owners of the Company) of ` 3,241.75 lakhs as against ` 3,763.03 lakhs in 2021-22, registering a decline of 10.56% and 13.85% 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 20% i.e., ` 2/- per equity share of ` 10/- each for the Financial Year ended 31<sup>st</sup> March, 2023 (previous year: 20%). Based on the equity shares outstanding as on 31<sup>st</sup> March, 2023, the dividend would absorb an amount of ` 214.02 lakhs (previous year - ` 213.56 lakhs). Dividend Distribution Tax has now been abolished. Pursuant to the Finance Act, 2020, the dividend income will be taxable in the hands of the Shareholders with effect from 1<sup>st</sup> 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 29<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> 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/ESOPs2023.pdf>

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**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 <sup>st</sup> April, 2022	Opening Balance		1,06,57,126
25 <sup>th</sup> April, 2022	Allotment under ESOP	3,300	1,06,60,426
8 <sup>th</sup> June, 2022	Allotment under ESOP	8,650	1,06,69,076
11 <sup>th</sup> July, 2022	Allotment under ESOP	7,300	1,06,76,376
04 <sup>th</sup> August, 2022	Allotment under ESOP	1,800	1,06,78,176
14 <sup>th</sup> September, 2022	Allotment under ESOP	4,800	1,06,82,976
18 <sup>th</sup> October, 2022	Allotment under ESOP	4,332	1,06,87,308
22 <sup>nd</sup> November, 2022	Allotment under ESOP	5,000	1,06,92,308
06 <sup>th</sup> January, 2023	Allotment under ESOP	4,300	1,06,96,608
06 <sup>th</sup> March, 2023	Allotment under ESOP	4,350	1,07,00,958

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 to the Board's Report.

**CREDIT RATING**

During the Financial Year 2022-23, CRISIL has upgraded the long-term credit rating on the bank facilities from CRISIL A-/Stable to CRISIL A/Stable and short-term credit ratings on the bank facilities from CRISIL A2+ to CRISIL A1.

**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS**
**GLOBAL ENVIRONMENT**

The global environment is facing dynamic headwinds amid financial sector turmoil and high inflation in the US, ongoing effects of Russia's invasion of Ukraine and three years of COVID. The baseline forecast is for growth to fall from 3.4% in 2022 to 2.8% in 2023, before settling at 3.0% in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7% in 2022 to 1.3% in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5% in 2023 with advanced economy growth falling below 1%. (Source: World Economic Outlook, IMF, April 2023).

**India**

The output growth of country's eight core industries hit a five-month low of 3.6% in March 2023 lower than 4.3% achieved in the same month last year. Output growth for the entire 2022-23 came in at 7.6%, lower than the 10.4% achieved in the previous fiscal. According to the World GDP Ranking 2023 list, India is the fifth largest economy in the world. The Indian steel industry outlook for 2023 looks promising with the country gearing to become a US \$5 trillion economy by 2030 (or sooner). And as per market predictions and reports, the steel industry in India will play a pivotal role in steering India towards its goal (Source: EY-CII report). According to predictions by the World Steel Association, the steel demand is estimated to grow by 6.7% in 2023 as against 8.2% in 2022.

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## BOARD'S REPORT

### Australia

While many major economies are at risk of recession in 2023, the IMF has forecast that the Australian economy will continue to grow. Australia continued to outperform other advanced economies during 2022, with a growth rate of 3.7%. The IMF forecasts that Australia's economy will grow by 1.6% in 2023, compared to an average of 1.3% for advanced economies. With talented workforce, renewable energy resources, and open trade and investment, Australia is well placed to lead and innovate in the Asia-Pacific region. (Austrade Benchmark Report). We expect Thejo Australia Pty Ltd to benefit from the same.

### Saudi Arabia

Saudi Arabia's economic growth is expected to decelerate to 2.2% in 2023 with the oil sector expected to contract by about 2% on the back of Saudi Arabia abiding by OPEC+ agreed production cuts. In this background, the overall growth would be driven by non-oil sector, which is projected to grow by 4.3%, (Source: World Bank). The growth is likely to be driven by a sturdy fiscal policy geared towards increasing investment spending and the expected reforms by the Saudi government would provide robust opportunities in the coming years. Thejo Hatcon Industrial Services Company is expected to capitalise on the business opportunity and enhance growth.

### Brazil

In 2023, real GDP growth is expected to slow to 0.9% due to monetary tightening, continued high inflation, and subdued global demand. Together, these factors are likely to depress private consumption, exports, and investment. Brazil's project portfolio spans across all key sectors of the country's economy and has had significant positive impacts on people's lives—including, in particular, the most vulnerable. The mining/mineral industries of Brazil are expected to be back in the growth path during 2023 after witnessing a negative growth in 2022. Despite the fall in mining during 2022, 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 maintain its profitable position.

### Chile

The Chile economy grew by about 2.4% in 2022 after registering an impressive 11.67% growth in 2021. The economy is expected to register a marginal growth in 2023 and 2024 with the medium-term prospects getting shaped by ability to generate more inclusive and productivity-driven growth with sound macroeconomic fundamentals. On the back of the steady establishment of our products and our brand in the market, the operations of our subsidiary in Chile, Thejo Engineering LatinoAmerica SpA, recorded satisfactory growth with good profits during the year.

With internationalisation of operations and expansion of existing business, our Subsidiaries are expected to grow in the long term.

## INDUSTRY STRUCTURE AND DEVELOPMENT

Global steel experts led by World Steel Association have predicted that India is going to be the epicentre of the global steel growth. India's finished steel production has increased by over 6% whereas globally steel production declined by 4.2% in the year 2022. With indigenisation, rapid growth in export by defence sector and policy support from government, the steel sector is expected to invest in capex in the medium term.

The Company continued to focus on value-added products along with high volume products. The Company is also focussed 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.

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**BOARD'S REPORT****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 services. Industries served are mining, mineral processing, steel making, aggregates and sand, power, chemical and fertiliser, cement, ports, and others. 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 has global presence with subsidiaries in Australia, Saudi Arabia, Brazil and Chile. The Company caters to India, Australasia, Middle East, South America, North America, Sub-Sahara and West Africa markets. The Company has four facilities and an in-house R&D Centre in Chennai. The Company has distributor networks in the UAE and Africa.

**Expansion of manufacturing facilities**

As part of the expansion activities, your Company has set up a 3,10,000 sq. ft expanded manufacturing facility in Ponneri, Chennai. This facility caters to the production of rubber screens, mill liners, diaphragms, shell lifter bars, pinch valves, splicing kits, rubber sheets, etc. This state-of-art expanded manufacturing facility was inaugurated on 24<sup>th</sup> March, 2023 under the august presence of Mr. R. Dinesh, President Designate, CII, National Council, Mr. Gulshan Malik, DMD, SBI, Mumbai, Mr. David Eggleston, Deputy Consul General of the Australian Consulate and Prof Anand Narasimhan, Professor of Global Leadership and Dean of Research, IMD Switzerland.

The objective is to expand the existing facility as a state-of-the-art manufacturing facility with capacity increase of the moulded products by 50% to 3,600 MT per annum. The enhanced manufacturing capacity will meet the current market demand as well as manufacture new related products required by the industry. This will help both international and Indian clients, though the primary focus would be to cater to the international market.

**RESEARCH AND DEVELOPMENT**

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

The R&D Centre of the Company was recognized as one of the Top 25 Innovative Companies under CII's Industrial Innovation Awards for two consecutive years in 2019 and 2020. The Company was also declared as the winner under the Manufacturing Medium Enterprise Category in the CII Industrial Innovations Awards for the year 2020.

During the year under review, the Company had applied for patents in respect of several products/inventions. As at the end of the financial year, the Company had applied for 32 product patents and three design patents, of which 19 product patents have been awarded and the balance are in process.

**SAFETY**

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

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**BOARD'S REPORT**

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 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 core sector industries. The government's thrust towards infrastructure projects is a major contribution due to which steel demand outlook is likely to rise. Increased infrastructure spending measures are a positive sign towards growth in Core Industries and provide the Company with the possibility of new business opportunities.

The Company has a balanced portfolio of products and services, which helps to moderate the impact of cyclicity experienced by its customers. It also helps the Company to tap the business opportunity during expansion as well as during regular operations. 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 expansion of operations and penetration into the UAE market through the proposed 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 enormous growth opportunities.

**Threats**

The steel prices witnessed a sharp drop and then a reasonable rise during FY23, after witnessing high price levels during FY22 on the back of high commodity prices. On account of lower demand in China and fears of recession, the prices of steel are expected to remain volatile. The US banking crisis is expected to have an overall impact on the supply-demand situations.

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.

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**BOARD'S REPORT**

The domestic product business is prone to cyclicity 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, involved in their critical and strategic initiatives and 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 growth decline and 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**

Policymakers the world over are currently facing a predicament. The last two years have seen the global economy struggling to deal with overlapping crises, the latest being the liquidity troubles after a series of global bank crises. 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.

It is believed that investment will play an important role over the next two years. It is investments that will provide India with necessary momentum to take off on a path of sustained domestic demand-led growth for the next few years. A strong digitization drive the world over, cost-cutting measures by businesses to deal with the impending slowdown, and the growing trend of remote working increased demand for exports of services in technology, where India has a comparative advantage. Interestingly, the share of business and professional services in total services exports also increased as companies globally now prefer outsourcing a wide range of professions, such as accounting, audit, R&D, quality assurance, and after-sales service.

The overall economic outlook of India remains positive. Investments are expected to see a turnaround and propel the economy into sustainable growth. India is expected to grow at a moderate pace of 6.0%–6.5% in FY 2023–24, even as the global economy continues to struggle. Growth in the next year is likely to pick up as investments kickstart the virtuous circle of job creation, income, productivity, demand, and exports supported by favourable demographics in the medium term.

It looks like the world has come out of the shadow of the pandemic and has, in fact, learned to live with it. However, geopolitical crises, supply chain reorientations, global inflation, and tight monetary policy conditions will weigh on the outlook. In this backdrop, outlook for the future is positive combined with a high degree of uncertainty and unpredictability. Though global uncertainties will weigh on growth, 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 in the year under review has shown growth in terms of turnover with a slight dip in the profitability. The turnover from Manufacturing Division has increased. The Services Division saw a better performance with increase in turnover. With expansion in progress and increase in operational costs and some indirect costs that had remained low for the past two years on account of the pandemic, the current year costs have shown a marginal spike and the same is expected to strike a balance

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## BOARD'S REPORT

in the coming years. The Company has also stepped up its Information Technology spending focussing on enhanced digitization and digitalization. Exports registered a marginal increase of about 8% compared to the previous year. Your Company is expanding its business in the overseas markets through its subsidiaries and branch, which is expected to improve the export turnover in future.

The production of moulded and extruded products was 2,289 tonnes during 2022-23, registering a growth of 37% over the previous year (1,665 tonnes). The production of adhesives during the year under review was 369 tonnes, showing a growth of 8% over the previous year (342 tonnes).

### SEGMENT WISE PERFORMANCE

Your Company has 3 segments of revenue – Manufacturing Units, Service Units and Others. Audited financial results of these segments are furnished in Note 26.3, forming part of the Financial Statements.

### RISKS AND CONCERNS

The Company has put in place a Risk Management Policy and Procedures for identification, assessment, management, monitoring and minimization of risks. It has identified potential risks under various categories like Business Dynamics, Operations, Liquidity, Market/Industry, Human Resources, Systems and Disaster Management. The Company is periodically reviewing the risks and their identification, assessment, monitoring and mitigation procedures. It does not perceive any major technological, operational, financial or environmental risks in the near future except for the US market fluctuations, prevailing Russian Ukraine conflict 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 will invest as hitherto in people through various initiatives which enable the workforce to meet the production and service expectations and challenges related thereto and to infuse positive enthusiasm towards the organisation.

### SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

During the Financial Year 2022-23, the Company focussed on bagging KPI based O&M contracts, bagging product orders for better capacity utilisation at manufacturing facilities, receivable and working capital management. With the support of employees across divisions and aided by the rebound witnessed during the financial year, the Company could successfully increase its turnover. However, as the Company is progressing to the next levels of growth, there is a rise in operational cost, increase in other indirect costs that had remained low during the past two years on account of Covid-19 and stepped-up spending on Information Technology resulting in a dip in the profitability. The Company registered a profitability of ` 2,758.17 lakhs as against ` 2,924.71 lakhs in the previous year with a reasonable growth in sales.

As a result of the above factors, the Return on Net Worth decreased to 16.51% in FY 23 compared to 20.87% in FY22.



## BOARD'S REPORT

During FY23, there was significant change (i.e. change of 25% or more as compared to the previous year) in the following key financial ratios:

Particulars	Financial Year 2022-23	Financial Year 2021-22
Net Capital Turnover Ratio (Times)	3.68	2.92
Interest Coverage Ratio (Times)	11.02	17.43

Key reasons for significant change in the above-mentioned key financial ratios are as follows:

**Net Capital Turnover Ratio:** The turnover of the Company has increased from ` 27,661.40 lakhs in FY22 to ` 33,222.20 lakhs in FY 23. Due to the focus on working capital management, the working capital employed has reduced from ` 9,470.66 lakhs in FY22 to ` 9,032.46 lakhs in FY23 despite the increase in turnover. This has resulted in the Net Capital turnover ratio increasing from 2.92 times in FY22 to 3.68 times in FY23.

**Interest Coverage Ratio:** Interest Coverage ratio has decreased from 17.43 times to 11.02 times on account of increase in the finance cost of the Company, on account of higher interest cost during the current year, on account of term loans taken by the Company for expansion of its manufacturing units and increased interest on Lease Liabilities combined with marginal dip in the profitability.

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

### CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis, describing the Company's views about the industry, objectives and expectations, etc. may be considered as 'forward looking statements.' The Company has tried to identify such statements by using words such as 'expect', 'anticipate', 'hope', 'likely', 'plan', 'projected', 'believe', 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

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

### 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, 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023, Thejo Hatcon achieved a turnover of SAR 10.13 million (` 2,135.18 lakhs) on which it made a net profit of SAR 2.21 million (` 494.83 lakhs).

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## 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, 2022 to 31st March, 2023, Thejo Australia achieved a turnover of AUD 21.57 million (₹ 12,042.38 lakhs) with a profit of AUD 0.01 million (₹ 18.68 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, 2022 to 31st March, 2023, Thejo Brasil achieved a turnover of BRL 1.70 million (₹ 272.47 lakhs) with a profit of BRL 0.59 million (₹ 94.08 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, 2022 to 31st March, 2023, Thejo Chile achieved a turnover of CLP 1,815.37 million (₹ 1,815.37 lakhs) with a profit of CLP 270.29 million (₹ 330.02 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

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

During the year 2022-23, the Company was required to incur CSR expenditure of ₹ 57.70 lakhs being 2% of the average net profits for the immediately preceding three Financial Years. In compliance with this requirement, the Company spent ₹ 58.00 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 2022-23 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.

### DIVIDEND DISTRIBUTION POLICY

The Company has formulated a Dividend Distribution Policy in compliance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is uploaded on the Company's website at

<https://www.thejo-engg.com/thejo-admin/upload/allstatutory/DivDisbPolicy.pdf>

### ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company is available on the Company's website at

<https://www.thejo-engg.com/investors/AnnRet>

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**BOARD'S REPORT****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 31<sup>st</sup> March, 2023, 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 31<sup>st</sup> March, 2023 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under 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 31<sup>st</sup> March, 2023 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 36<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> August, 2022 to hold office up to the conclusion of the 41<sup>st</sup> Annual General Meeting of the Company.

**SECRETARIAL AUDIT**

The Board appointed Mrs. Sindhuja Porselvam, Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2022-23. 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.

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**BOARD'S REPORT**
**COST RECORDS**

For the financial year 2022-23, the Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013. The Company is accordingly making and maintaining such accounts and records.

**COST AUDITORS**

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 2023-24. Accordingly, the Board of Directors, based on the recommendation of the Audit Committee, have approved the appointment of Ms. Latha Venkatesh, Latha Venkatesh & Associates, Cost Accountant in practice (FRN 101017), as the Cost Auditors of your Company for the financial year 2023-24. As required under the Act, a resolution seeking ratification of the remuneration payable to the Cost Auditors forms part of the Notice convening the ensuing 37<sup>th</sup> 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 six Committees of the Board of Directors, namely, the Audit Committee, Compensation/Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Allotment Committee and Risk Management Committee<sup>1</sup>. 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 31<sup>st</sup> March, 2023, is as follows:

<b>Name of the Committee</b>	<b>Composition of the Committee</b>	<b>Status</b>
Audit Committee	Mr. V K Srivastava Mr. A Satyaseelan Mrs. Sujatha Jayarajan Mr. Nilesh S Vikamsey	Independent Director, Chairman Independent Director, Member Independent Director, Member Independent Director, Member
Compensation/Nomination and Remuneration Committee	Mrs. Sujatha Jayarajan Mr. V K Srivastava Mr. Sridhar Ganesh Mr. Nilesh S Vikamsey	Independent Director, Chairperson Independent Director, Member Independent Director, Member Independent Director, Member
Corporate Social Responsibility Committee	Mr. V K Srivastava 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 Independent Director, Member

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**BOARD'S REPORT**

Name of the Committee	Composition of the Committee	Status
Stakeholders' Relationship Committee	Mr. Srinivas Acharya Mr. V K Srivastava Mr. Thomas John Mrs. Sujatha Jayarajan	Independent Director, Member* Independent Director, Member Non-Executive Director, Member Independent Director, Member
Allotment Committee	Mr. A Satyaseelan Mr. Thomas John Mr. V A George Mr. Manoj Joseph Mr. Rajesh John	Independent Director, Chairman Non-Executive Director, Member Executive Chairman, Member Managing Director, Member Whole-time Director, Member

Notes: 1. Risk Management Committee has been constituted by the Board at its Meeting held on 25<sup>th</sup> May, 2023.

2. Mr. Srinivas Acharya has been elected as the Chairman of the Stakeholders' Relationship Committee by the Committee at its Meeting held on 25<sup>th</sup> May, 2023.

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

A brief resume of Mr. Thomas John and Mr. V.A. George together with related information is given in the Notice convening the ensuing Annual General Meeting.

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 2022-23 are as follows:

Mr. Sridhar Ganesh (DIN 01681018) was appointed as an Additional Director designated as Independent Director of the Company for a period of 5 years with effect from 15<sup>th</sup> November, 2021, by the Board at its meeting held on 14<sup>th</sup> November, 2021, based on the recommendation of the Compensation/Nomination and Remuneration Committee. The appointment of Mr. Sridhar Ganesh as an Independent Director was approved by the Members at their 36<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> August, 2022.

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## BOARD'S REPORT

Mr. M P Vijay Kumar (DIN 05170323), who was serving as an Independent Director on the Board, resigned from the Board on 2<sup>nd</sup> November, 2022 as he was being considered for appointment as a Whole time Director of M/s Sify Technologies Limited and he wanted to restrict his Independent Directorship to three listed entities, in line with the spirit of Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He had joined the Board of the Company as an Independent Director in January, 2012. The Company benefitted greatly from his expertise, experience and guidance during his tenure as Independent Director.

Dr. C N Ramchand (DIN 05166709), who was serving as an Independent Director on the Board, resigned from the Board on 8<sup>th</sup> March, 2023, due to his personal and professional commitments. He had joined the Board of the Company as an Independent Director in January, 2012. The Company benefitted greatly from his expertise, experience and guidance during his tenure as Independent Director.

Both Mr. M P Vijay Kumar and Dr. C N Ramchand have confirmed that there were no other material reasons other than as mentioned above for their resignation from the Board.

On the recommendation of the Compensation/Nomination and Remuneration Committee, Mr. Nilesh Shivji Vikamsey (DIN 00031213) was appointed by the Board as an Additional Director under the category of Independent Director with effect from 8<sup>th</sup> March, 2023. The Company has sought the approval of the Members for the appointment of Mr. Nilesh Shivji Vikamsey as an Independent Director under Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 for a term upto 7<sup>th</sup> March, 2028 vide Postal Ballot Notice dated 25<sup>th</sup> May, 2023. None of the Company's Directors has any family relationships with Mr. Nilesh Shivji Vikamsey. In the opinion of the Board, Mr. Nilesh Shivji Vikamsey possesses the required integrity, expertise and experience (including proficiency) for being appointed as an Independent Director.

On the recommendation of the Compensation/Nomination and Remuneration Committee, Mr. Srinivas Acharya (DIN 00017412) was appointed by the Board as an Additional Director under the category of Independent Director with effect from 8<sup>th</sup> March, 2023. The Company has sought the approval of the Members for the appointment of Mr. Srinivas Acharya as an Independent Director under Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, for a term upto 7<sup>th</sup> March, 2028 vide Postal Ballot Notice dated 25<sup>th</sup> May, 2023. None of the Company's Directors has any family relationships with Mr. Srinivas Acharya. In the opinion of the Board, Mr. Srinivas Acharya possesses the required integrity, expertise and experience (including proficiency) for being appointed as an Independent Director.

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

A brief resume of Mr. Nilesh Shivji Vikamsey and Mr. Srinivas Acharya together with related information is given in the Postal Ballot Notice dated 25<sup>th</sup> May, 2023, which is available in the website of the Company at [https://www.thejo-engg.com/thejo-admin/upload/notices/Thejo\\_PB\\_Notice\\_2023\\_Final.pdf](https://www.thejo-engg.com/thejo-admin/upload/notices/Thejo_PB_Notice_2023_Final.pdf)

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 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

## BOARD EVALUATION

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

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## **BOARD'S REPORT**

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 Chairperson 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 January 5, 2017.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

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

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

### **CORPORATE GOVERNANCE**

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

### **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING**

The Business Responsibility and Sustainability Report ("BRSR") for the Financial Year is attached as Annexure 8 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.

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**BOARD'S REPORT**

3. Receipt of remuneration or commission by the Managing Director or the Whole-time Directors of the Company from any of its subsidiaries.
4. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. Application made or proceeding pending under Insolvency and Bankruptcy Code, 2016.
6. 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  
25<sup>th</sup> May, 2023

V.A. GEORGE  
Executive Chairman  
DIN 01493737

THOMAS JOHN  
Vice Chairman  
DIN 00435035

MANOJ JOSEPH  
Managing Director  
DIN 0434579



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**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	2022-23
Capital	23.36
Revenue (excluding depreciation)	219.94
Total	243.30
Total R&D expenditure as a % of total turnover	0.73%

## ANNEXURE TO BOARD'S REPORT

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Payments in foreign currency towards Imports in lakhs

Imports at CIF Value	2022-23	2021-22
Raw materials and Traded goods	1142.15	916.19
Capital goods	37.60	24.19
<b>Total</b>	<b>1179.75</b>	<b>940.38</b>

b) Payments in foreign currency towards Expenditure in lakhs

Expenditure in Foreign currency	2022-23	2021-22
Professional and consultation fees	10.10	10.91
Seminar, Recruitment, Training & Development	2.85	21.29
Advertisement	28.80	22.57
Salaries & Incentives of Perth Branch	375.84	552.38
Other Expenditure of Perth Branch	311.44	431.75
Others	12.53	25.70
<b>Total</b>	<b>741.56</b>	<b>1064.60</b>

c) Earnings in foreign currency on Accrual basis in lakhs

Earnings in foreign exchange	2022-23	2021-22
Exports – Products	5208.77	4801.93
Exports – Services	0.00	6.56
<b>Total</b>	<b>5208.77</b>	<b>4808.49</b>

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

Description	2022-23	2021-22
Profit/(Loss) on Foreign Currency Translation	57.99	62.88

## 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](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 2022-23	
			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	Nil	NA
5	Mr. Srinivas Acharya*	Independent Director, Member	Nil	NA
^	Dr. C.N. Ramchand^	Independent Director, Member	1	1

\* Mr. Sridhar Ganesh and Mr. Srinivas Acharya were inducted as Members of the Committee with effect from 8<sup>th</sup> March, 2023

^ Dr. C.N. Ramchand was Member of the Committee until 8<sup>th</sup> March, 2023.

NA Not Applicable

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:

- a) The composition of the CSR committee is available on our website, at <https://thejo-engg.com/invest/CSR%20Composition.pdf>
- b) 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](https://www.thejo-engg.com/thejo-admin/upload/policies/policy_CSR.pdf)
- c) The Board, based on the recommendation of the CSR committee, at its meeting held on May 25, 2023, has approved the annual action plan / projects for the financial year 2023-24, the details of which are available on our website at <https://thejo-engg.com/invest/CSRProjectsFY23.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.

- 5. a) Average net profit of the Company as per section 135(5) ` 2,884.85 lakhs
  - b) Two percent of the average net profit of the Company as per section 135(5) ` 57.70 lakhs
  - c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
  - d) Amount required to be set off for the financial year, if any Nil
  - e) Total CSR obligation for the financial year (b+c-d). ` 57.70 lakhs
- 6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) ` 58 lakhs
  - b) Amount spent in Administrative Overheads Nil
  - c) Amount spent on Impact Assessment, if applicable Nil
  - d) Total amount spent for the Financial Year [(a)+(b)+(c)]. ` 58 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
` 58 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)	` 57.70 lakhs
(ii)	Total amount spent for the financial year	` 58.00 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	` 0.30 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	` 0.30 lakhs

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 : 25<sup>th</sup> May, 2023

V.A. GEORGE  
Executive Chairman  
DIN 01493737

V.K. SRIVASTAVA  
Chairman of CSR Committee  
DIN 00611678

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**ANNEXURE TO BOARD'S REPORT**

Details of Amount spent for CSR activities during FY 2022-23

S No	CSR Project/ Beneficiary	Activity	Direct/ Indirect	CSR Regn No.	Location	Amount (₹ In lakhs)
1	Rehabilitation during COVID Pandemic	Disaster Management	Direct		Chennai	0.50
2	Don Bosco Tech Society	Promoting Education	Indirect	CSR00001747	Rourkela	3.00
3	Society For Social Education And Research (MSW)	Promoting Education	Indirect	CSR00002170	Chennai	2.00
4	The Institute of the Franciscan Missionaries of Mary Society	Promoting Education	Indirect	CSR00041441	Chennai	3.70
5	Dean Foundation	Preventive health care	Indirect	CSR00000401	Chennai	10.00
6	The Akshaya Patra Foundation	Malnutrition and hunger eradication	Indirect	CSR00000286	Chennai	10.00
7	Hope Foundation	Preventive health care	Indirect	CSR00000472	Chennai	10.00
8	Society of St. Joseph's College	Preventive health care	Indirect	CSR00008590	Chennai	5.00
9	Tamilnadu Kidney Research Foundation	Preventive health care	Indirect	CSR00001422	Chennai	5.00
10	Victory Sports Foundation	Promotion of rural sports/ nationally recognised sports / Paralympic sports/ Olympic sports	Indirect	CSR00002949	Chennai	2.50
11	Sri Brahmrishi Ashram	Malnutrition and hunger eradication	Indirect	CSR00024457	Chennai	1.00
12	Pain & Palliative Care Society	Preventive health care	Indirect	CSR00018532	Thrissur	3.00
13	PM Cares Fund	Contribution to PM CARES Fund	Direct		Delhi	2.30
	<b>Total</b>					<b>58.00</b>

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**ANNEXURE TO BOARD'S REPORT****ANNEXURE 3 TO BOARD'S' REPORT****Form MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31/03/2023

*[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 31/03/2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. THEJO ENGINEERING LIMITED** for the financial year ended on 31/03/2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;  
The company has duly complied with the procedure laid under The Companies Act 2013 and forms, returns in this connection have been duly filed, and there are no adverse remarks or qualification in this aspect.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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**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.

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

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

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

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**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 : 23/05/2023**  
**UDIN : A044831E000357297**

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



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**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 : 23/05/2023**

**UDIN : A044831E000357297**

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

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**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 31<sup>st</sup> March, 2023: Nil

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

in lakhs

Name of the Company and Country	During FY 22-23	As at 31 <sup>st</sup> March, 2023
Thejo Hatcon Industrial Services Company, Saudi Arabia	-	333.72
Thejo Australia Pty Ltd, Australia	-	1,202.45
Thejo Brasil Comercio E Servicos Ltda, Brazil	-	98.62
Thejo Engineering LatinoAmerica SpA, Chile	-	695.39

The details of guarantee given as at 31<sup>st</sup> March, 2023: Nil

**ANNEXURE 5 TO BOARD'S REPORT**

[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 2022-23, 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 2022-23 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  
25<sup>th</sup> May, 2023

V.A. GEORGE  
Executive Chairman  
DIN 01493737

THOMAS JOHN  
Vice Chairman  
DIN 00435035

MANOJ JOSEPH  
Managing Director  
DIN 00434579

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**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 2022-23, 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 2022-23 are as follows:

Name of the Director / KMP	Remuneration of Director/KMP for the F.Y 2022-23 ( ` In lakhs)	% increase in Remuneration in the F.Y. 2022-23	Ratio of Remuneration of each director to median remuneration of employees	Remuneration of Director/ KMP for the F.Y 2021-22 ( ` In lakhs)
Mr. Thomas John	4.00	0.00%	1.28	4.00
Mr. V. A. George	114.00	5.56%	36.54	108.00
Mr. Manoj Joseph	63.18	8.65%	20.25	58.15
Mr. Rajesh John	44.46	23.74%	14.25	35.93
Mr. Manesh Joseph	42.12	9.83%	13.50	38.35
Mr. V. K. Srivastava	5.50	15.79%	1.76	4.75
Mr. A. Satyaseelan	4.00	(20.00%)	1.28	5.00
Mr. M. P. Vijay Kumar	2.75	(50.00%)	0.88	5.50
Dr. C. N. Ramchand	4.00	6.67%	1.28	3.75
Mrs. Sujatha Jayarajan	6.25	4.17%	2.00	6.00
Mr. Sridhar Ganesh	3.25	225.00%	1.04	1.00
Mr. Nilesh S Vikamsey	0.50	NA	0.16	NA
Mr. Srinivas Acharya	0.50	NA	0.16	NA
Mr. M. D. Ravikanth	41.28	6.15%	13.23	38.89

**Notes:**

- Mr. M. P. Vijay Kumar resigned from the Board on 2<sup>nd</sup> November, 2022.
- Dr. C. N. Ramchand resigned from the Board on 8<sup>th</sup> March, 2023.
- Mr. Sridhar Ganesh joined the Board as an Additional Director under the category of Independent Director with effect from 15<sup>th</sup> November, 2021.
- Mr. Nilesh S Vikamsey was appointed as an Additional Director under the category of Independent Director with effect from 8<sup>th</sup> March, 2023.
- Mr. Srinivas Acharya was appointed as an Additional Director under the category of Independent Director with effect from 8<sup>th</sup> March, 2023.
- Remuneration of Whole-time Directors and KMP are stated based on Monthly fixed Gross Salary (excluding retiral benefits, Medical Reimbursement, LTA, Leave encashment, Ex-gratia, Bonus, Perquisites on exercise of ESOP, etc.) and includes profit linked incentive/commission, if any.
- Mr. Manesh Joseph was appointed as a Whole-time Director with effect from 23<sup>rd</sup> June, 2021. Remuneration of Mr. Manesh Joseph for FY22 includes remuneration drawn by him in his capacity as Sr. Vice President (Services and Operation & Maintenance) for the period 1<sup>st</sup> April, 2021 till 22<sup>nd</sup> June, 2021.

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**ANNEXURE TO BOARD'S REPORT**

- 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 ₹ 3.12 lakhs per annum.
- 3) There was an increase of 15.62% in the median remuneration of employees in the Financial Year.
- 4) There were 1,326 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2023.
- 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 2022-23 was 13.31% whereas the managerial remuneration (based on monthly fixed gross salary and performance linked incentive/commission) increased by 5.19% as no performance linked incentive was given to the Managing/Whole-time Directors during the year and 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.

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

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

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

The Company has taken several initiatives towards maintaining 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 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, 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 and Risk Management Policy.

**II. BOARD OF DIRECTORS**

The Board of Directors of the Company consists of optimum combination of Executive and Non- Executive Directors. As at 31<sup>st</sup> March, 2023, the Company's Board had 11 Directors, of which four were Executive Directors, one was Non-Executive Non-independent Director and six were Independent Directors. The composition of the Board and category of Directors were as follows:

Category	Name of Director & Designation	DIN
<b>Promoter &amp; Non-Executive Director</b>	Mr. Thomas John, Vice Chairman	00435035
<b>Executive Directors</b>	Mr. V.A. George, Executive Chairman	01493737
	Mr. Manoj Joseph, Managing Director	00434579
	Mr. Rajesh John, Whole-time Director	05161087
	Mr. Manesh Joseph, Whole-time Director	07599476
<b>Independent Directors</b>	Mr. V.K. Srivastava, Independent Director	00611678
	Mr. A. Satyaseelan, Independent Director	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

### ANNEXURE TO BOARD'S REPORT

The details of Directorship held in other Companies/Board Committees by each Member of the Board of Directors of the Company as on 31<sup>st</sup> March, 2023 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	Nil	Nil	Nil
7	Mr. A. Satyaseelan	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	1

**Notes:**

- 1) None of the Directors holds Chairmanship of the Board Committees in excess of the maximum ceiling of five and Membership in excess of the maximum ceiling of ten.
- 2) Chairmanship/Membership of the Audit Committee and the Stakeholders' Relationship Committee in public limited companies (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.
- 3) Excluding Directorship and Committee Chairmanship / Membership in Thejo Engineering Limited and its subsidiaries.

The names of the listed entities in which Directors of the Company hold directorship and category thereof, as at 31<sup>st</sup> March, 2023, 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 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

## ANNEXURE TO BOARD'S REPORT

### 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.

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 6<sup>th</sup> March 2023 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.

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 2022-23	
		Held during the tenure	Attended
1	Mrs. Sujatha Jayarajan, Chairperson <sup>1</sup>	1	1
2	Mr. A. Satyaseelan	1	1
3	Mr. V.K. Srivastava	1	1
4	Mr. Sridhar Ganesh	1	1
5	Mr. Nilesh S Vikamsey <sup>2</sup>	Nil	NA
6	Mr. Srinivas Acharya <sup>3</sup>	Nil	NA
*	Dr. C.N. Ramchand	1	1
^	Mr. M.P. Vijay Kumar	Nil	NA

Notes:

- Chairperson for the Meeting held on 6<sup>th</sup> March 2023.
  - Mr. Nilesh S Vikamsey was appointed as an additional director under the category of Independent Director by the Board of Directors with effect from 8<sup>th</sup> March, 2023.
  - Mr. Srinivas Acharya was appointed as an additional director under the category of Independent Director by the Board of Directors with effect from 8<sup>th</sup> March, 2023.
- \* Dr C.N. Ramchand resigned from the Board of Directors effective 8<sup>th</sup> March, 2023.
- ^ Mr. M.P. Vijay Kumar resigned from the Board of Directors effective 2<sup>nd</sup> November, 2022.
- NA Not Applicable

During the year, the below two Independent Directors resigned before the expiry of their tenure:

- Mr. M.P. Vijay Kumar (DIN 05170323) resigned from the Board on 2<sup>nd</sup> November 2022 as he was being considered for appointment as a Whole time Director in M/s Sify Technologies Limited and he wanted to restrict his Independent Directorship to three listed entities, in line with the spirit of Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Vijay Kumar was serving as an Independent Director in four listed entities (including Thejo

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## ANNEXURE TO BOARD'S REPORT

Engineering Limited) before his resignation. Mr. Vijay Kumar had confirmed that there were no other material reasons other than the one mentioned herein.

2. Dr. C. N. Ramchand (DIN 05166709) resigned from the Board on 8<sup>th</sup> March 2023 due to his personal and professional commitments. Dr. C. N. Ramchand had confirmed that there were no other material reasons other than the one mentioned herein.

### **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 [https://www.thejo-engg.com/thejo-admin/upload/allstatutory/Familiarization\\_Prog\\_FY23.pdf](https://www.thejo-engg.com/thejo-admin/upload/allstatutory/Familiarization_Prog_FY23.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, 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.



### ANNEXURE TO BOARD'S REPORT

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	✓	✓	✓			✓	✓		✓

#### Shareholding of Directors

None of the Directors has any shareholding in our Company as on 31<sup>st</sup> March, 2023 except as disclosed below:

S.No.	Name of the Director	No. of Shares	% of Equity Share Capital
1	Mr. Thomas John	6,50,604	6.08
2	Mr. V.A. George	1,50,000	1.40
3	Mr. Manoj Joseph	4,97,580	4.65
4	Mr. Rajesh John	6,50,598	6.08
5	Mr. Manesh Joseph	4,97,580	4.65

#### Meetings and Attendance

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

During the year, the Board met 5 times. The Meetings of the Board of Directors were held on 27<sup>th</sup> April, 2022, 26<sup>th</sup> May, 2022, 27<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022 and 8<sup>th</sup> March, 2023. The attendance of each Director at the Board Meetings and at the last Annual General Meeting was as under:

## ANNEXURE TO BOARD'S REPORT

S.No	Name of the Director	No. of Board meetings held during FY 2022-23		Attendance at the last Annual General Meeting held on 27 <sup>th</sup> August, 2022
		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	4	Yes
6	Mr. V.K. Srivastava	5	5	Yes
7	Mr. A. Satyaseelan	5	4	Yes
8	Mrs. Sujatha Jayarajan	5	5	Yes
9	Mr. Sridhar Ganesh	5	5	Yes
10	Mr. Nilesh S Vikamsey <sup>1</sup>	1	1	NA
11	Mr. Srinivas Acharya <sup>2</sup>	1	1	NA
*	Mr. M.P. Vijay Kumar	3	3	Yes
^	Dr. C.N. Ramchand	5	5	Yes

Notes:

- 1) Mr. Nilesh S Vikamsey was appointed as an Additional Director under the category of Independent Director with effect from 8<sup>th</sup> March, 2023.
  - 2) Mr. Srinivas Acharya was appointed as an Additional Director under the category of Independent Director with effect from 8<sup>th</sup> March, 2023.
- \* - Mr. M. P. Vijay Kumar resigned from the Board on 2<sup>nd</sup> November, 2022.  
 ^ - Dr. C. N. Ramchand resigned from the Board on 8<sup>th</sup> March, 2023.  
 NA Not Applicable

## III. COMMITTEES

i) **Audit Committee**

The Audit Committee of the Board of Directors was constituted on 16<sup>th</sup> 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 2022-23	
			Held during the tenure	Attended
1	Mr. V.K. Srivastava <sup>1</sup>	Independent Director, Chairman	2	2
2	Mr. A. Satyaseelan	Independent Director, Member	4	3
3	Mrs. Sujatha Jayarajan	Independent Director, Member	4	4
4	Mr. Nilesh S Vikamsey <sup>2</sup>	Independent Director, Member	Nil	NA
*	Mr. M.P. Vijay Kumar	Independent Director, Chairman	2	2

1) Mr. V.K. Srivastava was inducted to the Committee with effect from 3<sup>rd</sup> November, 2022.

2) Mr. Nilesh S Vikamsey was inducted as a Member of the Committee with effect from 8<sup>th</sup> March, 2023.

\* Mr. M. P. Vijay Kumar resigned from the Board and its Committees on 2<sup>nd</sup> November, 2022.

NA Not Applicable

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## ANNEXURE TO BOARD'S REPORT

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Audit Committee of the Board were held on 26<sup>th</sup> May, 2022, 27<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022 and 6<sup>th</sup> March, 2023.

### Terms of Reference

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

1. Oversight of the financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
  2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
  3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
  4. Reviewing, with the Management, the annual Financial Statements before submission to the Board for approval, with particular reference to:
    - a. Director's Responsibility Statement to be included in the Board's Report in terms of Section 134 of the Companies Act, 2013.
    - b. Changes, if any, in accounting policies and practices and reasons for the same.
    - c. Major accounting entries involving estimates based on the exercise of judgment by management.
    - d. Significant adjustments made in the Financial Statements arising out of audit findings, compliance with listing and other legal requirements relating to Financial Statements.
    - e. Disclosure of any related party transactions.
    - f. Qualifications in the draft Audit Report.
  5. Reviewing, with the Management, the half-yearly Financial Statements before submission to the Board for approval.
  6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
  7. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
  8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  9. Discussion with Internal Auditors any significant findings and follow-up thereon.
  10. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
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### ANNEXURE TO BOARD'S REPORT

11. Discussion with Statutory Auditors before the commencement of audit, the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism.
14. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
16. To review the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. Appointment, removal and terms of remuneration of the Chief Internal Auditor.
17. Any other terms of reference as contained in the Companies Act, 2013.

#### Other information

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

The Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 27<sup>th</sup> August, 2022.

#### ii) Compensation / Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board was formed on 16<sup>th</sup> January, 2012. It was re-designated as Compensation / Nomination and Remuneration Committee with effect from 27<sup>th</sup> 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 2022-23	
			Held during the tenure	Attended
1	Mrs. Sujatha Jayarajan	Independent Director, Chairperson	2	2
2	Mr. V.K. Srivastava	Independent Director, Member	2	2
3	Mr. Sridhar Ganesh	Independent Director, Member	2	2
4	Mr. Nilesh S Vikamsey*	Independent Director, Member	Nil	NA
^	Mr. M.P. Vijay Kumar	Independent Director, Member	1	1

\* Mr. Nilesh S Vikamsey was inducted as a Member of the Committee with effect from 8<sup>th</sup> March, 2023.

^ Mr. M. P. Vijay Kumar resigned from the Board and its Committees on 2<sup>nd</sup> November, 2022.

NA Not Applicable

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## ANNEXURE TO BOARD'S REPORT

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Compensation / Nomination and Remuneration Committee of the Board were held on 23<sup>rd</sup> May, 2022 and 6<sup>th</sup> March, 2023.

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.

### Terms of Reference

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

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

### Directors' Appointment Criteria/Policy

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

1. Composition of the Board which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
2. Desired age and diversity on the Board;
3. Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with requirements of the law;
4. Professional qualifications, expertise and experience in specific area of business;
5. Balance of skills and expertise in view of the objectives and activities of the Company;
6. Avoidance of any present or potential conflict of interest;

### ANNEXURE TO BOARD'S REPORT

7. Availability of time and other commitments for proper performance of duties; and
8. Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency and pioneering mindset.

#### Remuneration Policy

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

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

Details of the remuneration paid to the Directors during the Financial Year 2022-23 were as follows: in lakhs

Name of Director	Sitting Fee	Salary	Contribution to Statutory & Other Funds	Performance Linked Incentive	Total
<b>Promoters / Non-Executive Directors</b>					
Mr. Thomas John	4.00	-	-	-	4.00
<b>Executive Directors</b>					
Mr. V.A. George	-	114.00	-	-	114.00
Mr. Manoj Joseph	-	63.18	13.06	-	76.24
Mr. Rajesh John	-	44.46	9.19	-	53.65
Mr. Manesh Joseph	-	42.12	8.70	-	50.82
<b>Independent Directors</b>					
Mr. V. K. Srivastava	5.50	-	-	-	5.50
Mr. A. Satyaseelan	4.00	-	-	-	4.00
Mr. M. P. Vijay Kumar <sup>1</sup>	2.75	-	-	-	2.75
Dr. C. N. Ramchand <sup>2</sup>	4.00	-	-	-	4.00
Mrs. Sujatha Jayarajan	6.25	-	-	-	6.25
Mr. Sridhar Ganesh	3.25	-	-	-	3.25
Mr. Nilesh S Vikamsey <sup>3</sup>	0.50	-	-	-	0.50
Mr. Srinivas Acharya <sup>4</sup>	0.50	-	-	-	0.50

#### Notes:

1. Mr. M. P. Vijay Kumar resigned from the Board on 2<sup>nd</sup> November, 2022.
2. Dr. C. N. Ramchand resigned from the Board on 8<sup>th</sup> March, 2023.
3. Mr. Nilesh S Vikamsey was appointed as an Additional Director under the category of Independent Director with effect from 8<sup>th</sup> March, 2023.
4. Mr. Srinivas Acharya was appointed as an Additional Director under the category of Independent Director with effect from 8<sup>th</sup> March, 2023.
5. Sitting Fees exclude GST Paid under Reverse Charge by the Company.
6. 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 FY2022-23 by the Directors are as follows: (i) Mr. Manoj Joseph – ` 0.84 lakhs; (ii) Mr. Rajesh John – ` 16.36 lakhs and (iii) Mr. Manesh Joseph – ` 5.48 lakhs.

### ANNEXURE TO BOARD'S REPORT

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

#### Directors' Tenure details

Executive Directors	Tenure of Office	Notice Period	Performance Linked Incentive	Severance Fees
Mr. V.A. George	15 <sup>th</sup> July, 2021 to 14 <sup>th</sup> July, 2026	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Manoj Joseph	15 <sup>th</sup> July, 2021 to 14 <sup>th</sup> July, 2026	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Rajesh John	16 <sup>th</sup> January, 2022 to 15 <sup>th</sup> January, 2027	Not Applicable	Commission of up to 2% of annual profit	Nil
Mr. Manesh Joseph	23 <sup>rd</sup> June, 2021 to 22 <sup>nd</sup> June, 2026	Not Applicable	Commission of up to 2% of annual profit	Nil

#### iii) Corporate Social Responsibility Committee

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

S. No.	Name of the Member	Status	No. of meetings held during FY 2022-23	
			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 <sup>1</sup>	Independent Director, Member	Nil	NA
5	Mr. Srinivas Acharya <sup>2</sup>	Independent Director, Member	Nil	NA
*	Dr. C.N. Ramchand*	Independent Director, Member	1	1

1. Mr. Sridhar Ganesh was inducted as a Member of the Committee with effect from 8<sup>th</sup> March, 2023.

2. Mr. Srinivas Acharya was inducted as a Member of the Committee with effect from 8<sup>th</sup> March, 2023.

\* Dr. C. N. Ramchand resigned from the Board and its Committees on 8<sup>th</sup> March, 2023.

NA Not Applicable

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Corporate Social Responsibility Committee was held on 26<sup>th</sup> May, 2022.

#### Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee include formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII read with Section 135 (3)

### ANNEXURE TO BOARD'S REPORT

(a) of the Companies Act, 2013, recommending the amount of expenditure to be incurred on the CSR activities and monitoring the Corporate Social Responsibility Policy of the Company from time to time and such other functions as may be specified by the Companies Act, 2013, as amended from time to time.

#### iv) Stakeholders' Relationship Committee

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

S. No.	Name of the Member	Status	No. of meetings held during FY 2022-23	
			Held during the tenure	Attended
1	Mr. V. K. Srivastava	Independent Director, Member	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	Mr. Srinivas Acharya*	Independent Director, Member	Nil	NA
^	Dr. C.N. Ramchand	Independent Director, Chairman	4	4

\* Mr. Srinivas Acharya was inducted as a Member of the Committee with effect from 8<sup>th</sup> March, 2023.

^ Dr. C. N. Ramchand resigned from the Board and its Committees on 8<sup>th</sup> March, 2023.

NA Not Applicable

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Committee were held on 26<sup>th</sup> May, 2022, 27<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022 and 6<sup>th</sup> March, 2023.

#### 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.



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**ANNEXURE TO BOARD'S REPORT**
**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 2022-23, the Company has not received any complaints from the Members. There were no complaints outstanding as on 31<sup>st</sup> March, 2023.

**v) Allotment Committee**

The Allotment Committee of the Board was formed on 3<sup>rd</sup> 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 2022-23	
			Held during the tenure	Attended
1	Mr. A. Satyaseelan	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	Nil
4	Mr. Manoj Joseph	Managing Director, Member	1	1
5	Mr. Rajesh John	Director – Sales, Member	1	1

The Company Secretary acts as the Secretary of the Committee.

Meeting of the Allotment Committee of the Board of Directors was held on 6<sup>th</sup> March, 2023.

**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 Board of Directors at their Meeting held on 25<sup>th</sup> May, 2023 have constituted a Risk Management Committee comprising of the following Members:

S. No	Name	Status
1	Mr. Srinivas Acharya	Independent Director, Chairman
2	Mr. Manoj Joseph	Managing Director, Member
3	Mr. Rajesh John	Director – Sales, Member
4	Mr. Thomas K Abraham	Sr. VP (HR & Admin), Member
5	Mr. M.D. Ravikanth	CFO & Secretary, Member

Mr. S Sathish, Vice President – Manufacturing, Mr. S Premjit, Senior Vice President – Services, Mr. Raghu Achat, Vice President – Information Technology and Mr. Jomon Mathew – AGM, Marketing shall be permanent invitees to the Meetings of the Committee.

The Company Secretary shall be acting as the Secretary of the Committee.

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**ANNEXURE TO BOARD'S REPORT**
**Terms of Reference**

The terms of reference of the Committee includes formulating Risk Management Policy, monitoring the implementation of the Policy, ensuring appropriate methodologies and systems are in place to monitor and evaluate risks, and keeping the Board informed about its discussions, recommendations, and actions to be taken.

**IV. GENERAL BODY MEETINGS****(i) Details of last three Annual General Meetings held**

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

Year	Date	Time	Location	Special Resolution(s) Passed
2021-22	27 <sup>th</sup> 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 <sup>th</sup> August, 2021	10.15 AM	Through Video Conferencing/ Other Audio-Visual Means (VC/OAVM) Facility	a) Appointment of Mr. V.A. George as Whole-time Director designated as Executive Chairman, for a period of five years.
2019-20	29 <sup>th</sup> August, 2020	11.00 AM	Through Video Conferencing/ Other Audio-Visual Means (VC/OAVM) Facility	a) Adoption of new set of Articles of Association pursuant to the Companies Act, 2013

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

The Company did not pass any special resolution through Postal Ballot during the Financial Year 2022-23.

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

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

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

None of the related party transactions was in potential conflict with the interest of the Company at large. Shareholders can refer to the details of Related Party Transactions as set out in Note 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 unethical behaviour, actual or suspected fraud or violation of law and it provides for a mechanism for employees to report to the designated Committee. Accordingly, the Company has formulated

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**ANNEXURE TO BOARD'S REPORT**

and implemented the Whistle Blower Policy (“the Policy”) and the Policy has been disseminated to all the employees through display on Notice Board and website.

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

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

**D. 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 Obligations and Disclosure Requirements) Regulations, 2015. The same is uploaded on the Company’s website at

[https://www.thejo-engg.com/thejo-admin/upload/policies/Material\\_Sub\\_Policy\\_2023.pdf](https://www.thejo-engg.com/thejo-admin/upload/policies/Material_Sub_Policy_2023.pdf)

**E. Policy on Related Party Transactions**

The Company has formulated a Policy on Related Party Transactions in compliance with Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is uploaded on the Company’s website at

[https://www.thejo-engg.com/thejo-admin/upload/policies/RPT\\_Policy\\_2023.pdf](https://www.thejo-engg.com/thejo-admin/upload/policies/RPT_Policy_2023.pdf)

**F. Disclosure of commodity price risks and commodity hedging activities:** Not applicable.

**G.** 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 Obligations and Disclosure Requirements) Regulations, 2015.

**H.** 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 2022-23.

**I.** M/s Brahmayya & Co., Chartered Accountants are the statutory auditors of the Company. Total fees paid for the year ended 31.03.2023 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:

<b>Particulars</b>	<b>Amount (₹ in lakhs)</b>
Statutory Audit fees	18.50
Tax Audit Fees	3.00
Fees for other services	11.25
<b>Total</b>	<b>32.75</b>

**J.** 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. The Company has complied with the provisions relating to constitution of Internal Complaints Committee under the said Act.

**K.** 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 31.03.2023

**L. Disclosure on Material Subsidiary**

Thejo Australia Pty Ltd, a material subsidiary of the Company was incorporated on 14<sup>th</sup> February, 2012 at Australia. The Statutory Auditors, DM Advisory Services- Audit, Chartered Accountant, were appointed as the auditor for the FY2022-23 on 31<sup>st</sup> March, 2023.

## ANNEXURE TO BOARD'S REPORT

### M. Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy in compliance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is uploaded on the Company's website at

<https://www.thejo-engg.com/thejo-admin/upload/allstatutory/DivDisbPolicy.pdf>

- N. The Board of Directors recorded the declarations received from Independent Directors confirming that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and Listing Regulations and are independent of the Management. 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.

### 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 20<sup>th</sup> May, 2014. The status of the Directors and their attendance at the meetings were as follows:

S. No.	Name of the Member	Status	No. of meetings held during FY 2022-23	
			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 <sup>1</sup>	Independent Director, Member	Nil	NA
5	Mr. Srinivas Acharya <sup>2</sup>	Independent Director, Member	Nil	NA
*	Dr. C.N. Ramchand*	Independent Director, Member	1	1

1. Mr. Sridhar Ganesh was inducted as a Member of the Committee with effect from 8<sup>th</sup> March, 2023.

2. Mr. Srinivas Acharya was inducted as a Member of the Committee with effect from 8<sup>th</sup> March, 2023.

\* Dr. C. N. Ramchand resigned from the Board and its Committees on 8<sup>th</sup> March, 2023.

NA Not Applicable

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 26<sup>th</sup> May, 2022.

The terms of reference of the CSR Committee include:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

## ANNEXURE TO BOARD'S REPORT

2. To recommend the amount of expenditure to be incurred on the CSR activities.
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. Such other functions as may be specified by the Companies Act, 2013 from time to time.

### Audit Qualifications

The Financial Statements of the Company for the Financial Year 2022-23 are unqualified.

### Training of Board Members

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

### Designated Exclusive email-id

The Company has designated an exclusive email-id for investor servicing, viz., [investor@thejo-engg.com](mailto:investor@thejo-engg.com)

## VI. MEANS OF COMMUNICATION

### (i) Half-Yearly Results

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

### (ii) Dissemination of information through Website

The results of the Company are also displayed on the Company's website "[www.thejo-engg.com](http://www.thejo-engg.com)" immediately after its submission to the Stock Exchange.

## VII. GENERAL SHAREHOLDER INFORMATION

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

Wednesday, 30<sup>th</sup> August, 2023 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:** Thursday, 24<sup>th</sup> August, 2023 to Wednesday, 30<sup>th</sup> August, 2023 (both days inclusive) for payment of dividend and Wednesday, 23<sup>rd</sup> August, 2023 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 LISTED UNDER CONTINUOUS MARKET	THEJO	National Stock Exchange of India Limited - SME Platform (NSE Emerge) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. Trading Symbol – THEJO – SM ISIN : INE121N01019

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

ANNEXURE TO BOARD'S REPORT

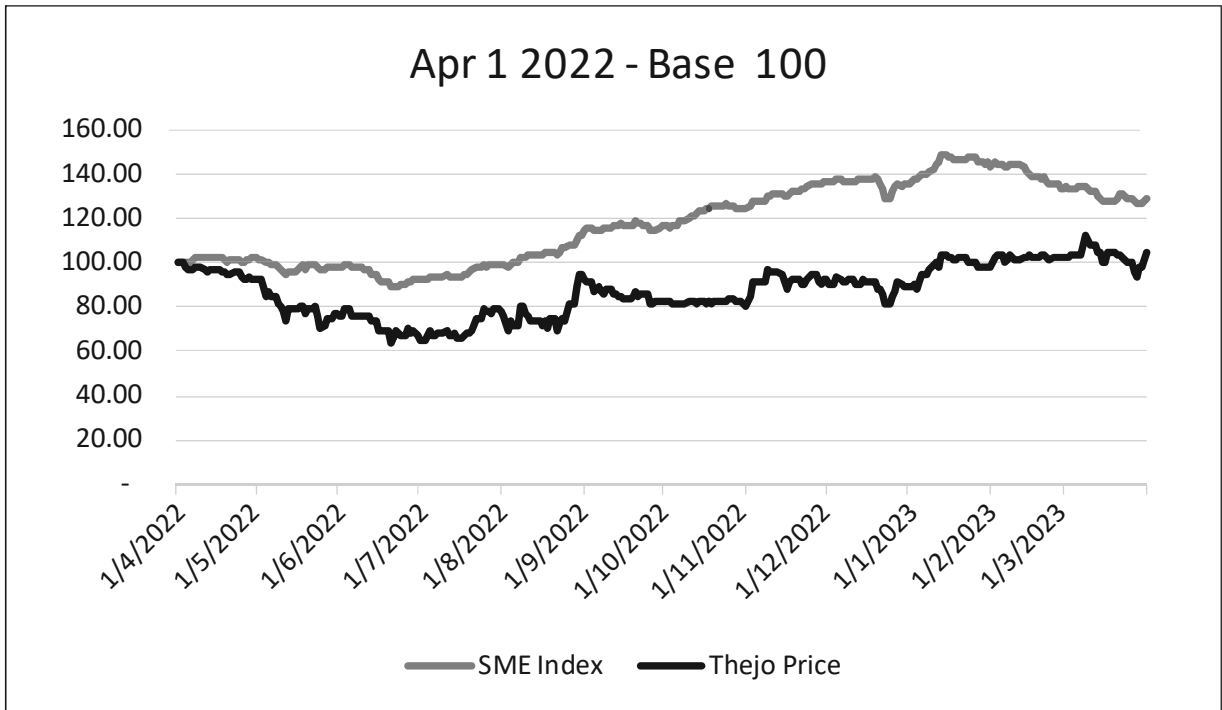
Market Price Data:

(in ₹ per share)

Month	National Stock Exchange of India Limited - SME Platform (NSE Emerge)	
	Month's High Price*	Month's Low Price*
Apr-22	1,269.80	1,170.50
May-22	1,168.80	895.65
Jun-22	1,009.90	813.45
Jul-22	1,007.00	830.00
Aug-22	1,196.60	881.00
Sep-22	1,172.90	1,040.00
Oct-22	1,064.00	1,029.90
Nov-22	1,237.95	1,017.20
Dec-22	1,182.40	1,038.25
Jan-23	1,311.40	1,124.20
Feb-23	1,315.00	1,245.10
Mar-23	1,422.10	1,190.00

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

Performance in comparison to the NSE SME index:



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**ANNEXURE TO BOARD'S REPORT**
**Registrar and Transfer Agents :**

Cameo Corporate Services Limited  
 Subramanian Building,  
 No.1, Club House Road  
 Chennai 600 002  
 Tel: +91 44 2846 0390  
 Fax: +91 44 2846 0129  
 Website: <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.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2023:**

Nominal Value of Shares (in `)		Number of Holders	% of Total Holders	Total Face Value (in `)	% of Total Face Value
From	To				
10	5,000	631	54.58	14,15,000	1.32
5,001	10,000	156	13.49	10,96,500	1.02
10,001	20,000	183	15.83	27,11,480	2.53
20,001	30,000	38	3.29	9,61,420	0.90
30,001	40,000	25	2.16	8,89,280	0.83
40,001	50,000	19	1.64	8,50,940	0.80
50,001	1,00,000	39	3.37	27,53,020	2.57
1,00,001	Above	65	5.62	9,63,31,940	90.02
<b>Total</b>		<b>1156</b>	<b>100.00</b>	<b>10,70,09,580</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2023:**

Sl. No.	Category	No. of Shares	As a percentage of Total Shares
A	Promoters' & Promoter Group Holding		
	Individuals	58,15,320	54.34
B	Non-Promoters' Holding		
	Alternate Investment Funds	47,700	0.45
	Foreign Portfolio Investors	15,000	0.14
	Directors and their relatives	2,52,020	2.36
	Key Managerial Personnel	7,950	0.07
	Relatives of Promoters	53,250	0.50
	Bodies Corporate	4,86,450	4.55
	Clearing Member	300	*
	Individuals	30,59,555	28.59
	Hindu Undivided Family	9,40,200	8.78
	Non-Resident Indians	23,213	0.22
	<b>Total</b>	<b>1,07,00,958</b>	<b>100.00</b>

\* Below the rounding off norm adopted.

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**ANNEXURE TO BOARD'S REPORT**
**Dematerialisation of Shares and Liquidity as on 31<sup>st</sup> March, 2023:**

Sl. No.	Mode of Holding	No. of Shares	% to total equity shares
1	NSDL	68,17,587	63.71
2	CDSL	38,83,371	36.29
3	Physical	-	-
	<b>Total</b>	<b>1,07,00,958</b>	<b>100.00</b>

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

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

**Plant Locations and Research & Development Centre (as on 31<sup>st</sup> March, 2023)**

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

**Investor Contacts**
**Company Secretary and Compliance Officer**

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

**Registrar and Share Transfer Agents**

Cameo Corporate Services Limited,  
Subramanian Building,  
No.1, Club House Road,  
Chennai 600 002, Tamil Nadu, India.  
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SEBI Registration No. INR 000003753

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## ANNEXURE TO BOARD'S REPORT

**ANNEXURE 8 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	Year of incorporation	1986
4	Registered office address	3 <sup>rd</sup> Floor, VDS House, No.41, Cathedral Road, Chennai- 600 086.
5	Corporate address	3 <sup>rd</sup> Floor, VDS House, No.41, Cathedral Road, Chennai- 600 086.
6	E-mail	<a href="mailto:investor@thejo-engg.com">investor@thejo-engg.com</a>
7	Telephone	044-42221900
8	Website	<a href="http://www.thejo-engg.com">www.thejo-engg.com</a>
9	Financial year for which reporting is being done	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023 (FY23)
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited – SME Emerge Platform
11	Paid-up Capital	₹ 10,70,09,580/- (As on 31 <sup>st</sup> March, 2023)
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: <a href="mailto:investor@thejo-engg.com">investor@thejo-engg.com</a>
13	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain only to Thejo Engineering Limited.

**II. Products/services**14. 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.

15. 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	22.97
2	Manufacture of industrial machinery	2829	10.69
3	Manufacture of adhesives	2029	7.73
4	Maintenance and Repair Services	3312	37.21
5	Supply of manpower	7830	7.34
6	Machinery rental	7730	4.96

ANNEXURE TO BOARD'S REPORT

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated (as on 31<sup>st</sup> March 2023):

Location	Number of plants	Number of offices	Total
National	4 units	1 Corporate Office, 4 Zonal Offices, 11 Branch Offices, 31 Site offices offering Service backup for clients, 15 Site offices offering Operations & Maintenance to clients and 1 In-house R&D Centre	67
International	Nil	1 Branch at Perth, Australia.	1

17. Markets served by the entity:

a. Number of locations

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

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 - 16%

c. A brief on types of customers:

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

IV. Employees

18. Details as at the end of Financial Year: 31<sup>st</sup> March, 2023

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	545	524	96.15	21	3.85
2.	Other than Permanent (E)	72	66	91.67	6	8.33
3.	<b>Total employees (D + E)</b>	617	590	95.62	27	4.38
<b>WORKERS</b>						
4.	Permanent (F)	781	775	99.23	6	0.77
5.	Other than Permanent (G)	763	763	100.00	0	0.00
6.	<b>Total workers (F + G)</b>	1544	1538	99.61	6	0.39

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)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	0	0	NA	0	NA
2.	Other than Permanent (E)	0	0	NA	0	NA
3.	<b>Total differently abled employees (D + E)</b>	0	0	NA	0	NA
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	4	4	100	0	0
5.	Other than permanent (G)	0	0	NA	0	NA
6.	<b>Total differently abled workers (F + G)</b>	4	4	100	0	0

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	1	9.09
Key Management Personnel	5	0	0.00

20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	17.18%	0.00%	16.51%	16.59%	17.39%	16.63%	9.55%	4.55%	9.31%
<b>Permanent Workers</b>	10.84%	0.00%	10.76%	16.02%	66.67%	16.37%	17.23%	0.00%	17.09%

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 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	90	0	90	76	4	80	42	1	43
<b>Permanent Workers</b>	84	0	84	136	4	140	142	0	142

**ANNEXURE TO BOARD'S REPORT**

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

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

S. No.	Name	Subsidiary / Associate	% of shares held
1	Thejo Australia Pty Ltd	Subsidiary	74%
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%

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

**VI. CSR Details**

- 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) -Yes
- (ii) Turnover ( ` In Lakhs) 33,222.20
- (iii) Net worth ( ` In Lakhs) 18,011.02

**VII. Transparency and Disclosures Compliances**

- 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct: Nil (PY: Nil)
- 24. 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 new offering 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 for exports in European Union	Opportunity and Risk	The transitional phase of Carbon Border Adjustment Mechanism of European Union (EU) begins on 1st October 2023 covering some of the major 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>Opportunity: Company can focus and reduce its carbon footprint and make positive contribution to the future generation.</p> <p>Risk: 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>

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** Business 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
<b>Policy and management processes</b>											
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									

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									
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	N	Y	N	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									
<b>Governance, leadership and oversight</b>																			
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.																		
	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:																		
	<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee</b>									<b>Frequency (Annually / Half yearly / Quarterly / Any other – please specify)</b>								
		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

**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
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.	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

**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

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**ANNEXURE TO BOARD'S REPORT****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
  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 works.
    - 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.
  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 paper carton box in place of Polystyrene packing, wherever possible.
  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.
-



ANNEXURE TO BOARD'S REPORT

**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
- Regular training on technical skills and personality development are given

Category	% of employees covered by										
	Total (A)	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)
<b>Permanent employees</b>											
Male	524	120	22.90	524	100.00	NA	NA	0	0.00	0	0.00
Female	21	18	85.71	21	100.00	21	100.00	NA	NA	0	0.00
<b>Total</b>	<b>545</b>	<b>138</b>	<b>25.32</b>	<b>545</b>	<b>100.00</b>	<b>21</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>Other than Permanent employees</b>											
Male	66	0	0.00	66	100.00	NA	NA	0	0.00	0	0.00
Female	6	0	0.00	6	100.00	6	100.00	NA	NA	0	0.00
<b>Total</b>	<b>72</b>	<b>0</b>	<b>0.00</b>	<b>72</b>	<b>100.00</b>	<b>6</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

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

Category	% of workers covered by										
	Total (A)	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)
<b>Permanent workers</b>											
Male	775	0	0.00	775	100.00	NA	NA	0	0.00	0	0.00
Female	6	0	0.00	6	100.00	6	100.00	0	0.00	0	0.00
<b>Total</b>	<b>781</b>	<b>0</b>	<b>0.00</b>	<b>781</b>	<b>100.00</b>	<b>6</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>Other than Permanent workers</b>											
Male	763	0	0.00	763	100.00	NA	NA	0	0.00	0	0.00
Female	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>763</b>	<b>0</b>	<b>0.00</b>	<b>763</b>	<b>100.00</b>	<b>NA</b>	<b>NA</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

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**ANNEXURE TO BOARD'S REPORT**

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

Benefits	FY 2022-23			FY 2021-22		
	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	23.79	20.35	Y	27.89	16.83	Y
Others: Super Annuation	33.39	0	NA	35.86	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
- The number has been displayed at prominent locations of each office and sites

## 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 2022-23					FY 2021-22				
	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)
<b>Employees</b>										
Male	524	368	70.23	110	20.99	458	0	0.00	291	63.54
Female	21	6	28.57	0	0.00	23	4	17.39	0	0.00
<b>Total</b>	<b>545</b>	<b>374</b>	<b>68.62</b>	<b>110</b>	<b>20.18</b>	<b>481</b>	<b>4</b>	<b>0.82</b>	<b>291</b>	<b>60.50</b>
<b>Workers</b>										
Male	775	422	54.45	0	0.00	849	183	21.55	191	22.50
Female	6	0	0.00	0	0.00	6	0	0.00	0	0.00
<b>Total</b>	<b>781</b>	<b>422</b>	<b>54.03</b>	<b>0</b>	<b>0.00</b>	<b>855</b>	<b>183</b>	<b>21.40</b>	<b>191</b>	<b>22.34</b>

- 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 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. D)	% (D / C)
<b>Employees</b>						
Male	524	524	100.00	458	458	100.00
Female	21	21	100.00	23	23	100.00
<b>Total</b>	<b>545</b>	<b>545</b>	<b>100.00</b>	<b>481</b>	<b>481</b>	<b>100.00</b>
<b>Workers</b>						
Male	775	775	100.00	849	849	100.00
Female	6	6	100.00	6	6	100.00
<b>Total</b>	<b>781</b>	<b>781</b>	<b>100.00</b>	<b>855</b>	<b>855</b>	<b>100.00</b>

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 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:

<b>Safety Incident/Number</b>	<b>Category</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	1.26	1.46
Total recordable work-related injuries	Employees	0	0
	Workers	8	11
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:

	<b>FY 2022-23</b>			<b>FY 2021-22</b>		
	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>
Working Conditions	0	0	Excludes suggestions	0	0	Excludes suggestions
Health & Safety	0	0	Excludes Suggestions	0	0	Excludes Suggestions

14. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Working Conditions	Assessment is 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.
Health & Safety	Annual assessment on Lifting Machines, Material Handling Equipment, Lifting Tackles, Pressure Vessels and Conveyors.

**ANNEXURE TO BOARD’S REPORT**

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.
- Provision of visual and sound alarm for Material Handling Equipment.

**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 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

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
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 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	545	11	2.02	481	10	2.08
Other permanent	72	0	0.00	21	0	0.00
<b>Total Employees</b>	617	11	1.78	502	10	1.99
<b>Workers</b>						
Permanent	781	0	0.00	855	0	0.00
Other permanent	763	0	0.00	699	0	0.00
<b>Total Workers</b>	1544	0	0.00	1554	0	0.00

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

Category	FY 2022-23					FY 2021-22				
	Total	= Min Wage		>Min Wages		Total	= Min Wages		>Min Wages	
		No	%	No	%		No	%	No	%
<b>Employees</b>										
Permanent										
Male	524	20	3.82	504	96.18	458	0	0.00	458	100.00
Female	21	0	0.00	21	100.00	23	0	0.00	23	100.00
Other than Permanent										
Male	66	0	0.00	66	100.00	18	0	0.00	18	100.00
Female	6	0	0.00	6	100.00	3	0	0.00	3	100.00
<b>Workers</b>										
Permanent										
Male	775	285	36.77	490	63.23	849	110	12.96	739	87.04
Female	6	0	0.00	6	100.00	6	0	0.00	6	100.00
Other than Permanent										
Male	763	351	46.00	412	54.00	696	339	48.71	357	51.29
Female	0	0	NA	0	NA	3	0	0.00	3	100.00

## ANNEXURE TO BOARD'S REPORT

3. Details of remuneration/salary/wages, in the following format:

	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	4	53.82	-	-
(b) Non-Executive Non Independent Directors <sup>3</sup>	1	4.00	-	-
(c) Non-Executive Independent Directors <sup>3</sup>	5	4.00	1	6.25
Key Managerial Personnel	1	45.60	-	-
Employees other than BoD and KMP	520	3.93	21	4.38
Workers	775	2.66	6	1.50

Notes:

- 1) Number of Director/KMP/Employee/Workers is as at 31<sup>st</sup> March, 2023. KMP excludes Executive Directors.
- 2) Remuneration/Salary/Wage represents salary/wages per annum based on fixed gross salary/wages per month as on 31<sup>st</sup> March, 2023.
- 3) In respect of Non-Executive Directors, remuneration represents Sitting Fee paid (excluding GST paid on reverse charge) and median is taken based on Non-Executive Directors who have served the Company throughout the financial year.
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.



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**ANNEXURE TO BOARD'S REPORT**

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

	FY 2022-23			FY 2021-22		
	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	01	-	NIL	01	-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

7. 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.

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

9. 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

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

Not Applicable.

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## ANNEXURE TO BOARD'S REPORT

**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 2022-23	FY 2021-22
Total electricity consumption (A)	10714024	9544666
Total fuel consumption (B)	147074	211028
Energy consumption through other sources (C)	Nil	Nil
<b>Total energy consumption (A+B+C)</b>	10861098	9755694
Energy intensity per rupee of turnover ( <i>Total energy consumption / turnover in rupees</i> )	0.0065	0.0071
Energy intensity ( <i>optional</i> ) – the relevant metric may be selected by the entity	NA	NA

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

(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).

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 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	Nil	Nil
(ii) Groundwater	7200	16975
(iii) Third party water	5837	7502
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	13037	24477
<b>Total volume of water consumption (in kilolitres)</b>	13037	24477
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	0.0079 litres	0.0179 litres
<b>Water intensity (optional)</b> – the relevant metric may be selected by the entity	NA	NA

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.

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

### ANNEXURE TO BOARD'S REPORT

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

Yes. ETP (10KLD) / STP (4 KLD) plants are being operated to maintain zero discharge.

5. 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:

<b>Parameter</b>	<b>Unit</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
NOx	µg/m <sup>3</sup>	14.93	29.5
SOx	µg/m <sup>3</sup>	25.30	14.2
Particulate matter (PM):			
PM10	µg/m <sup>3</sup>	56.28	78.8
PM2.5	µg/m <sup>3</sup>	25.83	36.8
Persistent organic pollutants (POP)	NA	BLQ	NA
Volatile organic compounds (VOC)	NA	BLQ	NA
Hazardous air pollutants (HAP)	NA	BLQ	NA
Others	NA	BLQ	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.

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

<b>Parameter</b>	<b>Unit</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	2642.60 MT	NA
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	6466.80 MT	NA
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		0.0055 Kg	NA
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		-	-

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

(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).

## ANNEXURE TO BOARD'S REPORT

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

<i>Parameter</i>	<i>FY 2022-23</i>	<i>FY 2021-22</i>
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste <b>(A)</b>	0.00	0.00
E-waste <b>(B)</b>	0.00	0.00
Bio-medical waste <b>(C)</b>	0.00	0.00
Construction and demolition waste <b>(D)</b>	0.00	0.00
Battery waste <b>(E)</b>	0.00	0.00
Radioactive waste <b>(F)</b>	0.00	0.00
Other Hazardous waste. Please specify, if any. <b>(G)</b> (i) Oil sledge	4.81	7.61
Other Non-hazardous waste generated <b>(H)</b> . Please specify, if any.	0.00	0.00
<b>Total (A+B + C + D + E + F + G + H)</b>	4.81	7.61
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	0.00	0.00
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>	<b>Oil Sledge</b>	<b>Oil Sledge</b>
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations Through third party: Oil sledge (Other Hazardous waste)	4.81	7.61
<b>Total</b>	4.81	7.61

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.

(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).

**ANNEXURE TO BOARD'S REPORT**

9. 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 Effluent Treatment Plant and Condensate Recovery Units
  - Cut rubber pieces/ashes from production are offered/sold to rubber reclaiming operators for conversion to useable raw materials in production.
10. 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
11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: Not Applicable
12. 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 - 14.
- 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 Industries	National
2	Indo-Australian Chamber of Commerce	National
3	All India Management Association	National
4	All India Manufacturers Association	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:

	<b>FY 2022-23</b>	<b>FY 2021-22</b>
Directly sourced from MSMEs / small producers	NA	NA
Sourced directly from within the district and neighbouring districts	35%	36%

**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, make remedial steps to resolve the same to the satisfaction of the customer.
2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	<b>As a % of Total Turnover</b>
Environmental and Social parameters relevant to the product	Thejo provides Material Safety Data Sheets, User Manuals and Warning Labels wherever applicable to educate user on safe usage, re-cycling and safe disposal of the products.
Safe and responsible usage	
Recycling and/or safe disposal	

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**ANNEXURE TO BOARD'S REPORT**

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

	FY 2022-23		Remarks	FY 2021-22		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	-

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.

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**ANNEXURE TO BOARD'S REPORT**

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

To The Members of THEJO ENIGNEERING LIMITED

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

For Thejo Engineering Limited

Place : Chennai	Manoj Joseph Managing Director DIN00434579	V.A. GEORGE Executive Chairman DIN 01493737
Date : 25 <sup>th</sup> May, 2023		

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**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 31<sup>st</sup> March, 2023 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 25 <sup>th</sup> May, 2023	M.D. RAVIKANTH CFO & Secretary	V.A. GEORGE Executive Chairman DIN 01493737	MANOJ JOSEPH Managing Director DIN 00434579
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**ANNEXURE 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 : 23/05/2023  
UDIN : A044831E000357321**

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