



**Chairman's Speech at the 39<sup>th</sup> Annual General Meeting of the Company**

**Dear Shareholders,**

Good morning to all.

It is a privilege to address you today as the Chairman of a Company that continues to demonstrate innovation, resilience, and adaptability in an increasingly dynamic environment. Financial year 2024-25 had been a year of transformation with focus on internal capacity building to facilitate future growth. During this period, we have made notable internal advancements, even as we navigated a challenging global context. We continue to pursue our long-term value addition through strategic investments in digital transformation, harnessing technology and embedding digital capabilities across the organization to build a strong foundation for sustained competitiveness. Equally important to our strategy is the continued investment in our people, who remain our most valuable asset. To strengthen our leadership and align with the Company's evolving priorities, we have onboarded seasoned professionals who bring deep expertise and fresh perspectives. The investments in human capital are aimed at building a future-ready workforce that are integral to long-term success.

As the Members are aware, the Company caters primarily to the core sector industries and has a balanced portfolio of products and services, which helps the Company to tap the business opportunity all through the business cycle of a customer. Key future opportunities lie in expanding the product portfolio, broadening client base through operational growth, entering new markets, and strengthening our global distribution network. With the expansion of operations and penetration into the UAE market, connectivity to international clients is likely to enhance, resulting in newer business opportunities and growth in exports over the medium term.

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 that there will be good growth opportunities. Improved distributorship networks, sustainable operations with concern for Environment, Social and Governance (ESG) aspects are the value additions and qualitative factors that would provide competitive edge in the market in the medium and long run.

**Financial Performance and Dividend**

The financial performance of the Company during the year under review has shown good growth in terms of standalone turnover and profitability. The turnover from Manufacturing Division has increased. The Services Division also witnessed a better



performance with increase in turnover. The Company has also stepped up its Information Technology spending focussing on enhanced digitization and digitalization. With focus on digitization, corresponding increase is witnessed in related professional costs and computer maintenance expenses. Marginal increase in other costs is commensurate to the increase in operations. Exports registered a growth of about 14% compared to the previous year.

At standalone level, the revenue from operations during FY25 was Rs. 436.46 crore with an EBITDA of Rs. 85.85 crore and a net profit of Rs. 50.01 crore, registering a growth of 20.82%, in terms of EBITDA and 31.42% in terms of net profit.

At consolidated level, the revenue from operations during the year was Rs. 552.74 crore with an EBITDA of Rs. 92.76 crore and a net profit (attributable to the Owners of Company) of Rs. 49.89 crore, registering a decline of 10.38% and 10.33% in terms of EBITDA and net profit (attributable to the Owners of the Company), respectively. The order book position of the Company and its subsidiaries as at the end of the previous month is about Rs. 222 crores out of which some of the medium-term contracts will spill over beyond the current financial year.

### **Subsidiaries**

During the year under review, the Company purchased 3,00,000 shares (of Face Value of AUD 1/- each) in Thejo Australia Pty Ltd (Thejo Australia) from Bridgestone Mining Solutions Australia Pty Ltd, being the balance of 10% stake in Thejo Australia, that was held by Bridgestone. With this, the Company holds 100% stake in Thejo Australia, thus making it a Wholly Owned Subsidiary of the Company.

The Company also purchased 2 shares (of Face Value of BRL 1/- each) in Thejo Brasil Comercio E Servicos Ltda (Thejo Brasil), from Mr. Alberto Roldan, resulting in the Company owning 100% stake in Thejo Brasil, thereby making it a Wholly Owned Subsidiary of the Company. The Company also subscribed to 1,25,000 shares in Thejo Brasil at face value of BRL 1/- each during FY25.

Our subsidiary at Thejo Hatcon has invested in new facilities, which is expected to become operational in the coming months, thereby giving an impetus for its growth in the coming years.

Now, I request Mr. Manoj Joseph, Managing Director to give an overview of our operations including a brief about the operational performance of our Company and the subsidiaries during the year.

### **<Overview of Operations by Mr. Manoj Joseph, Managing Director>**



Respected Chairman, Vice Chairman, my co-Directors, Chairman Emeritus, Shareholders, colleagues, and friends, it's my privilege and pleasure in addressing this 39<sup>th</sup> Annual General Meeting of your Company.

As mentioned by our Chairman, financial year 2024-25 was a year of transformation as we move towards digitisation and strengthening our human capital base to secure long term growth.

Let me begin by giving a very brief background about how the Company had started and our areas of operation, though many of you may be aware about the historical journey of the Company. Thejo began its journey as a service provider and is the pioneer for cold belt conveyor splicing in India. The service vertical of Thejo covers all related services like belt splicing, belt repairs, pulley lagging, etc. for installation, commissioning, and upkeep of various types of belt conveyors.

Aided by the expertise and exposure in the components that gets into conveyor belt related services, and the reliance of customers on our capabilities, we initially started to manufacture various rubber related products used in our services offering.

As a natural progression of our business, with the knowledge and expertise that we gained by our continuous presence in the mining industry, we made inroads into manufacturing and supply of various engineered products for the mining, mineral processing, bulk material handling and corrosion protection industry.

I would like to give you a brief about the key divisions and their performance during the Financial Year 2024-25.

I shall start with our services division.

### **Technical Services**

Thejo is the pioneer of cold vulcanizing technology for belt conveyors in the domestic market. We have established leadership position and maintained market share in the technical services for belt conveyor maintenance within the country. Despite the competition, we retain majority market share with steady growth in services segment. To retain our leadership position and to increase the revenue from the services vertical, in the recent past, we constantly look for devising new offerings that would add value to customers. In the past few years, we have introduced new offerings like 'Triple S' and belt scanning, about which I have explained in my address during the previous AGM.

When it comes to the challenges that we face in Technical Services, identifying, recruiting, skilling, re-skilling and retaining the right talent in terms of technical competency, culture, and efficiency is a challenging area. Our focus is on optimizing



the cost through multiskilled manpower with focus on safety and continuous skill upgradation. International market has good potential for services sector with skilled manpower, for the Company to capitalise. However, developing the business in new geographies in a manpower intensive business will involve patience and ability to sustain during the initial phase of market development till we reach a critical mass.

### **Operations & Maintenance services (O&M)**

As part of our service offerings, we started Operation and Maintenance services (O&M) to our customers some years back. Our original idea of O&M was more of an umbrella offering under which the full bouquet of relevant services and products could be combined together and offered to the customers on Key Performance Indicator or output basis, so that the Customer gets an optimal Total Cost of Ownership.

Though this line of activity continues to be viewed as a commodity and as a tool to outsource manpower with a sizeable trade credit by many customers, we find that some of the customers are expressing their interest to explore the option of O&M in its intended way. We are hopeful that once some of these companies adopt the O&M offering, the other players in the user industry will follow suit.

As a result, the Company continued its approach 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 services business aided by continuous relationship with customers, new offerings together with reasonable and measured growth in O&M, registered an increase in turnover of about 16% during the year.

Now, let me move to the products division.

Our product solutions are engineered to meet the requirement of the customers. Our products are designed based on our knowledge and understanding of the user requirements, aided by our longstanding relationship with them and the continuous presence of our service crew at their sites. Our product solutions broadly fall under five verticals namely, Conveyor Care, Transfer point solutions, Wear abrasion and separation, Filtration, and Corrosion protection. Barring very few, all the products have been designed by our R&D initiative and manufactured at our own manufacturing units. The manufacturing plants cater to rubber moulding and extrusions, polyurethane castings, industrial adhesives and coatings, metal fabrications, rubber lining activities, production of mill liners, rubber screens, diaphragms, shell lifter bars, pinch valves, splicing kits, rubber sheets, etc. During



the year under review, the production of moulded and extruded products was 2,533 tonnes, registering a marginal dip of about 4% compared to the previous year production of 2,648 tonnes. The production of adhesives during FY25 was 562 tonnes as against 438 tonnes last year, which is a growth of 28% over the previous year. We expect the volumes to increase further in the medium term. Focus is on higher productivity and automation of processes, to gear up to meet the short and mid-term growth requirement. Our product sales registered a growth of about 6% during the year under review.

The R&D Centre of the Company continues to play a key role in developing new and innovative products, as well as bringing about continuous improvement of existing products. Through the activities at our R&D Centre, we continuously look at ways to improve efficiency, reduce environmental impact, and enhance safety in our operations. As at the end of the financial year, the Company had applied for 42 product patents and three design protections, of which 27 product patents have been awarded and the balance are in process.

I will now get into the performance of our subsidiaries.

#### Performance of Subsidiary Companies

As on date, the Company has five overseas subsidiaries. These subsidiaries are located in Saudi Arabia, Australia, Brazil, Chile and Ras Al-Khaimah. Let me give a small brief about each of our five subsidiaries and their performance during FY25.

Thejo Hatcon Industrial Services Company (Thejo Hatcon) is the Company's subsidiary located in Saudi Arabia. In this subsidiary, your Company holds 51% stake with the balance being held by Hatcon Industrial Services W.L.L. Thejo Hatcon has established a market for its offerings and continued with its profitable operations during the year. During FY25, Thejo Hatcon registered a turnover of SAR 11.80 million (Rs.26.55 crore) with a net profit of SAR 2.59 million (Rs.5.82 crore).

Thejo Australia Pty Ltd (Thejo Australia) is the wholly owned subsidiary of the Company in Australia. The mining sector in Australia navigated a complex landscape of market fluctuations and regulatory changes and this had an adverse impact on the performance of Thejo Australia. During the year, Thejo Australia achieved a turnover of AUD 17.49 million (Rs.94.22 crore) with a net loss of AUD 0.81 million (Rs. 4.37 crore).

Thejo Brasil Comercio E Servicos Ltda (Thejo Brasil) is a wholly owned subsidiary in Brasil. Thejo Brasil is primarily engaged in selling materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. Thejo Brasil achieved a turnover of BRL 5.13 million (Rs. 8.08 Crore) and made a



profit of BRL 0.90 million (Rs. 1.42 crore). Despite fall in the current year's performance of Thejo Brasil, on the back of low base and steady establishment of our products with key clients, the subsidiary aims to target growth in this geography in the coming years.

Thejo Engineering LatinoAmerica SpA (Thejo Chile) is a subsidiary located in Chile. Thejo Chile is primarily engaged in selling materials used in core sector industries for bulk material handling, mineral processing and corrosion protection. Thejo Chile achieved a turnover of CLP 2043.56 million (Rs.17.88 Crore) with a profit of CLP 181.46 million (Rs. 1.59 Crore).

TE Global FZ-LLC (TE Global) is a new subsidiary incorporated at Ras Al-Khaimah in October 2023. TE Global is primarily engaged in selling various products that are manufactured by Thejo Engineering Limited to various customers in the Middle East and other nearby/ related geographies. During the first year after its incorporation, TE Global registered a turnover of AED 0.88 million (Rs. 2.02 Crores) with a net loss of AED 0.57 million (Rs. 1.30 Crores).

Fluctuations in global market and the downfall faced by the mining sector in Australia has reflected in a dip in the revenue as well as profitability at the consolidated level. With the establishment of our offerings and our brand in these key geographies, we are hopeful of a good growth from the International Market over the long term.

I hope that I was able to give a broad perspective about our operations, some of the latest developments and our views on our offerings.

Thank you and I hand this back to the Chairman.

**<Continuation of Chairman's speech>**

Thank you, Manoj.

Now, I will give a brief on some of the internal developments in our Company.

**Expansion of manufacturing facilities**

I am happy to inform you that the Board of Directors at their Meeting held yesterday, i.e. 28<sup>th</sup> August 2025, have approved the plan to expand our existing manufacturing facilities at a capex of about Rs. 40 Crore. The capex would be funded primarily from our internal accruals and from borrowings, based on requirement. This expansion would enable your Company to meet the future demands, upgrade technology and equipment to ensure our products align with evolving global requirements and increase the production capacity by about 2600 tonnes p.a.



**Digital transformation**

In a move towards digitisation, your Company is in the process of implementing SAP S4 Hana Public Cloud Version (SAP GROW), with PwC as its implementation partner. With the expansion of the business, implementing SAP S4 Hana will enable handling of business transactions, reporting and real-time analytics within the SAP system, thereby enhancing departmental integration, efficiencies, and decision support capabilities.

**Investor Relations**

In an endeavour to enhance the Company's Investor Relations ("IR") management your Company has engaged a reputed firm as Investor Relations Service provider. They will be supporting the Company in its various key Investor Relations activities.

**Corporate Social Responsibility**

During the year 2024-25, your Company spent Rs. 85.00 lakhs towards various CSR activities especially in the areas of preventive health care, promotion of education, hunger eradication, promotion of sports, etc.

**Opportunities and Future Outlook**

The global economy continues to show resilience despite facing several strong headwinds, declining global trade, escalating trade tensions, tariff wars and fragmentation, rising financial risks, geopolitical issues on various fronts and ongoing impacts of climate change. Cybersecurity threats and data privacy concerns are also escalating, demanding greater investment in digital resilience. While the impact appears to have been reasonably contained, these uncertainties continue to undermine the confidence among consumers and businesses to spend, and therefore adversely impacting economic growth. Companies that prioritize innovation, operational resilience, and sustainability will be better positioned to capitalize on emerging opportunities and maintain a competitive edge in an evolving landscape.

Globally, mining companies are accelerating into strategic territories driven by technology and policy changes. Recent reforms in India's mining laws are making the sector more transparent and efficient. Companies are also expanding into critical minerals such as lithium, copper, and even uranium to meet future demand. Sustainability is becoming a key focus, with innovations like battery recycling and clean technologies gaining ground. At the same time, the industry faces increased environmental scrutiny, reinforcing the need for responsible growth. These developments present both opportunities and responsibilities, which we are well prepared to navigate.



Sustainability management with focus on environment will play a crucial role in future. AI-driven digitisation is expected to complement human manpower globally, enabling a focus on higher-value tasks. On the one hand, the business environment is proving to be challenging on account of geopolitical tensions, tariff wars, supply chain realignments, inflation, climate change, etc. On the other hand, there are also positive signs such as technological progress, increased infrastructure investments, and supportive government policies across key sectors. In the overall balance, the outlook for future is one of cautious optimism. Our fundamentals remain strong, and our long-term strategy is intact. We are closely monitoring market developments and are taking necessary steps to adapt to and mitigate risks. The Company and the Management are prepared to take swift decisions based on emerging situation, keeping the interest of all stakeholders in mind.

### **Sustainability Initiatives**

Your Company has commenced some initiatives under ESG. Am happy to report to you that the Company has installed roof-top solar facility on an opex basis at the main manufacturing unit, to meet its major power requirement from sustainable source resulting in lesser carbon footprint. We have been keeping the environment in mind while developing new processes and products. Your Company has been consistent in identifying areas where we can make positive impact on ESG factors in our operations.

Our Core Values continue to pivot around:

- Satisfying the ever-changing demands of Customers through Creative Solutions
- Respecting and Protecting the Environment
- Encouraging Professionalism and Meritocracy
- Valuing and Nurturing Relationships with all Stakeholders
- Practicing High Ethical Standards

The Company has been making sincere efforts in adopting the best practices in Corporate Governance. We have a very competent Board with highly talented and experienced Directors with diversified skills.

To conclude, we would like to reaffirm our commitment to good governance, quick and swift business decisions based on emerging situation and above all keeping the interest of all stakeholders in mind in all our decisions and actions.

I take this opportunity to thank all our employees for their commitment, dedication and hard work. Your contributions are the cornerstone of our achievements.



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I also thank all our stakeholders for the continued support and I look forward to enriching experiences together in the years ahead.

Thank you.

Chennai  
29<sup>th</sup> August, 2025

**V.A. George**  
**Executive Chairman**

*Note: This does not purport to be a record of the proceedings of the Annual General Meeting of the Company.*