PARTNERSHIPS IN PRACTICE

August 05, 2023

To,

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

BSE Scrip Code: 543413

National Stock Exchange of India Limited
The Listing Department
Exchange Plaza, Plot No. C/1, G Block,
Bandra – Kurla Complex, Bandra (East)
Mumbai – 400 051

NSE SYMBOL: TEGA

Subject: Notice of the 47th Annual General Meeting and Annual Report for the Financial Year ended March 31, 2023

In terms of Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report for the Financial Year ended March 31, 2023 alongwith the Notice of the 47th Annual General Meeting ("AGM") of the Company.

In accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India, the aforesaid documents are being dispatched electronically to those Members whose email IDs are registered with the Company / Depositories.

The Notice of the AGM and Annual Report is also being uploaded on the Company's website and can be accessed at https://www.tegaindustries.com/AGM/AnnualReport.pdf .

This is for your information and records please.

Thanking you,

Yours faithfully,

For **Tega Industries Limited**

MANJURE
E RAI

Digitally signed by MANJUREE RAI
DN: c=IN, postalCode=793014, st=MEGHALAYA, l=EAST KHASI HILLS, o=Personal, title=5207, serialNumber=f053cd6842e858553a4efb7befa251c1779c9ec807823c7fb56aab279c901602, pseudonym=520720220513181531159, 2.5.4.20=e6d8b52115d69ccb296debdf1a4214fcb7cd41fd34d1dd2b9fd018d220a20077, email=MANJUREE.RAI@LAFARGEHOLCIM.COM, cn=MANJUREE RAI
Date: 2023.08.05 16:52:37 +05'30'

Manjuree Rai
Company Secretary & Compliance Officer

Enclosed: As stated above

Tega Industries Limited
Annual Report 2022-23

Tega is committed to engineering flawless solutions that enrich the future of mining

Contents

Corporate overview

Statutory Reports

Financial Statements

Growth has been a cornerstone in Tega's journey. Our journey has been one of perseverance, innovation and unwavering commitment to excellence. Through strategic vision, dedicated employees and valued partnerships, we have emerged as a global name and will continue to drive forward, embracing new opportunities and achieving even greater heights of success.

Mehul Mohanka, Managing Director and Group CEO on Tega's growth, driven by an unwavering commitment to excellence, customer-centricity and innovation

Online Annual report
www.tegaindustries.com

Tega is committed...

The Company made sustained investments across the decades, highlighting the seriousness of its intent.

to engineering flawless solutions...

The Company has invested in research, certifications, training and infrastructure investments to enhance holistic dependability.

that enrich the future of mining.

The Company is committed to future-facing solutions that take the business of its customers ahead.

Our vision: Tega is committed to engineering flawless solutions that enrich the future of mining

The focus behind our vision

Committed: Our core competence has been deepened through long-term investments.

Engineering: Our Company's focus is on addressing complex customer needs through specialized competencies and technology leadership.

Flawless: To deliver decisive outcomes, we have invested consistently in people, processes and plants.

Solutions: Our offerings have evolved beyond individual products to comprehensive solutions.

Enrich: We have developed solutions that enhance our customer's businesses by empowering them to improve productivity.

Future: We proactively leverage advanced technologies to empower our customers, enabling them to stay ahead of the curve and remain relevant in an ever evolving economy.

Mining: At the core of our mission lies a relentless pursuit of innovation, driving us to create intelligent products, services and solutions customised exclusively for the mining industry.

Our mission: Our mission is to stand out by delivering enduring solutions to the intricate challenges posed by material handling, wear and ore separation in the mining and mineral processing industries

5 dimensions of our strategic partnership

1

Tega accomplished a transformative acquisition in FY 2022-23 by taking over McNally Sayaji Engineering Limited, a leading mineral processing equipment company.

2

This acquisition has widened the addressable market of the Company

3

The acquisition will graduate the Company towards a comprehensive solutions provider in the global mineral beneficiation, mining and bulk solids handling industry

4

The acquisition provides the Company with a multi-year growth runway

5

Even after the acquisition , the Company's borrowing profile remained prudently conservative

Corporate snapshot

Tega Industries.

The Company embarked on a decisive transformation in FY 2022-23.

It acquired McNally Sayaji Engineering Limited, an original equipment manufacturing company.

This acquisition has expanded our operations beyond consumable products and towards the engineering equipment sector.

The result is that the Company has widened its addressable market, graduated to a larger solution size and increased its value-addition.

This landmark initiative is expected to enhance the Company's visibility. profitability and sustainability.

Vision

Committed to engineering flawless solutions that enrich the future of mining

Mission

To distinguish ourselves in providing lasting solutions to the complex problems of material handling, wear and separation of ores found in mining and mineral processing industries

Values

- Integrity
- Fairness
- Transparency
- Empathy
- Growth and innovation
- Social development
- Sustainability
- Safety and wellness of employees
- Family culture
- Customer comes first
- Take care of your partners and stakeholders

Our track record

Tega Industries Limited, promoted by the Kolkata-based Mohanka family, is the flagship company of the Tega Group of Companies. The Company was established in 1976 after forming an alliance with Skega AB of Sweden.

Our marquee clientele

Tega has established a reputation for pioneering achievements in the mineral beneficiation, mining, and bulk solids handling industries. The Company's diverse client base includes marquee multinational and Indian mining companies as well as small and medium-sized businesses operating in the mining and minerals beneficiation sector.

Our credit rating

Tega has received credit facility ratings that reflect the Company's financial discipline and management prudence. The Company received CRISIL A+/Stable as a long-term bank facility rating and CRISIL A1 as a short-term rating.

Our leadership

In 2001, Madan Mohan Mohanka acquired Skega AB's equity stake in Tega. The individual promoters of the Company are Madan Mohan Mohanka, Manju Mohanka, Manish Mohanka, and Mehul Mohanka. Mehul Mohanka has been an integral part of Tega's operations for more than two decades and has been serving as the Managing Director and Group CEO since August 2016.

Our products portfolio

Tega offers an extensive portfolio of over 93 specialized products customised exclusively for mineral processing and material handling. The product portfolio encompasses a multitude of essential solutions like high-performance mill liners, wear-resistant solutions, dependable conveyor components, versatile screens and trommels, as well as efficient hydrocyclones, ensuring enhanced performance and productivity across the board. Our comprehensive range of offerings encompasses solutions designed to optimize operations across diverse industries such as mining, mineral processing, power generation, construction, cement and steel.

Our presence

Tega operates in ten cutting-edge manufacturing plants across the world, with seven located in India and three strategically placed in major mining locations in Chile, South Africa and Australia. The Company's headquarters are located in Kolkata, India, with a sales and distribution network that spans over 70 countries.

Our human capital

Tega possesses a diverse and specialized team of professionals spread across 21 nationalities. It comprised 813 permanent employees and 1024 contractual workers as on March 31, 2023. The average age of its employees stood at 36 years.

Listing

Your Company is listed on the BSE Limited and National Stock Exchange of India Limited, where its equity shares are actively traded.

Acquisition

McNally Sayaji Engineering Limited (MSEL) is one of the India's leading manufacturers of crushing, screening, grinding, material handling and mineral processing equipment

The Company services core sector industries (iron ore, coal, steel, zinc and copper, limestone, rare earths and other mineral businesses as well as aggregate) The Company's product range includes crushers (jaw and roll), impactors, screens (linear, circular, roller and flip flop), ball and rod mills, feeders (apron, grizzly, reciprocating), mineral beneficiation equipment like slurry pumps, thickeners, floatation cells, filter press, scrubbers etc. The Company addresses the construction sector through the manufacture of products such as mobile crushing, screening plants and skid mounted crushing plants.

MSEL's equipment is installed across Russia, Kenya, Mozambique, Zambia, South Africa, Indonesia, UAE, Oman and Saudi Arabia. MSEL's manufacturing units are located in Kumardhubi, Jharkhand, Vadodara, Gujarat, Bengaluru, Karnataka and Asansol.

At Tega, values lead to value

The big picture of how we have grown our business – and how we will continue doing so

01

Our aspiration

To remain the first vendor of recall for all our customers

02

Our purpose

We strive to deliver superior products that enhance value for our customers

03

Our five pillars

Ethical commitment + Courage + Relationships + Responsibility + Culture

04

How these values have enhanced customer value:

Longer product life + Lower operating cost + Better product outcome + Lower installation time + Enhanced installation safety + Product customisation

05

How these values have translated into superior Tega outcomes:

Sustained financial growth + Sectorial outperformance + Profitable growth + Zero debt + Customer loyalty + Strong order book

Our growth story across the years

1976
Collaboration of our promoter Madan Mohan Mohanka with Skega AB, Sweden; incorporation of your Company

1991
Joint venture with Hosch (G.B.) Ltd (UK).

2001
Buyout by Madan Mohan Mohanka of Skega AB's stake in your Company

2006
Acquired Beruc Equipment, South Africa (now Tega Industries Africa Pty Ltd.).

Grant of patent related to the improved screen panel

2010-11
Grant of patent related to the improved screen panel. Acquired Acotec S.A. (now Tega Industries Chile SpA), Chile and Losugen Pty Ltd. Australia. Investment by Wagner Limited, an affiliate of TA Associates Management, L.P.

2018
Amalgamation of Tega Industries (SEZ) Limited, a wholly-owned subsidiary, with your Company Our Samali unit received Quality Certification, SA 8000:2014

2019
Trademark received for DynaPrime®; received Quality Certifications ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

2021
The Company was listed on BSE Limited and National Stock Exchange of India Limited.

2023
The Company acquired the original equipment manufacturer McNally Sayaji Engineering Limited through the corporate insolvency resolution process on March 29, 2023

Our Tega Group companies

Tega Africa: Tega Industries Africa Pty. Ltd. was originally known as Beruc Equipment (Proprietary) Limited and was incorporated on November 8, 1984. In May 2006, Tega acquired the Company , now engaged in designing, manufacturing and supplying abrasion and wear-resistant products and services for the mining, mineral processing and bulk material handling industries.

Tega Chile: Tega Industries Chile SpA (formerly, Acotec SA) became a part of Tega in February 2011. The Company was incorporated on February 5, 1990 and specializes in designing and manufacturing liners, wear components for mining companies and mineral processing industries.

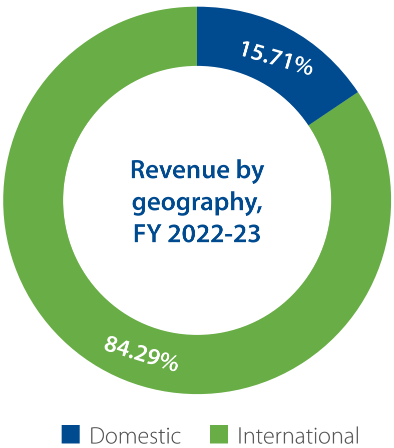
Losugen: Tega acquired Losugen Pty. Ltd. in December 2010. The Company was incorporated on July 26, 2001in Australia. The Company supplies specialized abrasion and wear-resistant products for the mineral beneficiation, mining, and bulk solids handling industries.

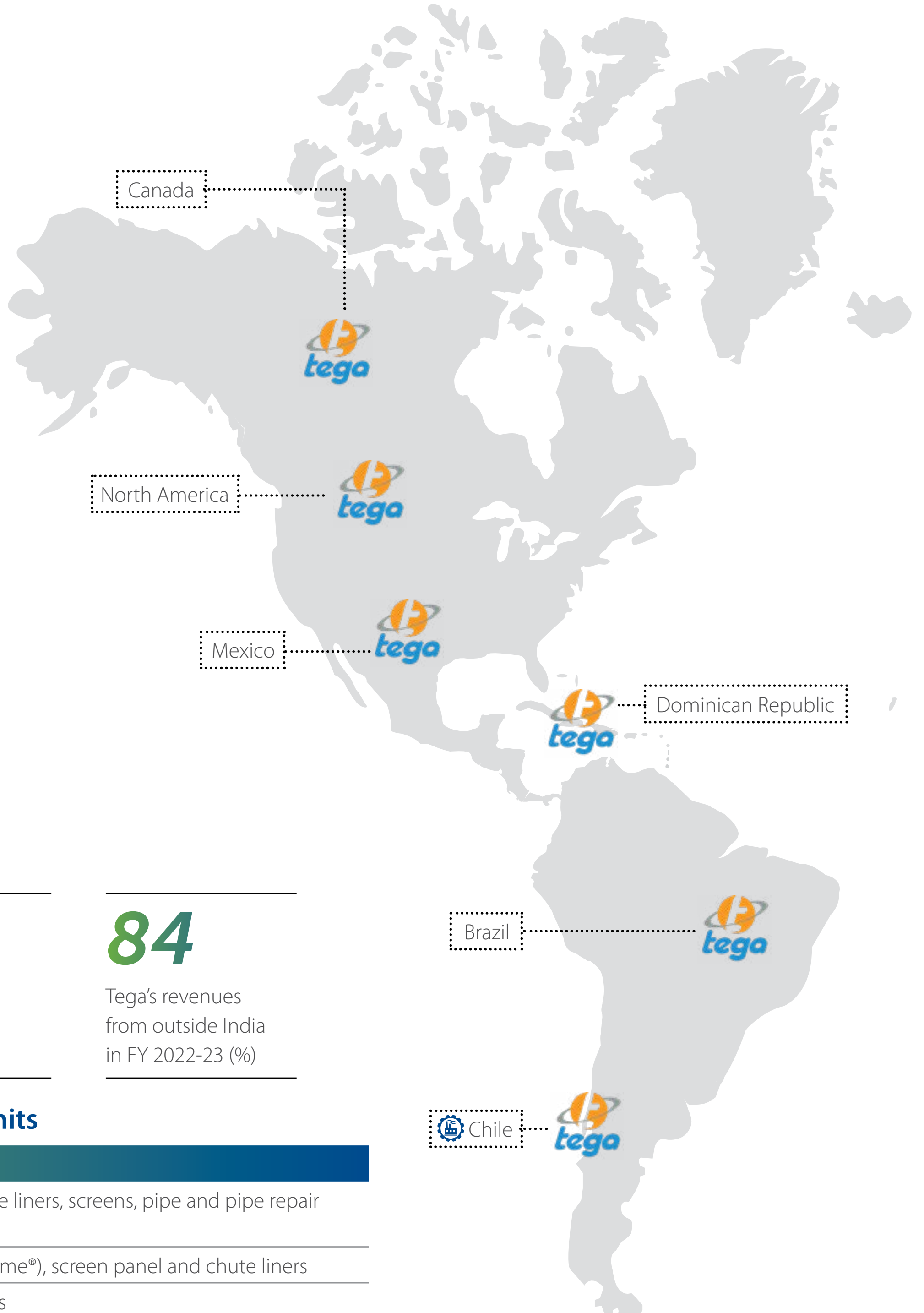
Hosch: Tega Industries Ltd. has a joint venture with Hosch (GB) Ltd., UK, called Hosch Equipment (India) Ltd. The joint venture company, Hosch India, was incorporated on July 10, 1991, under the Companies Act, 1956, as Hosch Equipment (India) Pvt. Limited. The Company is engaged in the manufacture of conveyor components like belt scrappers and accessories. As per the joint venture agreement, the Company supplies products only within the Indian jurisdiction.

McNally Sayaji Engineering: Tega Industries acquired McNally Sayaji Engineering Limited on March 29, 2023. McNally is among the leading equipment manufacturers with a rich track record of having installed equipment in India, Russia, Kenya, Mozambique, Zambia, South Africa, Indonesia, UAE, Oman and Saudi Arabia. This will empower Tega emerge as a comprehensive solutions provider in the global mineral beneficiation, mining and bulk solids handling industry.

Tega plant locations	Capabilities
Dahej, Gujarat	Mill liners, wear products, screens and trommels
Samali, West Bengal	Mill liners, wear products, hydrocyclones, screens, trommels and conveyor products
Kalyani, West Bengal	Mill liners (except DynaPrime®), conveyor products, chute liners and pump liners and hydrocyclones
MSEL plant locations	**Capabilities**
Baroda, Gujarat	Crushers, vibrating screens, feeders and other material handling equipments
Bangalore, Karnataka	Thickener, pumps, filter press, floatation cells, sand washing plant
Asansol, West Bengal	Vibrating screens, feeders, ball mills, crushers and job shops
Kumardubi, Jharkhand	Mills, crushers, screen, feeders and job shops

Tega's global presence





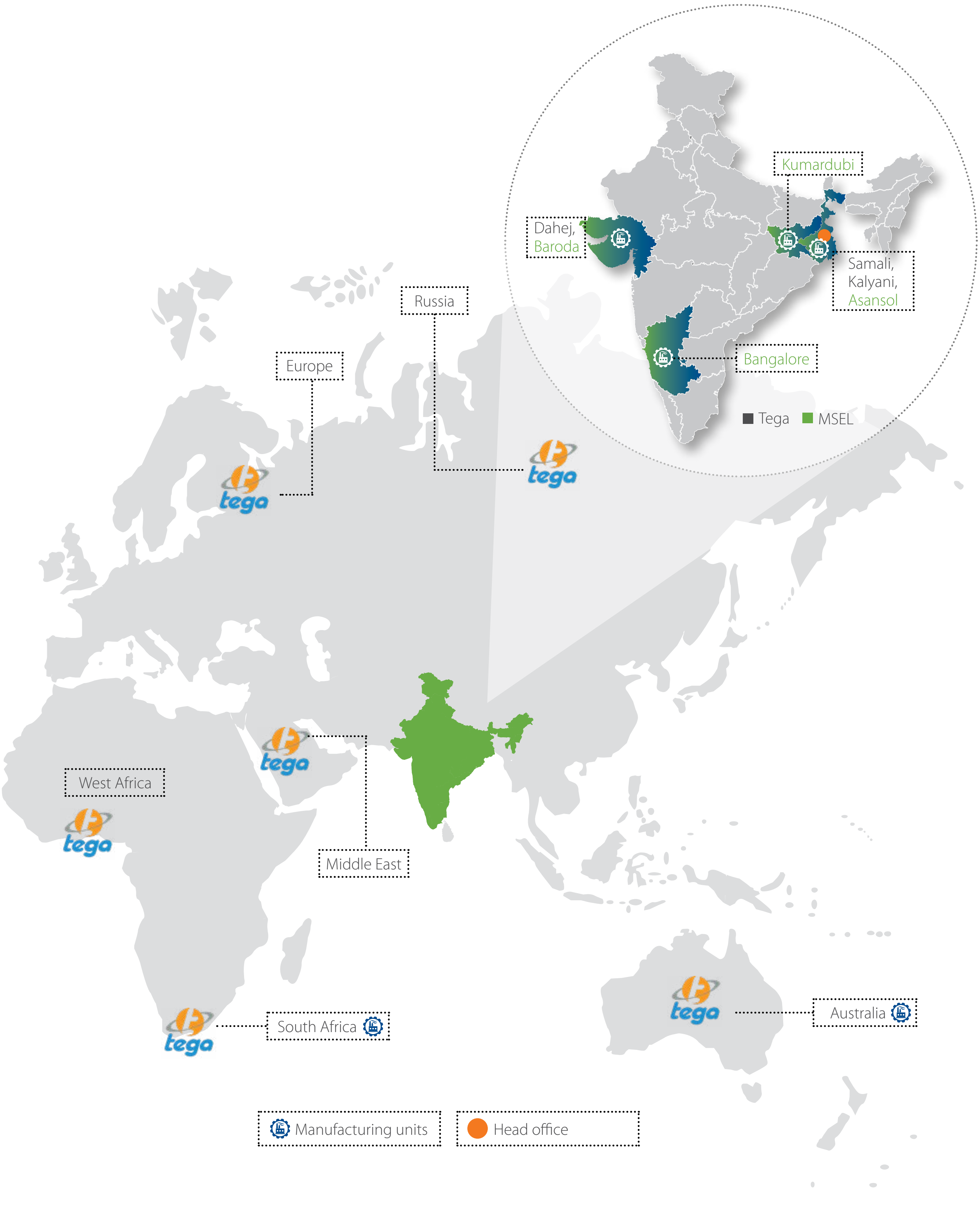
3
Tega's global manufacturing locations.

70+
Tega's global markets (countries)

84
Tega's revenues from outside India in FY 2022-23 (%)

Our overseas manufacturing units

Plant location	Manufactured products
Chile	Mill liners, trommels, chute liners, screens, pipe and pipe repair spools
South Africa	Mill liners (except DynaPrime®), screen panel and chute liners
Australia	Chute liners and trommels


Kumardubi
Dahej,
Baroda
Samali,
Kalyani,
Asansol
Bangalore
Tega
MSEL
Russia
Europe
West Africa
Middle East
South Africa
Australia
Manufacturing units
Head office

Unveiling our growth trajectory

Revenue from operations

	(₹ Million)
FY 2022-23	12,139.72
FY 2021-22	9,517.56

27.55
%, Growth in FY 2022-23

Operating EBITDA

	(₹ Million)
FY 2022-23	2704.14
FY 2021-22	1828.58

47.88
%, Growth in FY 2022-23 (excluding exceptional items)

Net profit

	(₹ Million)
FY 2022-23	1840.30
FY 2021-22	1168.99

57.43
%, Growth in FY 2022-23

Operating EBITDA margin

	(%)
FY 2022-23	22.28
FY 2021-22	19.21

307
bps, Improvement in FY 2022-23

RoCE

	(%)
FY 2022-23	17.19
FY 2021-22	15.46

173
bps, Improvement in FY 2022-23

Net worth

	(₹ Million)
FY 2022-23	10489.92
FY 2021-22	7360.35

42.52
%, Growth in FY 2022-23

Interest cover

	(X)
FY 2022-23	16.06
FY 2021-22	12.78

3.28
times, Improvement in FY 2022-23

Tega's value-added products portfolio

Mill liner products

DynaMax: The DynaMax® range of mill linings are a core product range of the Company. Mill liners represent the flagship business of Tega with customers across many countries using the DynaMax® range of mill linings. The DynaMax® range of mill lining products comprises DynaPrime®, DynaSteel®, DynaPulp® and DynaWear®, all flagship products.

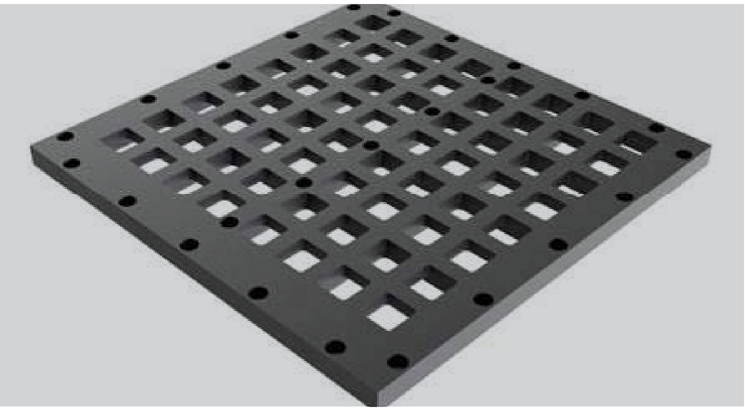
Conveyor component products

Ultimo conveyor components: Tega has been a pioneer in providing quality solutions to the bulk material handling industry, especially belt conveyors. The Company's major conveyor products include Ultimo CenTrax®, Ultimo Jumbo, Ultimo Friflo, Ultimo Spill-Ex Skirt Sealing, Ultimo Eco-Flip Skirt, Ultimo Single Wing, Ceramic Pulley Lagging, Ultimo Ceradisc and conveyor belt cleaners, among others.

Aggression range products

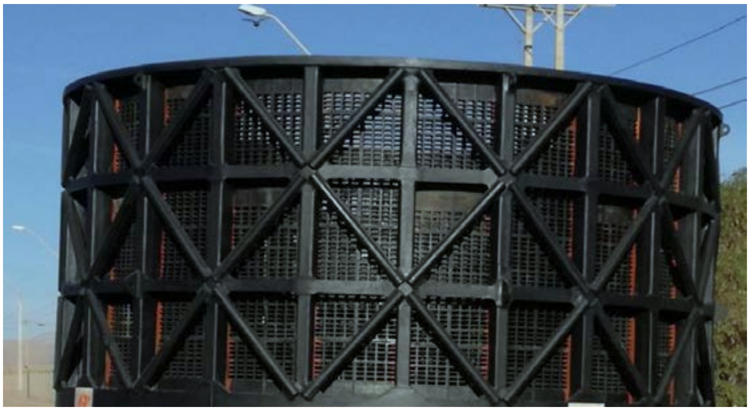
Wear resistant liners: Tega's aggression range comprises wear resistant liners used in transfer and storage equipment, handling bulk material in mineral processing and mining industries. The Company's wear-resistant liner products comprise D-MAC® Ceramic liners, Aggression rubber liner, Composite liner, Air blaster, Mosaic liner, Stallion-UNHWPME liner and Pro-line Polyurethane liner, Durotek® and Aggression Liner.

Screen panels



Tega is among the leading manufacturers of screens and providers of screening services. Tega's Opti Screen brand offers three screen panels (Opti Prime, Opti Next and Opti Slim).

Trommels

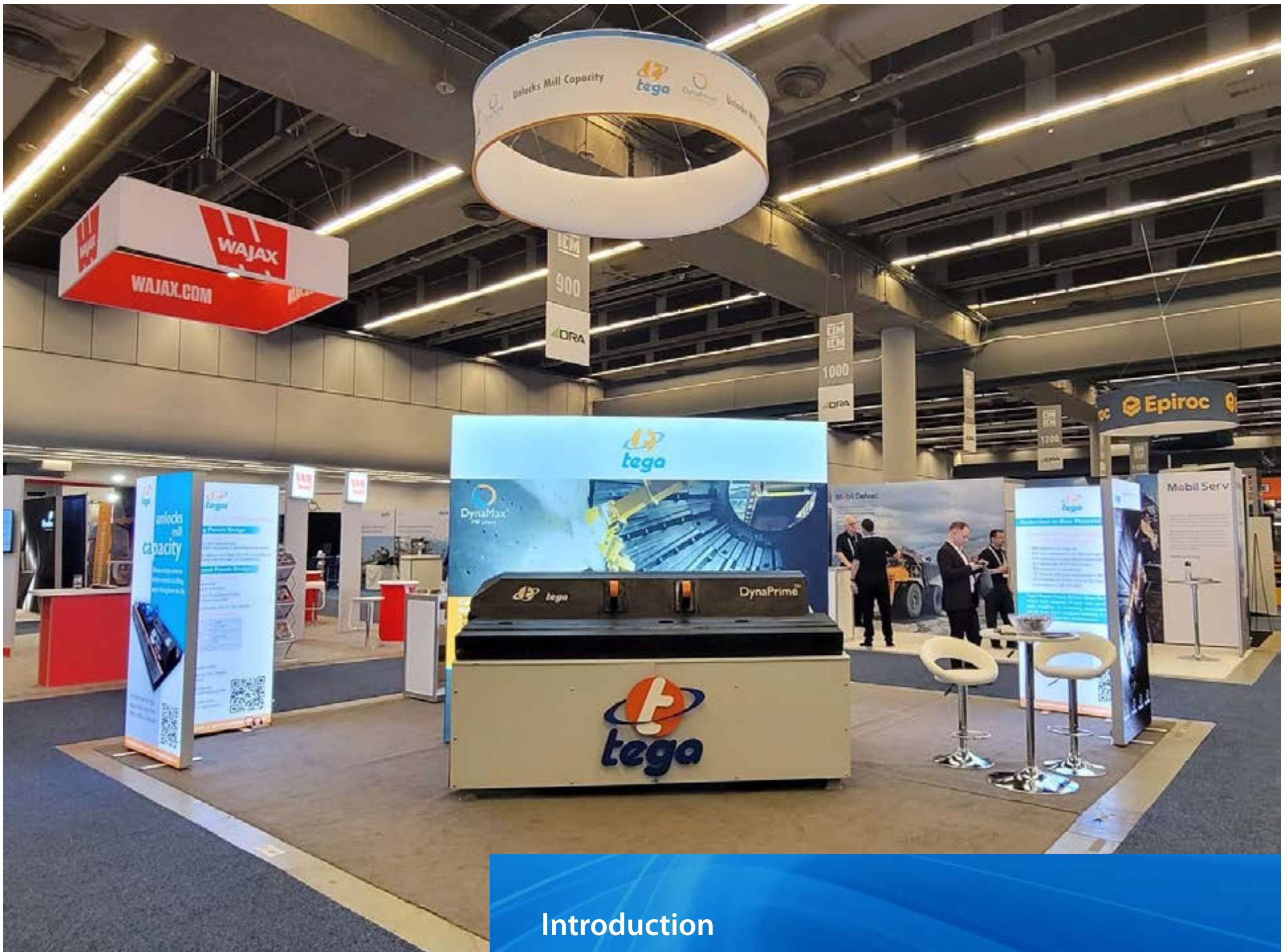


Tega is a market leader in providing a wide range of trommel for heavy and light duty applications. The structures come with rubber or polyurethane screen panels, spirals, connecting pieces and end flanges. The structures are custom designed for higher efficiency, capacity and wear life. The Company's trommel panels have a wide range of options to suit the specific customer requirement. The panels are specifically designed with detailed analysis of the operating parameters, feed distribution, material characteristics and environmental factors to provide the optimum performance in terms of life and efficiency.

Hydrocyclone

Tega is a leader in the design and supply of hydrocyclones for the mining and mineral processing industry for more than two decades. The Company's hydrocyclones are made for wet classification with higher capacity and sharper cut points. The Tega Tornado range of hydrocyclones are known for an innovative product portfolio, delivering comprehensive solutions in classification, beneficiation, de-sliming, de-gritting and de-watering applications associated with mineral processing industries.

Uniformity and Reach: Sustainable Communication



Introduction

In an increasingly interconnected world, Tega focuses on expanding its brand presence and effectively reaching customers across borders as a key driver of its success. The initiatives have been instrumental in driving growth, expanding our customer base, and enhancing our global brand visibility. Our initiatives and strategies highlight our commitment in achieving success in a competitive global marketplace.

Internal Communications

Internal branding initiatives are crucial for fostering a strong brand identity within an organization. Initiatives taken are going through an evolution to enhance effectiveness among stakeholders. Communication is key for building trust. The Employee Newsletter leverages brand values, shares success stories, and highlights employee achievements. It incorporates branding elements and promotes internal events aligned with the brand. To ensure a consistency in branding elements and to look uniform, we initiated the standardisation of Tega offices across regions to create a unified experience. To enhance smooth information flow for seamless communication, a centralised communication dashboard, CANVAS was developed which provides employees with essential information and updates. Limited access is given to designated person for information upgradation.

By implementing these initiatives, Tega enhances its internal branding efforts, strengthen employee engagement, and create a cohesive brand experience throughout the organization.

Market Mapping and Analysis

As a part of our Global expansions, we are significantly looking at greater markets to explore. This requires conducting comprehensive studies to understand customer preferences, market trends, and competitive landscapes in various regions. Recognizing the diverse nature of the global markets, we prioritize our sales and marketing objectives to be in align with the market demands. This ensures that our Brand resonates with the customers on a deeper level, leading to increased brand loyalty and customer satisfaction. By leveraging this valuable data, we gain insights into customer behaviour and adapt our brand and marketing strategies accordingly.

Integrated Marketing Communications

We adopt an integrated marketing communications approach to deliver consistent and compelling messages across various channels in global markets. Our marketing campaigns encompass a mix of traditional and digital platforms, including print media, social media, and affiliate marketing. This integrated approach helps us reach our target audience effectively, build brand awareness, and generate leads.

Strategic Partnerships

Building strategic partnerships with educational and technical institutions, dealer conclaves, influencers, and organizations has been a key driver of our global marketing success. Collaborating with well-established entities in different markets allows us to tap into their existing customer base, leverage their brand credibility, and gain access to valuable distribution channels. These partnerships amplify our brand presence and accelerate our growth in new territories.

Digital Marketing

The rapid growth of digital technologies has opened new avenues for global brand and marketing strategies. We have made significant investments in digital marketing initiatives, including search engine optimization (SEO), pay-per-click (PPC) advertising, content marketing, and social media engagement. We are also practising product and domain advocacy through participation in webinars, podcast and creating blogs.

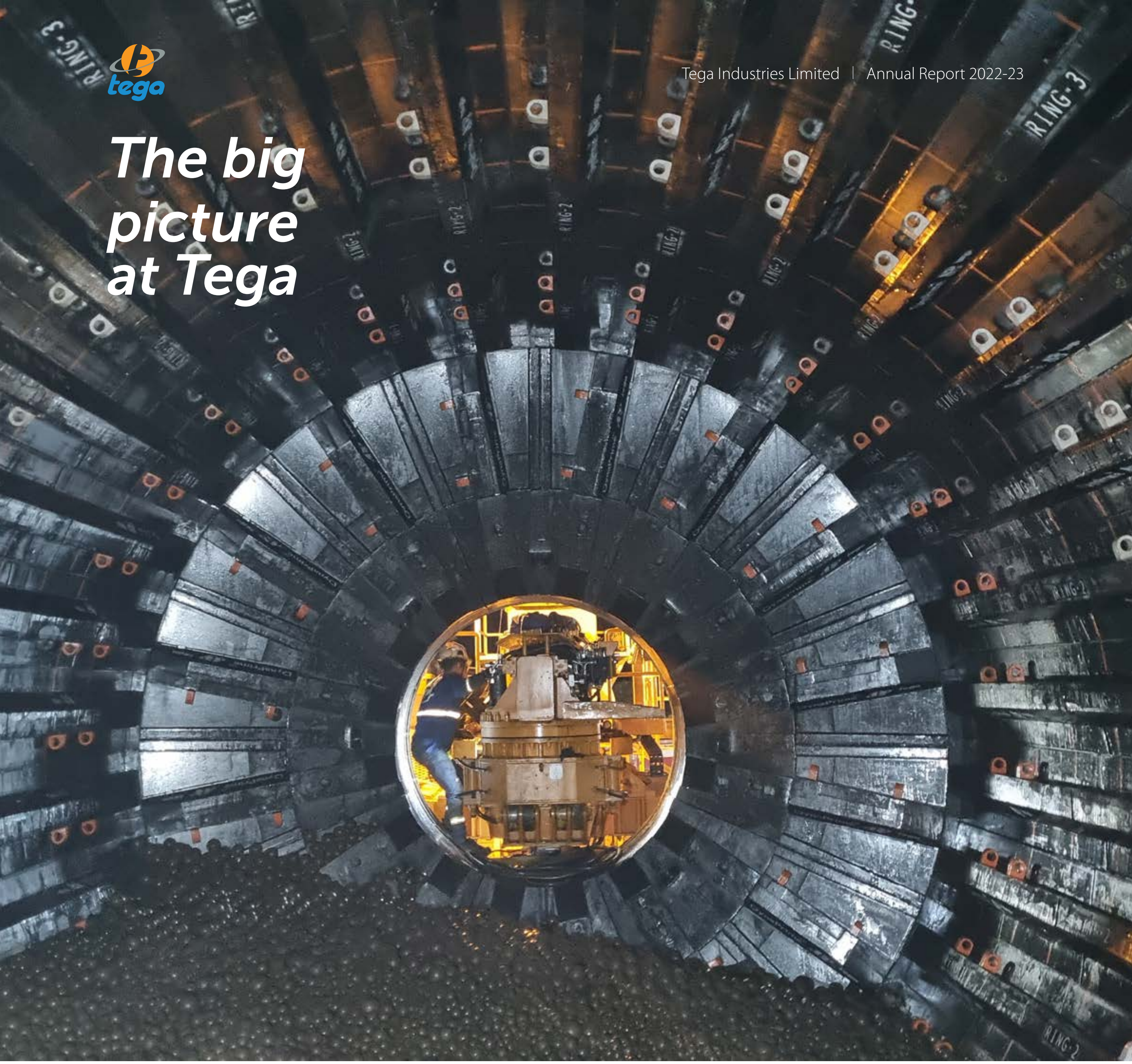
Brand Advocacy and Customer Engagement

We actively foster brand advocacy and customer engagement by implementing customer-centric initiatives. This includes providing exceptional customer service, encouraging customer feedback and reviews, and customer delight programs through blog posts, technical papers, articles, regular emailers and newsletter to share updates about products, services, industry news, exclusive offers, customer success stories and more. By prioritizing customer satisfaction, we aim to create brand ambassadors who not only continue to choose our products but also recommend them to others, further enhancing our global brand reputation.

Conclusion

Through these initiatives and strategies, we have successfully positioned our brand in global markets and achieved sustained growth. Our commitment towards brand uniformity, market research, localization, integrated marketing communications, strategic partnerships, digital marketing, and customer engagement has helped us build a strong brand presence and establish long-term relationships with customers worldwide. We remain dedicated to continuous innovation and adaptation, ensuring our brand and marketing strategies stay relevant and impactful in an ever-evolving global landscape.

The big picture at Tega



Tega believes that mining will play a vital role in human prosperity for decades.

The significance of mining in our lives is set to grow as it produces a wide array of resources of increasing relevance.

In the future, the world will witness a shift towards electric vehicles, an increased reliance on renewable energy sources, a heightened recognition of gold as a secure investment option, and a deeper commitment to invest in infrastructure.

These priorities will be catalysed by a growing emphasis on responsible mining practices, both in terms of increased mining activities and a stronger commitment to responsible environmental cum social practices

Tega is dedicated to expand its capacity and capabilities in manufacturing mineral reprocessing products, reinforcing its position as a forward-thinking company that anticipates future needs. This commitment strengthens our reputation as a company that embraces innovation and is prepared for an exciting tomorrow.

Envisioning a dynamic future: Tega empowering new horizons and expanding opportunities

Global economic growth > Increased employment opportunities > Increased per capita income > Need for increased raw material > Sustained growth of the global mineral reprocessing industry > Increased demand for industries and infrastructure development

How the industry needs to respond

Rethink business models > Digitalise with speed > Widen the portfolio > Enhance operating capacities > Secure customer relationships

How Tega is reinventing its business

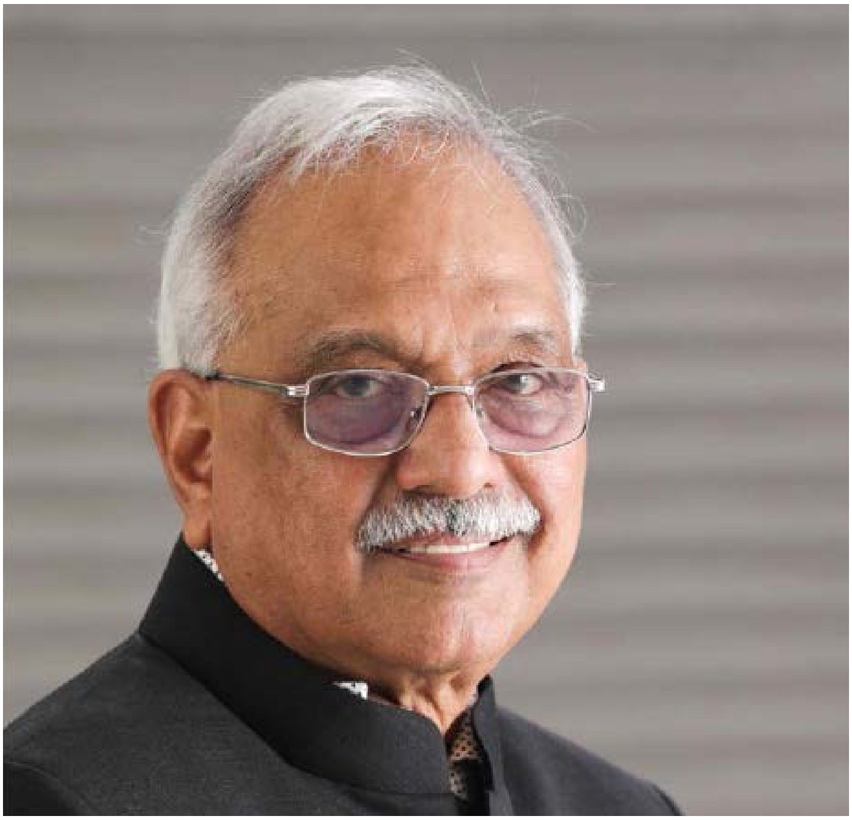
Embracing innovation and evolution > Implementing new solutions and technologies > Adapting to changing market demands > Expanding market potential and growth > Moderate the customer's cost of product ownership > Enhance solutions efficacy > Experiment new ingredients or combinations > Development of new product features

Improved lifestyles are driving mining growth

Iron ore	Copper	Gold	Zinc
▪ Increased housing demand ▪ Automotive sales growth ▪ Roofing market growth	▪ Increased adoption of electric vehicles ▪ Wires and cables market growth ▪ Increased adoption of renewable energy	▪ Increased demand of electronic goods ▪ Cosmetic dentistry market growth ▪ Increased jewellery demand ▪ Hedge against inflation	▪ Increased smartphone usage ▪ Increased demand of galvanized steel ▪ Growing autoparts demand

Chairman's statement

If there is one reason that makes me optimistic that Tega is headed in the right direction, it is'culture'



Dear shareholders,

It is my pleasure to welcome you to the 47th Annual General Meeting of your Company. I am also pleased to present you my second overview following our going public in 2021.

I fondly remember the day we had embarked on this journey 47 years ago, with an aim to empower the global mining, mineral processing and material handling industries with world-class consumables. During this journey, your Company has relentlessly worked to establish itself on a solid footing. Your Company has grown its roots deep and strong. This could be achieved by focusing on fundamental business principles, maintaining the basics of financial discipline and fostering the personal and professional growth of our most valuable resource i.e., our people. In alignment with the growth of your Company, it was important to understand the pulse of the customers and give an overarching importance to customer satisfaction, excellence in operations, with a continuous focus on growth opportunities and face challenges with courage, right strategy and hard work.

I am happy to state that we have, over the years, lived by the core values of Tega i.e., integrity, ethical commitment, courage, mutual respect, humanity, never-give-up attitude, innovation, service, professionalism and employee-first, across the decades and this is clearly reflected in our financial performance in FY 2022-2023. We diversified our portfolio of customer solutions and introduced unique, specialized, premium quality solutions for our customers with significant added benefits, with DynaPrime® being a living example.

I am pleased that during the last financial year, your Company grew in revenues by 28% and profit after tax by 57%, even as the global economy grew by 3.6% in 2022 and the Indian economy grew 7.2%. This performance is commendable considering the global geo-political situation, commodity inflation and supply chain disruptions. After 47 years in business, Tega Industries is at an inflection point, following which we are confident that growth will be larger and sustained. We embarked on a bold step by acquiring McNally Sayaji Engineering Ltd., a prominent Indian manufacturing and engineering company with a strong presence in the material handling and mineral processing sector. The acquisition is complementary, extends our value chain and enlarges our addressable market in addition to related synergies. On the contrary, we are optimistic that this acquisition will make our business larger, more profitable and even more sustainable. As we have achieved with Tega, our ambition is to take McNally Sayaji global as well.

With the experience of each successful year, the horizon of your Company is expanding and becoming brighter. Our initiatives, hard work and efforts for consistent and sustainable growth shall continue. **As an organization with a global presence, it is imperative to understand the significance of sustainability and impact on the Company's operations.** We view sustainable development of communities around our plants in India and abroad as an integrated agenda and fundamental principle that endeavours to provide solutions to economic, social and environmental challenges. This year we have, along with the Annual Report, published our inaugural Business Responsibility and Sustainability Report (BRSR), depicting initiatives taken around environmental, social and governance perspectives.

Over the years, we have been able to raise our sustainability grade through investments in renewable energy and responsible fuel switches towards a low carbon environment, integration of occupational health and safety practices in the core of our operations. **We have a proud legacy of pioneering positive change. This serves as a mission to keep up the good work, confirmation that we are on the right course and a focus on 'How can we do better?'** As a part of our continuous endeavour, we strengthened our initiatives in the field of education, skill development and healthcare for the underprivileged. By making values of caring for the less fortunate central to our business, we deepened our sustainability and stakeholder longevity, which translated into stability and predictability, manifesting in an almost annuity-like revenue model. One of the steps towards this has been our linkage with **Disha India Community School, an experiential learning school, comprising real-life experiences from the local community context of the child as a pedagogic medium for teaching.** The idea is to demonstrate how a community can design its own education program based on its context, challenges, aspirations and possibilities, so that education is rooted in the local context and prepares children for a future that the community aspires for.

At Tega, we perceive risk-taking to be a natural extension of our core competence. This explains why, even though we are headquartered in Kolkata, our manufacturing operations are spread globally, close to our customers. This approach has resulted in immense success and exponential growth that we intend to build on. **I have always believed in the importance of relationships – the word being synonymous with 'business' - and think they are of utmost value in a growing organization. If there is one reason that makes me optimistic that Tega is headed in the right direction, it would be 'culture'.** There is an effective term that encapsulates its importance within our organisation: 'Culture eats strategy for breakfast.' At Tega, we have deepened our 'entrepreneurial' culture where we encourage and empower our people to take decisions without fear or reproach, deepening an understanding that they 'own' the Company. We promote extensively from within; we grow leaders at every level. This delegation is secured by a system of checks and balances, enhancing clarity, accountability, and responsibility.

Vasudhaiva Kutumbakam is a Sanskrit phrase found in Hindu texts the Maha Upanishad, which means 'the world is one family', is in letter and spirit applicable to your Company. **Every relationship here is valuable to us from stakeholders around the world who are family, vendors and especially all our employees.**

As we move forward, we are committed to exceeding your expectations every step of the way and will continue to invest in people, technologies, and processes to improve our offerings and deepening our sustainability. Your Company follows the principles of zero-tolerance. **There is no scope to compromise on maintaining highest standards of corporate governance, integrity, ethics, and values.** To run our business in compliance with applicable laws, policies and standards, there are control standards, dedicated resources, trainings, and systems. At the end of the day, our customers, employees, contractors, service providers and stakeholders are proud to work for a company that values and relentlessly maintains the highest ethical standards. At the heart of these results are our people, whom I thank very heartily for their continuing support and motivation to drive your Company forward.

I acknowledge the confidence entrusted in the Board of Directors and management of your Company by shareholders. I am optimistic that the foundation of the Company is robust and the business landscape widening, strengthening prospects directed to enhance value for all our stakeholders in a sustainable way.

Madan Mohan Mohanka
Chairman

Managing Director's statement

At Tega, we are constantly rethinking and reimagining our strategies to propel us to even greater heights of tomorrow

Dear shareholders,

It is my privilege to present our company's Annual Report for FY 2022-23 along with our first Business Responsibility and Sustainability Report (BRSR). I hope you and your families are well and safe.

Our performance

I am happy to share that we achieved a remarkable 28% revenue growth, with the consolidated revenue increasing to ₹1,214 Crore (FY 2022-23) from ₹950 Crore (FY 2021-22). This growth was exemplified in the fourth quarter, where our revenue experienced a strong surge of 36%. to ₹396 Crore (₹290 Crore in the same period last year). I am also proud to report a substantial increase in our profit after tax, with ₹184.03 Crore (FY 2022-23) compared to ₹116.89 Crore (FY 2021-22). This noteworthy financial achievement demonstrates our continued focus on delivering value to our stakeholders.

We witnessed robust sales across all geographical regions, a testament to the effectiveness of our strategic initiatives. In FY 2022-23, our revenue breakdown by geography showcased a balanced performance, with domestic revenues contributing 15.71% and international revenue accounting for an impressive 84.29%. This was achieved despite

It is my vision to propel the Company in to new heights of performance and success. I firmly believe that our success lies in the ability to consistently deliver exceptional value to our customers, foster innovation and maintain a strong focus on sustainability.

a challenging global environment characterized by geopolitical issues in Europe, recessionary outlook in leading economies, currency volatility, and resource inflation. Your Company successfully navigated these headwinds and delivered significant improvement. Our expanding scale allowed us to leverage enhanced economies of scale, resulting in improved margins and overall profitability. Considering this performance, the Board of Directors of your Company have recommended a dividend of 20%, i.e., ₹2.00 per fully paid-up equity share.

In line with our targets, our mill liner business, accounting for 70% of the revenues, grew by 21% while the overall business expanded by 24%. The non-mill liner business experienced even higher growth at 26%, showcasing Tega's diversification and ability to deliver value. These figures highlight our commitment to innovation, customer satisfaction and market competitiveness. We remain confident in our growth trajectory across both business segments. Although the Company faced challenges in FY 2022-23, including delays in passing on the benefits of a revived supply chain and increased prices to consumers, we effectively managed our gross margins.

Acquisition of McNally Sayaji Engineering Limited

We have been making choices over the past decade, to grow and establish our footprint all over the globe. We acquired manufacturing facilities across mining hubs that complemented our operations and reach - Australia, South Africa and Chile. The transformative acquisition of McNally Sayaji, a leading mineral Original Equipment Manufacturing (OEM) company was a natural choice that complemented our plans and our fundamental belief about our growth prospects in India and globally in the OEM space. Also, much of our strategic expansion objectives has been based on entering spaces that complemented our existing businesses.

We believe that McNally Sayaji has created a very strong position for itself in India and it also very well known in the world as it has served loyal customers around the globe. Therefore, for Tega to acquire this OEM was a natural choice, that complemented our plans for the Company's growth in India as well as expand our product footprint globally. In line with our vison of being committed to engineering flawless solutions that enrich the future of mining, our entry into the OEM manufacture is yet another step towards capitalising on our global presence and building branded businesses that allow us to move closer towards the end consumer and lend greater credibility to the Tega Brand. Tega's strong foundation, coupled with the integration of McNally Sayaji, reinforces our commitment to providing comprehensive solutions and serving as a trusted partner to its valued customers globally.

By integrating McNally Sayaji Engineering, we have expanded our operations beyond consumable products and ventured into the engineering equipment sector, specifically in the mineral processing operations of the mining industry. This expansion has broadened your Company's market presence, enabling it to offer large-scale solutions and enhanced value-added services. This significant undertaking is expected to elevate the Company's visibility, profitability and long-term sustainability. The consolidated revenue was ₹35 Crore from McNally Sayaji within five weeks following the acquisition in FY 2022-23. We envisage a compound annual growth rate (CAGR) of approximately 15% for this business segment over the next three to four years.

Rethinking Tega at greater heights

At Tega, we are constantly rethinking and reimagining our strategies to propel us to even greater heights of tomorrow. We recognize the need to adapt and innovate in a rapidly evolving business landscape and our commitment to stay ahead of the curve is unwavering. At Tega, we are driven by the singular goal to enhance holistic dependability and pave the way for a brighter future in mining. We are driven by a belief in surpassing industry norms and constantly pushing boundaries to provide our customers with innovative, future-facing solutions that propel our customers' businesses to new heights.

To achieve this, we are embracing digital transformation as a catalyst for growth. We are investing in cutting-edge technologies and data-driven solutions to optimize our operations, enhance efficiency and deliver even greater value to our customers. Our relentless pursuit of technological advancements has resulted in game-changing products that bring immense value to our customers. Industry 4.0 marks a significant milestone in our digitization journey. This is not just about wiring our organization or gathering more data; it is about taking digitalization to the next level. Our talented engineers and scientists have achieved something truly remarkable. They have integrated IoT features into our products, creating a sensor-based solution that sends real-time alerts about its health, replacement date and operating system performance. This intelligent Tega product empowers our customers with proactive insights, enabling them to make timely replacement decisions and optimize infrastructure uptime. Its groundbreaking capabilities sets it apart from anything else in the industry, positioning us as leaders in innovation. We have extensive Research and Development (R&D) facilities with our inhouse team who harness engineering knowledge with a positive momentum. Our team has been working enthusiastically on the development of innovative products and solutions. We shall continue to invest in cutting-edge R&D aimed to provide superior customer value, superior product quality and robust product characteristics.

Our focus on talent development and nurturing a culture of innovation remains a top priority. We believe that our employees are our greatest assets, and we are committed to fostering a culture of continuous learning, creativity, and collaboration. By empowering our team with the right tools, resources and training, we are cultivating an environment where ideas flourish and innovation thrives.

Business Responsibility and Sustainability Report (BRSR)

This year, we published our inaugural Business Responsibility and Sustainability Report. We have long recognised the Environment, Social and Governance (ESG) stewardship as core to our purpose. We possess a proud legacy in pioneering positive change, not just within our Indian Operations but in our global operations and this commitment remains steadfast.

Tega is on an exciting mission to achieve new standards in sustainability goals. We aspire towards a net zero carbon footprint. Caring for the planet and its people is the core of our purpose of doing business. Even while solving complex challenges for the industry, we stay protective about the impact that our operations and conduct create on the world around us. We rolled out Environment, Sustainability & Governance (ESG) across Tega to subscribe to international benchmarks and compliances. Our intra-company ESG drive covers steps to amplify environment friendly, safe, and ethical governance practices. We are actively fine-tuning our systems and strategies around our ESG roadmap and report.

We aspire to be a global benchmark for corporate citizenship. Our efforts are aligned with this vision as we endeavour to improve workforce Diversity, Equity and Inclusion, health and safety and community well-being. We have established clear and measurable objectives for our DE&I journey and have charted out holistic plans for broadening the number of lives positively impacted through CSR initiatives, developing a responsible supply chain through ethical sourcing and ensuring the code of business conduct compliance.

In closing, I extend my sincere thanks to all the employees for their resolute efforts towards forging a resilient and agile organisation. I also express my sincere gratitude to all stakeholders for their unstinted support over many years and hope for their continued support in our journey to take the Company to greater heights.

Mehul Mohanka
Managing Director and Group CEO of Tega Industries


ACE G.N. ENTERPRISE

How we strengthened sustainable financial performance during FY 2022-23

Overview

At Tega Industries, we witnessed strong growth in key financial metrics during the year under review. The Company recorded robust sales growth across all geographies, reflecting the effectiveness of its strategy. The Company's expanding scale resulted in enhanced economies of scale and margins improvement. Despite the challenging global environment, characterized by geopolitical issues in Europe, recessionary outlook in leading economies, currency volatility and resource inflation, the Company delivered a significant performance improvement.

Revenue and profitability

The Company recorded a 28% revenue growth on a y-o-y basis from ₹950 Crore in FY 2021-22 to ₹1,214 Crore in FY 2022-23. During the fourth quarter, the Company's revenue witnessed a strong growth of 36%, reaching ₹396 Crore from ₹290 Crore in the similar period in the previous year. The Company reported a profit after tax of ₹184.03 Crore in FY 2022-23 compared to ₹116.89 Crore in FY 2021-22.

Margins

The Company's operating EBITDA margin stood in the range of 22% in FY 2022-23 compared to 19% in FY 2021-22. The Company's PAT margins remained at a healthy level of 15% in FY 2022-23 compared to 12% in FY 2021-22. During FY 2022-23, the Company reported a 100 bps de-growth in gross margin compared to FY 2021-22 on account of the time taken to pass on the benefits of a revived supply chain from commodity to shipping, coupled with increased prices passed on to consumers. However, the Company improved its gross margins in each quarter and is expected to register margins improvement in the coming quarters as well.

Working capital management

The Company effectively managed its working capital despite challenges witnessed during Q4 FY 2021-22 that extended into the last financial year. The Company's working capital cycle improved by around 20 days in FY 2022-23, easing liquidity pressure.

Growth from the mill business

The Company's mill liner business, that comprised 70% of its revenues, grew around 21% compared to an overall business growth of 24%. The Company received higher growth from its non-mill liner business (26%).

Growth from McNally acquisition

Tega earned a total consolidated revenue of ₹35 Crore from McNally Sayaji in the five weeks of its acquisition till the end of FY 2022-23. The total revenues of McNally Sayaji remained close to ₹190 Crore for FY 2022-23. The Company envisages a CAGR growth of 15% for this business for the next three to four years as McNally delivered in the range of 12-15% in the last two years.

The Company consolidated the best part of McNally's business (last five weeks of the year), resulting in a healthy EBIT growth which is not sustainable as a percentage of revenue when accounted for the full year.

Capital expenditure plans

At Tega, we may infuse around ₹15 Crore into the Company based on the needs of each location. The Company is coming up with a greenfield project in Chile, which could warrant capital expenditure. The capital expenditure for the next one-and-a-half years is expected to be concentrated in Chile coupled with some capex in Africa and India. The Company plans to consolidate operations and expand capacity in Latin America. With McNally Sayaji coming into the Company's fold, around ₹15 Crore was put into that business to address the product gap and capitalise on opportunities in ways related to faster capability building.

Debt-equity ratio

The Company is in a healthy position in terms of debt on its books. The Company's debt-equity ratio was 0.3x and net debt position following the acquisition was ₹70 Crore. At the debt level, the Company's EBITDA remained close to ₹260 Crore in FY 2022-23, four times its debt and considered comfortable. Any new capex is in a position to be funded with an optimal mix of debt and equity; the Company possesses a healthy Balance Sheet that could permit it to fund the capex entirely through internal accruals on account of its sound financial reserves.

Tega's strategic foundation: Leveraging 5 pillars of growth

- Acquisitions and alliances
- People investments
- Growing digitalisation and innovation
- Environment Social and Governance priority
- Brand and marketing

Acquisitions and alliances

Where do we see the opportunity?
We see that companies around the world are engaging in strategic alliances and acquisitions to access new technologies, customers and geographies.

What we are doing about it?
We engaged in various strategic acquisitions across the globe during our operational history of more than two decades. The Company acquired McNally Sayaji Engineering Limited, among premier manufacturers of industrial machinery, on March 29, 2023. This acquisition helped the Company graduate from a spares manufacturer to an original equipment manufacturer.

People investments

Where do we see opportunity?
We see that the companies around the world are investing in its workforce to provide an improved workplace experience, emerging as an employer of choice.

What we are doing about it?
We have undertaken various employee and employee family engagement initiatives to improve workplace satisfaction, provided global opportunities to internal employees, revised the pay structure to increase employee retention and automated the HR processes to make employee engagement easy.

Growing digitalisation and innovation

Where do we see opportunity?
We see an opportunity in digital processes that enhance operational efficiency, helping the Company create a scalable foundation that enhances revenues without a corresponding increase in costs

What are we doing about it?
We have adopted Industry 4.0 by leveraging digital for competitiveness through the implementation of a fully automated ERP solutions that uses plant level SCADA system to generate monthly bills. We invested in a digital MIS that has enhanced a granular understanding of our business and prompted data-based initiatives. This has strengthened our procurement, manufacturing, sales, HR and costing.

Environment Social and Governance priority

Where do we see opportunity?
We see the most respected and profitable companies continuing to invest disproportionately in their environment-social-governance initiatives, strengthening business sustainability.

What are we doing about it?
We have raised our governance standards, continuing to invest in employee capabilities, safety, health, environment integrity and community responsibility.

Brand and marketing

Where do we see opportunity?
The Company is significantly looking at greater markets to explore. This requires conducting comprehensive studies to understand customer preferences, market trends, and competitive landscapes in various regions

What are we doing about it?
The Company adopted an integrated marketing communications approach to deliver consistent and compelling messages across various channels in global markets. Our marketing campaigns encompass a mix of traditional and digital platforms, including print media, social media and affiliate marketing.

Acquisition

Charting the path ahead: Tega's strategic investments in FY 2022-23

The Company acquired McNally Sayaji Engineering Limited through the NCLT process

Strategic Synergy

- Tega acquired MSEL (through the NCLT route) in FY 2022-23
- The aquisition marked a significant milestone, positioning the Company for continued growth and market leadership
- The financing for the acquisition was concluded through Tega's net worth and debt.
- The acquisition represented a decisive initiative towards long-term portfolio (products and services) expansion and sustainability.

Our management's perspective

"The global market for mining and mineral products is increasingly competitive, putting a premium on the need to moderate costs and widen margins. The acquisition of MSEL represents a win-win proposition for Tega and its customers. The acquisition of a complementary business is expected to enhance our competitiveness on the one hand and strengthen customer service on the other. We believe that the acquisition will enhance value for all our stakeholders, deepening our sustainability. In doing do, we expect to engineer flawless solutions that prepone mining sector developments, helping create tomorrow's company today.

The Tega-MSEL combine will enhance synergies related to shared technology knowledge, larger product profile, after-sales service and efficient working capital management. Besides, the acquisition is likely to translate into quicker growth, improved capital access and attractive long-term value-creation for our stakeholders.

We are excited about the potential of this acquisition and the opportunities it presents for our company achieve common goals, innovate and excel in the global mining industry.

Mr. Mehul Mohanka, *Managing Director & Group CEO, Tega Industries Limited*

The reality

Tega: Global leader in designing and manufacturing 'critical-to-operate' consumables for the mining, mineral processing and material handling industries.

McNally Sayaji Engineering Limited (MSEL): Pioneer in providing solutions for manufacturing and marketing crushing, screening, grinding, material handling, and mineral processing equipment coupled with customer support and after-sales service.

Overall value-accretive

Coming together of two businesses with a rich multi-decade experience

Benefits shared by both – acquirer and acquired – resulting in a win-win proposition

Backward integration from resource manufacture to equipment fabrication used by Tega

Large increase in Tega's total addressable market

No recourse to Tega's Balance Sheet for growing the acquired business

Benefits to Tega

Brand

Transformation in Tega's personality

Graduation into an influential voice at the customer's strategic table

Moderated global sourcing risks

Strategic

Graduation from resource seller to solutions provider and consultant

Positioned to graduate to equipment and engineering partner

Positioned to offer equipment operations and maintenance services

Emergence of a new, larger and influential beachhead

Access to MSEL's factories in East, West and South India

Integration

Better quality and research integration between equipment and resource

Large test bed for ascertaining MSEL and Tega products quality in real time

Finance

Value-addition for Tega expected to enhance margins and capital efficiency

Relatively short payback of the acquisition cost

A substantial tax hedge arising out of unabsorbed MSEL losses

Knowledge

Six-decade knowledge base; acquired in one stroke what could have taken more than a decade to aggregate

Portfolio of 40 equipment types; MSEL holds leadership in the crushing and beneficiation spaces

Rich MSEL capabilities in equipment re-engineering and value engineering

Customer value

Direct control of a larger ambit of operations

Enhanced customer confidence in the delivery of uninterrupted products supply

Enhanced Tega capacity for customer service (speed, quality, product customisation and cost competitiveness).

Prepared

Positioned to capitalise on India's infrastructure revolution

Decadal roadmap in building both businesses (resource and equipment)

Specialisation in renewable energy, low carbon footprint, energy efficiency and advanced technologies

Benefits for the acquired MSEL business

Business complementary to Tega without overlaps > Adjacent business; wider value chain > Access to Tega's global market network > Access to the robustness of Tega's Balance Sheet > Stronger capacity to address larger projects

Digitalization

How Tega is deepening Industry 4.0

Overview

At Tega Industries, we deepened Industry 4.0 to enhance the role of digitalization across aspects of our company.

Tega does not just compete in the markets of the present; it has always prepared for the future. The Company is engaged in various concurrent digital-intensive projects to develop new products, identify new product features, experiment new ingredient combinations and explore enhancing solutions effectiveness.

At Tega, the objective is to leverage the role of digital tools to moderate the customer's cost of product ownership and talent, while enhancing operating efficiency and moderating installation downtime. At the Company, digitisation is more than about wiring the organisation and deriving additional data; it is about extending digitalisation from process to product. When fully complete, this project could emerge as a disruptive global game changer.

In conventional applications, the product sits inside the customer's premises and needs to be replaced when its effective life is over. Tega's engineers and scientists have emerged with a dramatic change: they have infused the product with IoT features; the sensor-based product will send transmit alerts on its health, probable replacement date and the health of the operating system. This 'intelligent' Tega product will inform, forewarn and alert in real-time, prompting proactive replacement decisions and enhanced infrastructure uptime. Such a product does not exist within the sector and, when launched, will strengthen the Company's brand, revenues, margins and sustainability.

The Company integrated internet of things, cloud computing, analytics, artificial intelligence and machine learning across its operations. The initiative continues to address repeat and routine engagements; standard operating procedures were digitally integrated into machines through sensors, IoT devices, logic controllers, supervisory controller and data acquisition (SCADA) around a quality assurance architecture to control processes in real time.

The Company possesses the ability to customize products through the responsible aggregation of three capabilities – mechanical engineering, mineral processing and tribology (science of wear and tear). At the end of the campaign life, when our new product was to be installed, there was a premium on the need to install with speed, reducing the downtime for customers in their capital-intensive business. Over time, we have not only modified our products so that they can be installed with speed with minimal labour involvement but we have also created an organization that moves with speed in the event of an unforeseen downtime at the customer's end warranting our intervention.

Challenges and counter-responses

The Company was challenged by the need to prepare a robust defense for cyber-attacks. The Company upgraded its IT systems and processes; it engaged experienced senior professionals. The Company addressed geo political disruptions in Chile through proactive initiatives.

Initiatives, FY 2022-23

- The Company engaged Siemens as its digital partner.
- It integrated SAP into its systems
- It digitised its Dahej manufacturing facility
- It digitised all corporate office documents; the registered office became paperless
- It initiated sales force automation through a best-in-class customer relationship management (CRM) software
- It installed cutting-edge compliance management software (Ernst & Young)
- It initiated the installation of Darwin box to automate human resource engagement
- It migrated its servers to cloud

Outlook, FY 2023-24

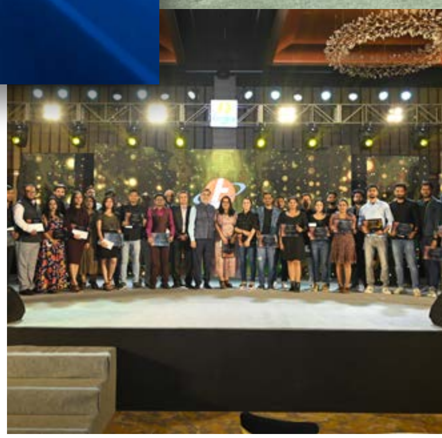
The Company aims to initiate the second phase of Industry 4.0. All server migration to cloud is expected to be complete. It intends to complete the implementation of sales force automation and Darwin box; it will upgrade SAP application to improve planning and decision-making in real-time.

Digitalisation benefits at Tega

- Attitudinal shifts across functions and layers towards futuristic practices
- Timely tracking of machine and spares within its dispersed inventory
- Improved data orientation and visibility across departments and functions
- Advantage of referring to a uniform data set
- Automation of erstwhile manual functions (HR, expenses management, customer engagement)
- Simpler data aggregation

Human resource review

How Tega empowered its talent capital in FY 2022-23



Overview

Your company is spread across all the continents with multiple plants, sales offices and clients in close to 90+ countries. It takes pride in identifying as One Tega Family and not a mere multi national corporate. This global presence and sustainable growth creates a host of exciting and challenging opportunities for its talent.

Partnerships in Practice has been the success mantra of Tega's almost half a century young and strong organization. Your company has always been conscious of the wellbeing of people and the planet, while making profits.

Tega took a huge leap last year by revisiting its HR practices and plans with an eye on the future, wearing the sustainability hat. The guiding principles comprised a robust structure, faster decision making, talent attraction and development, learning for new-technology adoption.

Future-ready

Based on Tega's five year business plan, the structure and capability were closely visited. A major overhaul was done via reapportioning the regions and restructuring the sales teams. To build buoyancy in the system and cater to future growth, Tega People Manager and Tega Future Leader programmes were conceived. Entry level compensations were revised. To enhance the safety, quality, productivity and make the supervisory staff ready for major digitilisation drive going on in the Company, Star program (Supervisory Training for Action and Results) was launched. Your company retained its focus on diversity hiring, wherein gender sensitization programs were conducted across levels. Major diversity hiring was done at the plant levels not only in the support departments but the shop floor as well. A new HRIS was adopted with a vision of improve the user experience, so that employees can focus on where they are required the most.

Family culture

There is a strong focus on the health of the employee due to the family culture. To improve health, mental and physical, multiple training on mental health, diversity and inclusion, yoga was conducted. All managers were trained on empathetic communication and how to give feedback in order to improve the quality of discussion between the manager and teams. A major impetus was put onto behavior-based safety training. Provisions were made for an extended maternity policy to help mothers give due care to their new born while coming back to work. Insurance covers were enhanced.

Turbo daily work

Accelerators: With the objective to increase efficiency and reduce wastage while carrying out daily duties, a large number of employees were trained on daily usage software and systems like MS office, business correspondence, mail etiquette cum management, cyber security, ethics and ownership. This not only improved the quality of output, but improved the work-life balance of employees as well.

Blenders: The focus here was to learn from best practices of other departments and companies and even different walks of life to breed innovation and make operations more agile, robust and sustainable.

Catalyst: After a thorough skill gap analysis, focused functional trainings were conducted to upgrade the skills of the employees. All of the above accounted for 3.6 average mandays of training per employee.

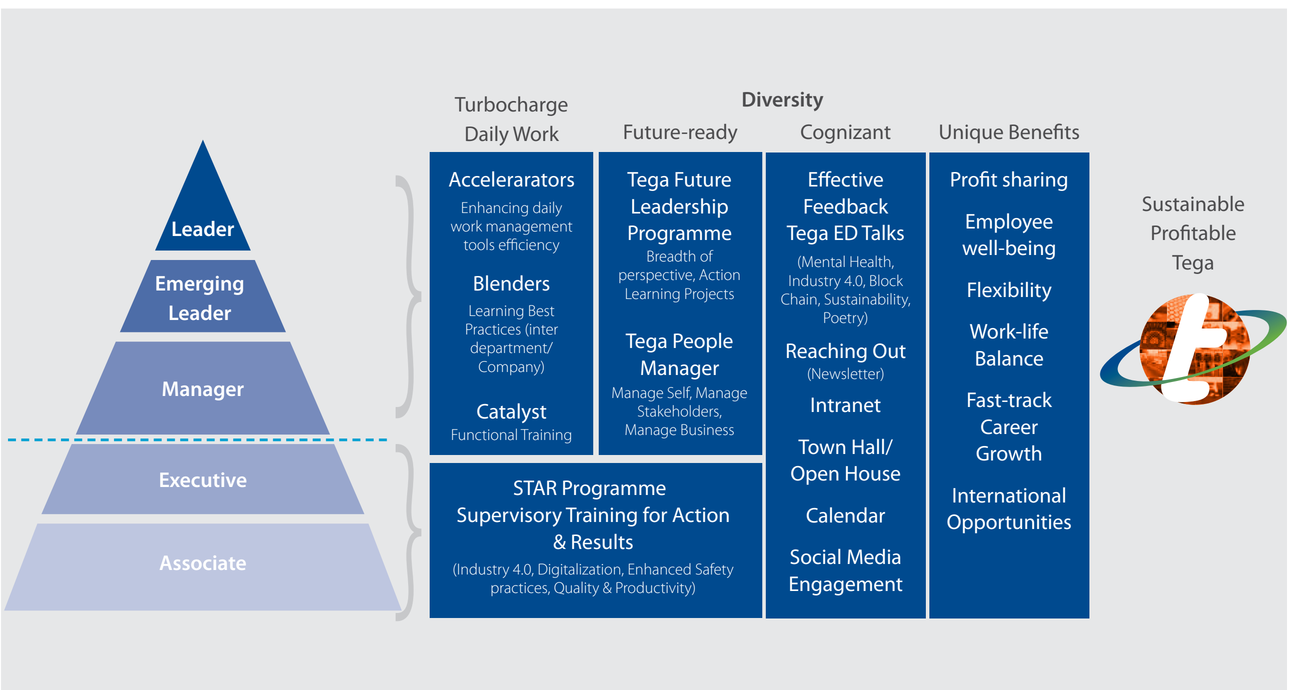
Cognizant

Tega Ed Talks: In order to make all Tegaites cognizant of different walks of life, latest tools, technologies, trends, practices, Tega Ed Talks was launched. Various accomplished professionals were invited to share their experiences with Tegaites every month, so that we sharpen their perspective. This helped not only approach work differently but improve their quality of interactions with clients, outer world and even family. The topics included but were not limited to, block chain, Industry 4.0, sustainability, poetry, mental health, technology, etc.

Knowledge center: Tega's knowledge center is the repository of all the case studies, research, patents, relevant books and papers. This is available to all the employees via intranet. This helps new employees and those taking charge of new responsibilities come to speed, learning from best practices and advancements.

Unique benefits

There was a strong focus on improving work-life balance, where the leave policy, office timings and layouts were revisited to make the work space more conducive for employees. Entry level packages were revised to enhance recruitment from campus. A profit sharing scheme was introduced with an intent to ensure that employee take better decisions and pride in their work. For all job openings, existing employees were given that first right of consideration, including all offshore positions. High performing and potential employees were fast-tracked.



Tega. Employer of choice

"I have the privilege of being the first woman on the shop floor of Tega and I am delighted by the team's outstanding effort and inclusivity. Within 6 months of my joining, I was given the opportunity to handle a project independently. Throughout the project, my manager provided consistent support. Despite being in a different city and away from my home, the team at Tega has been incredibly welcoming and accepting."

Deepanjana Lodh, Graduate interlink trainee, Gujarat

"I joined Tega Industries in November 2021 after completing my CA. The seniors are always helpful, guiding me. Tega offers ample learning opportunities, including involvement in acquisitions, bank meetings and expressing our views. The human resources department seeks our preferences and allows us to change our job profile. The working environment is safe, colleagues are great and job security is assured."

Nikita Bajoria, Assistant Manager (Treasury department), Kolkata

"Tega nurtures values and culture; it is family-oriented. During one of our MD's recent visits to South Africa, he made sure to take out time to meet each and every one on our team. This was different in exprience from my previous workplace."

Reo Moodley, Procurement Manager, South Africa

"Talking of happy moments, we celebrate Tega nights where we come together to recognize and celebrate each other's work and contributions. The management is innovative about organising and participating in events – cultural and professional."

Shantanu Dasmahapatra, Deputy General Manager, Kolkata

“Tega’s transparency in job roles and work is paramount. The empowering culture has fostered a positive work environment. The willingness to accommodate my needs and support a work-life balance has made a positive impact on my productivity and wellbeing.”

Sudarshana Dutt, Head Marketing and Communications, Kolkata

“Tega provides opportunities to grow, propose ideas and take decisions. When our decisions or steps have not been worked well, we are not criticized. The seniors appreciate and recognise our dedication and that makes the Company a humane place.”

Rohan Goenka, Procurement Manager, supply chain, Samali

“There was an issue in one of the turnkey projects which warranted expertise. The customer faced an issue during installation; the entire team from Tega went to the site, raw materials were procured within a stipulated period and the product was manufactured successfully.”

Pavel Banik, Deputy Manager, Wear product division, Kolkata

“The Company faced a major machine breakdown and a product was to be delivered as per commitment; the entire team stayed at the site till 3 am to dispatch. This is the level of commitment and team spirit at Tega.”

Suresh Upadhayay, Manager, Planning, Dahej

Sustainability

ESG represents the bedrock of our business

Overview

ESG is the abbreviated form of Environment-Social-Governance.

The Environment segment addresses initiatives by the Company to minimize the carbon footprint through a responsible utilisation of finite resources coupled with a culture of compliances.

The Social component comprises a mix of the Company's relationships – with vendors (land, capital equipment and raw materials), employees, customers and communities.

The Governance component comprises a review of how the Company manages its business across a complement of processes, practices and systems.

The combination of 'E, S and G' therefore covers virtually every aspect of a Company.

In a world marked by Black Swans, a robust ESG backbone makes it possible to shorten downcycles coupled with extended up-cycles, the very basis of value creation for all stakeholders.

Tega Industries and ESG

At Tega Industries, our responsible citizenship has been marked by a growing focus on environment-social-governance (ESG), addressing the need to enhance value for all stakeholders. A robust ESG commitment has helped enhance stability, increase counter-cyclicality and catalyse long-term stakeholder value.

At Tega, ESG extends to enhanced sustainability across market cycles, measured by topline growth, cost reduction, minimised regulatory censure, increased employee productivity and optimised returns. This ESG role is even more relevant in our Company on account of the fact that it is underscored by knowledge on the one and hazardous processes on the other, warranting an interplay of insight and safety.

At Tega, the essence of ESG was seeded from the time we went into business. The Company prioritised the role of environment, health and safety; when Tega's equity shares were listed in December 2021, the Company graduated its ESG compliance in line with listing requirements through the engagement of subject matter experts. The Company partnered Nangia Andersen LLP; it reinforced the ESG framework; it completed its maiden Business Responsibility & Sustainability Report coupled with a comprehensive sustainability report in April 2023.

1 Our Environment commitment

The 'E' in ESG represents the environmental criteria, comprising the consumed energy, the discharged waste, the utilized resources, and consequences of actions on sentient beings. 'E' also comprises carbon emissions and actions related to climate change. The Company's environment approach has been woven around the elements of Plan Mitigate-Adapt-Resilience.

Recyclability: Our products are non-biodegradable; they need to be landfilled. At Tega, we made a breakthrough in proposing re-grinding services, whereby the products sold to our customers would be returned to us for being recycled into useable products (either by us or through our contracted and dedicated associates). In five years, 100% of our products should be 100% recyclable, making us possibly the first global company in our sector to offer customers this facility.

Checks and balances: At Tega, is a commitment to perpetually strengthen environmental management systems, deepen environmental due diligence and build disaster planning & response systems across our manufacturing facilities, underlining our need to make all our operations completely safe for all.

Control: At Tega, the promoter is responsible for strategic direction setting; the day-to-day management has been delegated to professionals. The Company deepened its investment in information technology, a backbone responsible for the management of processes. Besides, its audit- and compliance-driven approach has enhanced process integrity.

Resilience: At Tega, we have built climate change resistance at various levels, reflected in our commitment to reduce energy intensity, moderate greenhouse emissions intensity and graduate to cleaner fuels and processes.

Audit and compliances: At Tega, our audit and compliance-driven approach has enhanced process and performance predictability, the basis of our commitment to sustainability.

Research: Tega will enhance research investment from 1% of revenues to 3% of revenues even as the revenue base of the economy continues to widen. This aggressive investment in research will help us sustain nearly half a dozen project at any given time and widen its leadership gap.

Environment initiatives, FY 2022-23

- The Company proposed to commission rooftop solar panel installation project at the Samali plant. The Company shall utilise 50% of renewable energy in the energy mix for plant operations.
- The Company initiated an exercise to become water-neutral across all plants
- The Company has initiated steps to install effluent treatment plant and sewage treatment plants for the processing of industrial and sewage waste across all it facilities by FY 2023-24.
- The Company plans to commence rainwater harvesting to complement unrecoverable losses or wastage
- The Company engaged in tree plantation and preservation activities; around 450 trees were planted across its facilities.
- The Company celebrated Environment Day on 5th June 2022 to enhance awareness.
- The Company embraced the concept of environmentally friendly stationery which is part of the joining kit of new employees. The pencils and pens come with capsules containing plant seeds, which can be used for plantation.

Outcomes

The Company's operations were not affected or restricted in any way on account of environment transgressions.

Carbon footprint

Year	FY 21	FY 22	FY 23
MTCO2 equivalent	-	23175	20081

Tree planting

Year	FY 21	FY 22	FY 23
Trees planted by the Company	446	390	450

Big numbers

3281

Water discharge in FY 2022-23 (litres per tonne of mill liners)

13.35

%, reduction in C02 emissions in the last two years

2 Our Social commitment

The 'S' in ESG, the social dimension, covers the gamut of relationships the Company enjoys with employees, customers, vendors and institutions. 'S' comprises the effectiveness of these relationships, translating into a predictable and dependable availability of resources, people and services that enhances organizational effectiveness.

Employees: At Tega, we have made timely investments (recruitment, retention and training) to enhance efficiency and effectiveness. The Company invested in practices that enhanced safety – training, protocols, certifications and awareness building – that is the bottomline of its existence.

Customers and vendors: The Company deepened relationships with vendors (who provided capital equipment and spares) and primary customers (trade partners). The Company selected to work with large Indian vendors respected for their operational integrity, whose processes and products were periodically re-appraised.

Community: The Company to adheres to the highest standards of ethical and responsible business conduct. It believes in giving back to society, resulting in a healthy engagement with the communities in which it operates. At Tega, we are inspired by the vision of our Chairman Mr Madan Mohan Mohanka to build stronger community engagement. The Company empowers communities by adopting schools across India.

Social initiatives, FY 2022-23

- The Company fostered work-life balance; it provided efficiency-enhancing tools that liberated time that could then be spent with their families
- The Company automated raw materials management and provided personal protection equipment, making operations safer
- The Company maintained the health records of workers and conducted periodic checks, tests and analysis
- The Company covered the health expenditure of 100% of its blue collar and white-collar workers through insurance
- The Company enunciated a Safety Policy whose awareness was enhanced, periodically reported safety performance to stakeholders (internal and external), conducted mock drills to enhance preparedness, invested in corresponding safety-enhancing infrastructure and celebrated an annual Safety Week.

Outcomes

The result of these initiatives was that people retention increased to 90% in FY 2022-23.

Big numbers

21

Number of mock drills conducted by the Company in FY 2022-23

2,388

Number of vendors associated with the Company for five years

3 Our Governance commitment

There is a growing emphasis on responsible governance that enhances an understanding of how the Company will respond to specific priorities, issues and developments. This understanding is emerging as a key stakeholder requirement in a volatile world.

Big picture: Even as Tega is engaged in addressing business needs for the day, it is driven by the medium-term as well, making it imperative to invest in enduring technologies, subject matter experts, locations that will remain relevant for the long-term and a prudent complement of long-term partners. This approach – initially relatively expensive but competitive thereafter – could translate into sustainable viability across market cycles.

Enunciation: The Company has enunciated its overarching objective in terms of how it intends to grow the business, enhancing clarity across stakeholders.

Board of Directors: The Company's is stewarded by its Board of Directors, influenced by Board composition of professionals and industrialists who bring a complement of values, experience and multi-sectorial knowledge. The Board members periodically review policies, targets and milestones, prompting timely affirmation or course correction.

Propriety: The Company's governance comprises an unwavering commitment to propriety, integrity and compliance, the right way to do things. Tega ethical framework comprises a commitment to anti-corruption, anti-bribery, code of conduct and ethics, whistleblower mechanism and timely grievance redressal.

Knowledge company: The Company invested in subject matter experts - professionals with a competence in project management, project commissioning and operations. Besides, the Company's digital backbone empowers professionals to take informed decisions based on a superior understanding of ground realities; it also helps secure and share knowledge, institutionalising a process that could otherwise have remained unstructured.

Process-driven: Tega's business is driven by processes and systems, establishing predictability in the Company's response to operational developments that is people-agnostic and time-agnostic.

Outcomes

The Company was rated at CRISIL A+ Stable by CRISIL, validating the quality of its governance commitment.

Tega is committed to enhance stakeholder value in a sustainable way

A report on how we institutionalised value-creation at our company

Our value creation scorecard

Employee value

162.70 ₹ Crore, salaries, FY 2022-23	**143.42** ₹ Crore, salaries, FY 2021-22

Customer value

1213.97 ₹ Crore, revenues, FY 2022-23	**951.75** ₹ Crore, revenues, FY 2021-22

Vendor value

503.21 ₹ Crore, Purchases, FY 2022-23	**490.16** ₹ Crore, Purchases, FY 2021-22

Shareholder value

4,654.41 ₹ Lakh, market valuation, March 31, 2023	**3,102.52** ₹ Lakh, market valuation, March 31, 2022

Community value

1.58 ₹ Crore, spending, FY 2022-23	**1.15** ₹ Crore, spending, FY 2021-22

How our valuation has grown

3,003.08
(₹ Crore) listing valuation, 13 December, 2021

3,102.52
(₹ Crore) market capitalisation, March 31, 2022

4,654.41
(₹ Crore) market capitalisation, March 31, 2023

Overview

The Integrated Report enhances an understanding that is based on the value enhanced for diverse stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers). This report draws on diverse dimensions of a company's working (financial, management commentary, governance, remuneration and sustainability reporting) in explaining its ability to create, enhance and sustain value.

Our sustainability framework

Strategy
- Increase the revenue proportion of value-added DynaPrime®
- Become a complete recycled products company by 2027
- Graduate to the manufacture of 'intelligent' products

Relevance
- Widen applications across more mining sectors
- Enhance the 'green' quotient of our products
- Products integral and mission-critical to core mining needs

Mission-critical
- Among the leading producers of specialized and 'critical to operate' products (high replacement barrier)
- Products are critical, helping customers reduce their costs
- Product category indispensable to mineral processing

Experience
- Experience of working in more than 70 countries
- Rich insight into ore quality and terrain realties
- Institutionalised knowledge has enhanced customer traction

Product portfolio
- Presence across the value chain of a mineral processing site
- Range of products and solutions for various mineral processing stages
- Customised product design for each mineral processing site - built-to-suit over off-the-shelf

Leadership
- Tega is the world's second largest producer of polymer-based mill liners
- These liners are used for grinding and sizing mineral ores
- Enhanced capacity to amortise fixed costs across our large output

Productivity-driver
- Tega enhances mineral processing productivity
- These comprise enhanced throughput, moderated grinding media consumption, lower energy consumption and lower downtime
- Tega products deliver lower operating costs for customers

Moat
- Tega addresses complex solutions in mining, power, material handling and engineering sectors
- Products leverage tribology to combine mineral processing engineering, mechanical engineering and material sciences
- Low reliance on outsourcing enhances product uptime, control, quality assurance and value-addition.

Acquisitions
- Invest in companies with complementary capabilities
- Invest in companies that enhance delivered solution value
- Invest in companies with superior holistic value (customers, market presence, products)

Community support
- Provide community support
- Focus on integrated development
- Engage in a sustainable way for extended impact

Locational presence
- Present across 3 pan-India and 3 pan-global manufacturing locations
- Manufacturing presence proximate to large industrial customers
- Focus on moderating logistic costs and enhancing regional market share

Manufacturing excellence
- Maximise asset utilization; moderate cost per manufactured unit
- Invest in and absorb cutting-edge technologies
- Deepen cost leadership

'Green' focus
- Tega's re-grinding service to be returned by customers for being recycled
- Providing customers with life cycle solutions
- Focus on 100% products being 100% recyclable in 5 years

Innovation
- Increase research spending from 1% to 3% of revenues
- Sustain DynaPrime® offtake at 25% compounded across 5 years

Relationships
- Global distribution presence across more than 70 nations
- Products marketed through the 'plant audit' route (specialized consultancy)

Drivers of value at Tega

Our employees represent the aggregate knowledge of how to grow the business across a range of functions (resource procurement, manufacturing, quality, finance etc.). We provide an exciting workplace, generate stable employment and help enhance productivity

Our shareholders provided capital when we went into business. Our focus is to generate free cash, enhancing RoCE and, in doing so, increase value of their holdings

Our vendors provide credible and a continuously supply of resources (raw materials, equipment and services). We maximise quality raw material procurement; we engage in sustained procurement that is remunerated with speed

Our customers keep us in business through a consistent purchase of products, generating the financial resources to sustain our operations. Our focus is to sell to a larger number of customers and retain them, broadbasing and strengthening relationships

Our communities provide precious social capital (education, culture, security etc.). We support and grow communities through consistent engagement

Our governments provide us with a stable structural framework that ensures law, order, policies etc. Our focus is to play the role of a responsible citizen

At Tega, the interplay of the value generated by each stakeholder ensures our overall business sustainability and enhanced organisational value.

The resources of value creation

Natural capital: We derive all our resources and the world's carbon sinks — from this capital. Our engagement is influenced by the degree of dependence on natural resources, environmental impact of the production process on the environment and what the organisation needs to do to operate within prudent environment limits.

Social and relationship capital: This represents the relationships between our Company and stakeholders (community, governments, customers and supply chain partners). These could also comprise operating licenses, dependence on the public sector or supply chain.

Intellectual capital: This includes resources such as patents, copyrights, intellectual property and organisational systems, processes and protocols, which can provide competitive advantages. Conversely, companies that pollute could attract censure or closure.

Human capital: This refers to resident skills and know-how, its effective utilization leading to organizational success. Excessive employee turnover or inadequate remuneration or low productivity can affect the Company's ability to enhance value

Financial capital: This includes funds obtained through financing or generated through our accruals - the funds pool available in the production of goods or the provision of services, including debt and equity

Manufactured capital: This comprises physical infrastructure like buildings or technology equipment and tools that contribute to organizational productivity.

National direction a value-driver

Infrastructure growth: The Indian government announced a ₹17.3 Lakh Crore expansion in its infrastructure across the last two Union Budgets, which is likely to cascade into wider downstream offtake possibilities

Economic growth: India is the fifth largest economy and likely to emerge as the third largest by the end of this decade, catalyzing the offtake of mined products like steel, cement, copper and aluminum

Rising population: India's population surpassed China's in 2023 to emerge as the most in the world, assuring the Company of a growing market

Affordable housing: India's affordable housing segment is expected to grow to USD 1 trillion by 2030, sustaining the offtake of steel

Demographic dividend: The Indian population's median age of 28 (2022) is expected to catalyse the demand for core products (steel). (Source: Population U, Business Standard, Indian Retailer, Statista, India.com, ETimes, Times of India)

How we intend to enhance shareholder value going ahead

Capitalise on growing relevance

Ore grades depleting in gold mines

Disproportionate growth in mining and mineral processing industries

Increased large equipment demand (including mineral processing consumables)

Capitalize on the future

Leverage proprietary R&D capabilities; increase product offerings

Launch new products through in-house software programmes

Leverage successful product launch experiences (DynaPrime®, Rapido and Combi-screen)

Product improvement

Consistently improve products, enhancing cost-effectiveness

Offer sustainable products that offer greater efficiency (application and costs)

Strengthen its 'plant audit' expertise led by the R&D team

Digitalisation

Focus on digitalization not just as an enabler but as a core product element

Produce an increased number of pioneering 'intelligent' products

Become a digitalisation organization (processes and mindset), enhancing efficiency

Environment integrity

Increase revenues from regrinded products

Moderate resource consumption per unit of production

Protect local environment balance (water, emissions and waste discharge)

People competence

Enhance talent productivity; invest in digital tools

Invest in knowledge, experience and passion

Deepen outperformance

New products

Increase the proportion of revenues from new, disruptive and value-added products

Acquire and integrate

Acquire companies with complementary capabilities

Integrate acquired company's culture into Tega

Generate superior consolidated value over the sum of their constituents

Increase research spending

Position the Company as a research-led organization

Increase research spending from 1% to 3% of revenues

Increase the engagement of researchers, scientists and consultants

Stay debt-free

The Company intends to build a strong net worth with no long-term debt

All incremental spending likely to be sustained through accruals

Increase capacity

Greenfield expansion at Chile

Brownfield expansion at India and South Africa

Seek debottlenecked opportunities to grow capacity

Injection molding (both rupper and polyurethane)

Increase market share

Leverage existing presence in three global manufacturing locations

Increase market penetration in high growth markets

Widen presence in North America, South America, Australia and South Africa.

Increase customer base

Leverage design, engineering and manufacturing potential

Enhance wallet share of existing customers; increase cross-sale

Focus on quality products and value-added solutions with recurring demand

Leverage market insights

Deepen presence in existing markets (USA, Chile, Peru and Mexico)

Leverage insights from these markets to enter new ones

Position as a multi-sector and multi-terrain specialist

Extension into life cycle management

Extend into life cycle equipment management, generating annuity revenues

Address the increased requirement of bespoke critical spares and services

Enhance production efficiency for customers

Improve operational efficiency

Enhance operational efficiency

Leverage economies of scale, improve fixed cost absorption

Moderate operating costs

Increase project numbers

Reduce cycle time; optimise processes

Increase operating capacity

Undertake more projects

At Tega, we continued to deepen technologies around our manufacturing operations

The Company focuses on manufacturing substantial volumes around the highest quality, lowest cost and low environment impact

Overview

- The Company is the world's second largest manufacturer of polymer-based mill liners (critical mineral processing component)
- Seven state-of-the art manufacturing facilities across India and three countries
- Fully integrated facilities with robust controls, value addition and competitiveness
- Combination of design process engineering hardware and software
- Respected for proprietary product innovation, multiple applications, portfolio expansion and product customization.

Technology upgradation

Tega strives to incorporate upgraded technologies in order to ensure superior quality products designed and manufactured to exceed customer expectations.

All machines and equipment are being upgraded to become hardware-ready for integration into the digital platform for the deployment of Industry 4.0

Highlights, FY 2022-23

- The Company increased its manufacturing capacity during the year under review.
- Reported zero unplanned downtime across the manufacturing units.
- Launched Superviser Training for Action and Result (STAR) programme, a transformation enabler
- Increased first-pass products acceptance through superior quality assurance and control

How we have progressively deepened our research and development commitment

Overview

Across the decades, Tega Industries invested in cutting-edge R&D, graduating it towards sectorial leadership.

This commitment translated into the timely development of products cum grades, superior customer value, superior product quality and robust product characteristics.

This commitment was reinforced through bottom-up research and development (understanding of customer challenges) focused on product digitization, circular economy and extending product life.

The highlight of the Company's research was the launch of DynaPrime®, a disruptive steel lining product. This composite liner was pitched as a suitable replacement for the conventional steel liner, marked by distinctive advantages in terms of cost, endurance and a superior price-value proposition

The research going into our products and processes will need to be graduated to a higher level. Our teams will need to engage deeper with our research team; the research team will to be scaled with corresponding talent, equipment, infrastructure and linkages with other sciences in Chile and India.

These initiatives will require Tega to release research investment from 1% of revenues to 3% of revenues even as the revenue base of the economy continues to widen. This aggressive investment in research will help us sustain nearly half a dozen project at any given time, empower us to widen our leadership gap within our sector, graduating us into an unquestioned first recall among customers the world over.

Conclusion

The optimism in the business is intending to make an investment of USD 30 Million in Chile and India by 2025. This proactive investment will assure longstanding institutional customers of a robust supply chain, empowering Tega to be a dominant player in the market.

Our R&D initiatives, FY 2022-23

- Modified products and developed variants to offer customised solutions
- Embarked on seeking patents for products
- Increased R&D spend
- Collaborated with institutions to enhance technology focus

Our Research & Development focus	**Environment:** Recover, reuse and repurpose waste	**Safety:** Protect workmen in product development and use	**Productivity:** Enhance productivity; moderate costs

Tega's competitiveness has been derived from the ability to enhance the competitiveness of its customers

In a competitive world, where cost increases cannot be easily passed on to customers, there is a premium on the ability to moderate costs, enhance the user's price-value proposition and strengthen the customer's competitiveness (in the process strengthening one's own).

Besides, we engage in extending the frontier of our sector even before customers can ask for specific solutions.

This combination makes it possible for us to address emerged needs and also second-guess challenges customers are likely to experience.

This proactive and customer-responsive approach has deepened our recall as a customer that takes the business of its customers ahead through extended product life, lower installation time and costs, lower talent deployment in product installation and lower overall product life cycle costs.

The result is that our products are not just good to use; they have proved indispensable for customers seeking to enhance their competitiveness.

Superior price-value proposition

How DynaPrime® completely transformed the customer's realities

Challenge: Large mills traditionally used steel liners, marked by a lower liner life. The consequent downtime resulted in unplanned shutdowns, lower productivity and installation safety concerns.

Tega's solution: Tega DynaPrime®, our patented product, comprises the ability to resist large and frequent impacts without cracking. A combination of ally steel embedded in the rubber matrix has made the design robust, allowing the liner to operate with steeper average face angle, generating better charge life throughout the life cycle. This has enabled 3% to 5% of productivity increase.

Outcome: The solution allowed the operator to run the mill at full speed from day one of installation, eliminating a week ramp up period, which was in use for 20 years to protect traditional all-steel liner designs. The ability to operate the mill at high speed immediately after the reline resulted in a higher mill power draw by 3% to 5% over the life of the liners, allowing additional Tonnes of ore milling over the life of the liner set.

Superior price-value proposition

Tega improved chute design to generate even mill discharge distribution

Challenge: Gold mines in Canada suffered from uneven mill discharge distribution.

Tega's solution: Tega set about generating an even mill discharge distribution with 50% solid reporting on each outlet. A critical examination revealed that the percentage of solid distribution was uneven between two feeder boxes; it became apparent that the downstream screens were underfed or overfed. Tega responded with a new tapered discharge chute with improved design.

Outcome: Tega's chute resulted in an almost even split as was desired for the circuit. The liner selection was optimised to suit the new design and to maximise liner life. This improved performance increased downstream circuit efficiency.

Superior price-value proposition

Tega optimized its trommel panels to reduce shutdowns

Challenge: Copper mines suffered intermittent shutdowns due to the short trommel panel life.

Tega's solution: Tega's engineers focused on extending the trommel panel life. Following examination, there was a recognition that the panel design was not in line with the wear rate based on normal operating conditions. Tega set about optimising the panel design to counteract the wear rate.

Outcome: Tega's heavy duty rubber trommel panels enhanced panel life by 50% (from four months to six months), reduced shutdowns by a third and reduced cost per tonne of the trommel panel by 22%. The customer generated a superior return on investment.

Supply chain review

How we strengthened our global supply chain

Overview

Tega deepened long-standing relationships with validated suppliers

This stability improved raw material quality, affordability, availability and accessibility across market cycles

The strength of the Company's supply chain – engagement with multiple shipping companies - reflected in timely delivery despite shipping challenges

The Company balanced the share of business between its European and other suppliers.

Distinctive features

Categorisation: The Company categorises its raw materials to ensure the availability of most optimised inventories, resulting in a control of working capital.

Flexible: The Company undertook purchase-to-stock and purchase-to-order across categories; its procurement comprised long-term contracts and spot buying

Relationship: The Company works closely with key suppliers, its large volume commitment is in lieu of price-based advantages

Partnership: The Company shared its growth plans with vendors in advance to help them invest proactively in capacities and capabilities

Geographic coverage: The Company sources its raw materials from all across the world.

Redundancy: The Company developed a diversified supplier base (multiple supplier options for one product).

Highlights, FY 2022-23

- The Company did not encounter any stock out in spite of a steep demand increase
- The Company entered long-term price agreements, enhancing stability
- The Company added supply chain partners across raw material categories
- The Company commenced vendor qualification initiatives for all key raw materials.

Sales and marketing review

How Tega services product needs the world over

Overview

Tega enjoys a multi-decade exposure in working with the world's largest mining and mineral processing companies. The Company exports products to more than 70 countries through dedicated sales and services personnel in major mining markets, strengthening a recall that the Company is never far away.

The Company's direct sales model has resulted in the creation of regional sales and marketing teams; these teams engage actively with customers, deriving an insight into their business plans, projected appetite for the Company's products and emerging sectorial trends. This granular understanding empowers the Company to engage in proactive product development and customised service.

Distinctive features

Global recognition: The Company's products have achieved global recognition and acceptance for engineering excellence

Customer spread: The Company caters to customer across more than 70 countries. The revenue generated by top 10, top 20 and top 50 customers, validating the Company's revenue spread

Presence: The Company possesses manufacturing plants across India and overseas, which de-risks its business from being restricted to a particular geography

Repeat: The Company generates around 75% of its business from repeat customers.

Team: Around 160 sales and marketing executives with a multi-year experience with the Company

Network: The Company possesses an extensive sales and distribution network across 19 countries; its network comprises 18 global and 14 domestic sales offices proximate to prominent customers or mining sites; the presence of sales and distribution executives in key geographies has helped add mill sites

Highlights, FY 2022-23

- The Company reported growth in sales revenues.
- The Company participated in major exhibitions in Latin America
- The Company was a Platinum sponsor of the South Atlantic Conference, among the biggest in the world
- Sustained growth in metals, especially gold and copper demand is expected to continue due to increased economic activity and even more so to the modern technological society. The green transition comes with a growing energy requirement and this is likely to lead to exponential demand growth for metals. Infrastructure development in major countries and the global trend towards clean energy will continue to support copper demand. Gold demand also continues to be robust as investment demand for gold is driven by its safe -haven appeal. The increased consumption tends of metals shall drive demand for our products as they are critical in the mining, mineral processing and material handling industries.

Tega's social responsibility

Tega strives to meet its commitment towards the community by committing its resources and energies to social development. The Company spends on projects directly and indirectly, keeping in mind sustainability, impact on the desired recipients and efficacy of implementing agencies.

We believe that we can empower the community by enhancing the reach and quality of education. In our effort to make learning opportunities accessible to those in need, we adopted several schools across India.

At Tega, we are inspired by the vision of our Chairman Mr Madan Mohan Mohanka to build a stronger community engagement. The Company empowers communities by enhancing school infrastructure across India.






Board of Directors

Madan Mohan Mohanka

Executive Chairman

He holds a Bachelors degree in Science (engineering) from Ranchi University and a post graduate diploma in Business Administration from Indian Institute of Management, Ahmedabad.

Jagdishwar Prasad Sinha

Independent Director

He holds a Bachelors degree in Technology (Mechanical Engineering) from IIT-Banaras Hindu University and a Master's degree in Business Administration from University of Pittsburgh PA, USA. He is a Fellow in Advanced Leadership from Harvard University, Cambridge MA, USA. He was previously associated with companies in India and abroad, including Tata Iron and Steel, Tata Timken, Timken India, Schaeffler Technologies AG & Co. and Tudor India Limited.

Mehul Mohanka

Managing Director and Group CEO

He holds a Bachelor's Degree in Commerce from University of Calcutta and a Master's Degree in Business Administration from the University of Pittsburgh. Further, he completed an advanced management program from Harvard Business School. He is the President of the Indian Chamber of Commerce. He is a member of the National Committee of Confederation of Indian Industry. He is member of the National Executive Committee of Federation of Indian Chambers of Commerce & Industry. He has been associated with the Company since almost two decades and has been instrumental in diverse functions of the Company, such as sales and operations.

Madhu Dubhashi

Independent Director

She is an Economics graduate from Delhi University and a post-graduate from IIMA (1971-73). She worked in the financial sector during her tenures at ICICI, Standard Chartered Bank, J M Financial & Investment Consultancy Ltd. and CRISIL. She is presently on the boards of some well-known companies as an Independent Director.

Syed Yaver Imam

Whole Time Director

He holds a Bachelors degree in Civil Engineering from Jadavpur University and completed a short-term course in mineral processing from Indian School of Mines, Dhanbad. He joined as a GET and has been a member of the Board since 2005.

Ashwani Maheshwari

Independent Director

He enjoys a vast experience of leading domestic and international businesses for effective turnaround and growth. He has led or influenced strategic transformations, organic expansions and integration across product and customer segments. He is the Operating Partner with Private Equity firm, India Resurgence Fund. He is also a nominee director on the Board of SASPL and Impresario Hospitality. He is responsible for business management, turnaround and growth of portfolio companies as well as due diligence of prospective companies. He was associated with companies like Varroc Engineering Limited, BK Birla Group of Companies, ITC Limited and Tata Steel in multiple functions and leadership roles.

Our leadership team

Manoj Kumar Sinha

Director – Global Operations
He holds a Bachelors degree in Engineering from Sambalpur University. He was previously associated with Tata Engineering and Locomotive Company Limited, New Holland Tractors (India) Private Limited and Sterling Generators Private Limited.

Bhanu Sharma

Senior Vice President – Human Resources & Administration
He holds a Post Graduate Diploma in Management from MDI, Gurgaon. Prior to which he has a Master's degree in Computer Application from Punjab Technical University and a Bachelor's degree in Science from Panjab University. He was previously associated with JSW Energy Limited and EKCS.

Sharad Khaitan

Chief Financial Officer
(Key Managerial Personnel)
He is a qualified Chartered Accountant with an experience of more than 20 years in areas of Financial Controllership, Business Finance, Financial Planning & Analysis, Accounting, Treasury, Taxation, Revenue Assurance, Internal Audit, Investor Relations and Business Strategy in diverse industry verticals & multi-cultural environments. He was previously associated with S.R. Batliboi & Co., ITC Limited and Atria Convergence Technologies Limited

Manjuree Rai

Company Secretary & Compliance Officer
(Key Managerial Personnel)
She holds a Bachelor's degree in Commerce from Osmania University and is a member of the Institute of Company Secretaries of India. She was previously associated with Lafarge Holcim Bangladesh and Lafarge Umiam Mining Private Limited for over two decades.

Management discussion and analysis

Global economy

Overview: The global economy was estimated to have grown at a slower rate of 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.8% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. This resulted in a conclusion that the following year will be slower.

The global equities, bonds and crypto assets reported an aggregated value drawdown of USD 26 trillion from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to USD 55.3 billion in April-December. The decline was even sharper in the case of FDI inflows as equity – these fell 15% to USD 36.75 billion between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI (benchmark for commodity investments and a measure of global commodity performance) fell from a peak of 4288 in June 2022 to 3233.4. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Outlook: The global economy is projected to grow a weak 2.9% in 2023, marked by sustained Russia-Ukraine conflict and higher interest rates. Global inflation is projected to be 6.5% in 2023 (Source: IMF). On the positive side, the reopening of China's economy after the waning of the pandemic, the decline in the European energy crisis and robust US consumption outlook (despite high inflation) remain positive. Interestingly, even as the global economy is projected to grow less than 3% for five years, India and China are likely to account for half of the global growth in 2023.

Global mining industry overview

The global mining market enhanced from USD 2022.6 billion in 2022 to USD 2,145.15 billion in 2023 at a CAGR of 6.1%. The mining market is expected to grow to USD 2,775.5 billion in 2027 at a CAGR of 6.7%. Renewable energy is expected to be the fastest growing energy source, with the consumption enhancing at an average rate of 2.3% per year till 2040.

Indian mining industry overview

India enjoys a strategic advantage in the production and conversion costs of steel and alumina which is leading to fast developing export opportunities. The number of reporting mines in India stood at 1,425 in FY 2021-22 out of which reporting mines for metallic minerals were estimated at 525 and non-metallic minerals stood at 720. Growing infrastructure development and automotive production are driving the growth in demand of mineral resources. Demand growth in power and cement industries is also aiding the growth of the sector. Demand for iron and steel is expected to continue due to strong growth expectations for the residential and commercial building industry.

Mineral production in India is estimated at ₹190,392 Crore in FY 2021-22. India ranks fourth in terms of iron ore production across the globe. The country produced 204 Million Tonnes of iron ore between April 2021 and January 2022. India's crude steel production stood at 71.3 Million tonne until October 2022. Domestic finished steel production in India in 2022 stood at 78.09 Million Tonnes as against 73.02 Million Tonnes during 2021. India manufactures more than 85 minerals consisting of lignite, bauxite, chromite, copper ore and concentrates, iron ore, manganese ore, silver, diamond, limestone, phosphorite and others. The key mining states of India include Andhra Pradesh, Jharkhand, Odisha, Rajasthan, Karnataka, Madhya Pradesh and Maharashtra. Government reforms like the Make in India campaign, smart cities, rural electrification, and a focus on building renewable energy projects under the National Electricity Policy is expected to push the growth of the country's mining industry (Source: PIB, IBEF)

Global mineral processing industry overview

The global mineral processing market size stood at USD 8,3150 Million in 2021and is expected to reach USD 16,8130 Million in 2028. Growing industrialisation, urbanisation and expansion in the mining industry is driving the requirement for natural minerals and processing. The mineral processing market is divided into types like: crushing, screening, grinding and classification. Growing demand for iron ore, copper, other metals and minerals is estimated to catalyse the demand for copper, aluminum and other metals. Growing emphasis to use environment-friendly mining tools is catalysing the demand for safe mining equipment for the environment. (Source: nebraska.com)

Global copper mining industry overview

As per the industry consensus data, global mine production of copper amounted to ~21.1 Million Tonnes in 2021, growing 2% higher than 2020 (~20.7 Million Tonnes). Chile remained as the top copper producer, followed by Peru and China. Mine copper production is expected to enhance to 23 Million Tonnes in 2023 and further increase to 24 Million Tonnes in 2024. The country's production growth is largely catalysed by higher production in Chile, Peru and the Democratic Republic of Congo.

Chile and Peru is expected to retain its position as the largest copper producers in the coming years, contributing around 25% and 12% of world population in 2024. Significant investment in production capacity in Indonesia is expected to among the biggest drivers of world production growth between 2022 and 2024. (Source: Kitco.com)

Global gold mining industry overview

Global gold mining market was pegged at USD 204.27 billion in 2022 and is expected to grow at a CAGR of 5.3% to reach USD 264.31 billion by 2027. Global gold mining market is expected to witness a healthy growth due to a significant increase in disposable income of consumers across the globe. Moreover, key factors catalyzing sales of gold products comprise transforming consumer preferences along with the growing population of high-net-worth individuals. Besides, different customs followed by people across the globe regarding the adoption of ornaments and gems are further expected to significantly increase the purchase of products. Global gold mine production is expected to enhance by 2.2% to 3,660 Tonnes in 2022 due to increased production in China, Australia, North America and West Africa. New projects in Canada, Chile, Brazil and Argentina are expected to increase gold output in North America, Central and South America by 124 and 82 Tonnes by 2026 respectively. (Source: Research and Markets, Kitco.com)

Company overview

Tega Industries Limited is the flagship company of the Tega Group of companies, promoted by the Mohanka family. Incorporated in 1976, the Company is among the top manufacturers of specialised 'critical to operate' and recurring consumable products for the global mineral benefication, mining and bulk solids handling industry. The Company's headquarter is located in Kolkata. The Company provides a range of specialised abrasion and wear-resistant rubber, polyurethane, steel and ceramic based lining components required for mining and mineral processing, screening, grinding and material handling.

At present, Tega is regarded as the second largest producer of polymer-based mill liners. The Company exports to 70+ countries and its manufacturing facilities are located in India, South Africa, Australia and Chile.

Financial overview

Analysis of the Profit and Loss Statement

Revenue: Revenues from operations reported a 27.55% increase from ₹9,517.56 Million in FY 2021-22 to reach ₹12,139.72 Million in FY 2022-23. Other income of the Company accounted for a 1.70% share of the Company's revenues, validating the Company's reliability in its core business operations.

Expenses: Total expenses of the Company increased from ₹8,237.98 Million in FY 2021-22 to ₹10,028.75 Million. Raw material costs, accounting for 43.46% share of the Company's revenues, increased from 42.30% in FY 2021-22. Employee expenses, accounting for a 13.40% share of the Company's revenues, increased from ₹1,434.21 Million in FY 2021-22 to 1,627.01 Million in FY 2022-23.

Analysis of the Balance Sheet

The capital employed by the Company increased by 42.85% from ₹9,509.78 Million as of March 31, 2022, to ₹13,584.47 Million as of March 31, 2023. The net worth of the Company increased by 42.52% from ₹7,360.35 Million as of March 31, 2022, to ₹10,489.92 Million as of March 31, 2023, due to our growth in reserves and surplus. The Company's equity share capital stood at 66,354,112 equity shares of ₹10 each as of March 31, 2023.

Long-term debt of the Company increased by 88.82% to ₹1,681.82 Million as on March 31, 2023. Net debt-equity ratio of the Company stood at 0.07 in FY 2022-23 compared to (Nil) in FY 2021-22. Finance costs of the Company increased by 11.82% from ₹162.04 Million in FY 2021-22 to ₹181.20 Million in FY 2022-23 following the repayment of liabilities.

Key ratios

Particulars	Formula	FY 23	FY22
Debt-equity ratio	Total Borrowings/Total Equity	0.30	0.29
Debtors' Turnover (days)	Trade Receivable/(Sales of Products & Services/365)	123.21	108.00
Inventory Turnover (days)	Inventories/((Cost of Materials Consumed +Change in inventories of finished goods and work-in-progress)/365)	200.34	228.00
Debtors' Turnover (x)	Sales of Products & Services/Trade Receivables	2.96	3.37
Inventory Turnover(x)	(Cost of Materials Consumed+Change in inventories of finished goods and work-in-progress)/Inventories	1.82	1.60
Interest Coverage Ratio (x)	EBITDA/Interest Expenses	16.06	12.78
Current Ratio (x)	Current Assets/Current Liabilities	2.53	2.32
Operating EBITDA margin (%)	(EBITDA minus Non Operating Income)/ Revenue from Operations	22.28	19.21
Net Profit margin (%)	Profit after Tax/Revenue from operations	15.16	12.28

Risk management

Competition risk: The entry of new competitors might affect the Company's market share and profitability.

Mitigation: The Company started its operations in 1976 with a robust brand recall in exports across 70+ countries. At present, the Company is the second-largest producer of polymer-based mill liners in the world. Besides, the Company has employed significant capital mechanisms for product customisation as per consumer needs to maintain a competitive position.

Economic risk: The incidences of any further slowdown across the globe might hamper the demand, affecting the Company's financial performance.

Mitigation: The global economy bounced back by 7.2% in FY 2022-23 after the downtrend of 6.6% in FY 2020-21. The mines were continuously operational as temporary shutdowns of mines are expensive creating strong demand for critical mining consumables for regular operations.

Technology risk: Outdated technology might hamper the Company's manufacturing potential and performance.

Mitigation: The Company is continuously driving research and development efforts. The special team is actively focusing on new product development with a primary aim to deliver premium products and solutions. Higher research activities, advanced research and development centres and innovation have made us an industry leader.

Employee risk: People retention might be moderated due to the Company's inability to maintain a strong work environment.

Mitigation: The Company's employee base stood at 1281 as on March 31, 2023, the Company undertook necessary measures to retain its talent.

Geographic risk: Reliance on specific geographies can affect the Company's financial health.

Mitigation: The Company's clients are present across India, Asia Pacific, South America, North America, Europe, the Middle East and Africa. Besides, the Company has global and domestic sales offices located near the major customers and mining sites.

Compliance risk: The Company's inability to comply with regulatory norms has resulted in penalties being levied.

Mitigation: The Company's operations are aligned with the statutory and regulatory permits and the approvals are timely renewed. Besides, the Company stays updated with the latest regulatory norms and compliance.

Internal control systems and adequacy

The internal control and risk management system are structured and applied by the principles and criteria established in the corporate governance code of the organization. It is an integral part of the general organizational structure of the Company and the Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board appointed Statutory Auditors.

Human resources

The Company believes that its dedicated and motivated employees are its greatest asset. Your Company now has offered competitive compensation, healthy work environment and the employee performances are recognized through a planned reward and recognition programme. Your Company intends to develop a workplace where every employee can recognize and attain his or her true power. Your Company motivates individuals to undertake voluntary projects apart from their scope of work that helps them to learn and nurture creative thinking. Your Company's employee strength stood at 1281 as of March 31, 2023.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectations and estimations which may be 'forward-looking statements within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. Your Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. The actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. Your Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on any subsequent development.

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure of presenting the 47th Annual Report together with the Audited Financial Statements of your Company for the Financial Year ended March 31, 2023.

FINANCIAL SNAPSHOT

(₹ in Million)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Total Income	12,346.56	9,759.54	7,400.97	6,370.48
Total Expenses	10,028.75	8,237.98	5,904.96	5,132.76
Profit before share of net profit of Joint Venture accounted for using equity method and tax	2,317.81	1,521.56	-	-
Share of net profit of Joint Venture accounted for using equity method	43.18	28.15	-	-
Profit before tax	2,360.99	1,549.71	1,496.01	1,237.72
Total Tax	520.69	380.72	357.81	278.33
Profit After Tax	1,840.30	1,168.99	1,138.20	959.39
Other Comprehensive Income (net of tax)	18.40	54.14	(3.71)	0.82
Total Comprehensive Income	1,858.70	1,223.13	1,134.49	960.21
Basic Earnings Per Share (in ₹)	27.76	19.65	17.17	16.13

DIVIDEND AND ITS DISTRIBUTION POLICY

We obtain our Financial Capital through the funds generated from our business operations and financing activities. Our strong performance on the back of meticulous execution over the years, as reflected in the combination of high growth and profitability, has led to building a strong, debt-free, and liquid Balance Sheet. Our focus is on ensuring a sustainable and profitable financial position. We also understand that our stakeholders expect us to deliver long-term growth riding on a solid strategy and prudent business decision and are looking for good returns on their investment and dividends.

For the Financial Year ended March 31, 2023, the Board of Directors has recommended a final dividend of ₹2/- per equity share i.e. 20% on the Ordinary Shares of the Company of the face value of ₹10 (ten) each, subject to shareholders' approval in the ensuing AGM.

In accordance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), a Dividend Distribution Policy has been adopted by your Company, covering, inter alia, the parameters for declaration of dividend, utilisation of retained earnings, the procedure for dividend declaration, etc. The said Policy is available on the website of your Company at the following web-link: https://www.tegaindustries.com/investors/policies/dividend_distribution_policy.pdf.

The dividend payout for the year under review is in accordance with your Company's policy to pay sustainable dividend linked to long-term growth objectives of your Company to be met by internal cash accruals.

PERFORMANCE REVIEW & STATE OF COMPANY'S AFFAIRS

Your Company is a leading manufacturer and distributor of specialized 'critical to operate' and recurring consumable products for the global mineral beneficiation, mining and bulk solids handling industry, based on sales. Your Company offers comprehensive solutions to marquee global clients in the mineral beneficiation, mining and bulk solids handling industry, through its wide product portfolio.

During the year under review your Company expanded scale that resulted in improved operating leverage and substantial margin improvement. We have witnessed robust sales growth across all regions, reflecting the effectiveness of our strategies and the value we provide to our customers. Despite the challenging global macro environment characterized by geopolitical issues in Europe, a recessionary outlook in leading economies, currency volatility and inflationary pressures on raw materials, your Company have managed to deliver significant improved results.

The Businesses continued to drive improvement in profitability through multi-pronged interventions viz. consumer centricity, focus on execution excellence, premiumization, supply chain agility, agility in seizing market opportunities, focus on execution excellence, judicious pricing actions and strategic cost management initiatives.

Overall for FY 2022-23, at a consolidated basis, the total Income at ₹12,346.56 Million (previous year: ₹9,759.54 Million) increased by 26.5 %, while EBITDA increased by 40.59 % to ₹2910.98 Million. Profit Before Tax and Exceptional items at ₹2,360.99 Million grew by 52.3 % over previous year and Profit After Tax stood at ₹1,840.30 Million (previous year: ₹1,168.99 Million). Earnings Per Share for the year stood at ₹27.76 (previous year: ₹19.65)

The Financial Statements of your Company have been prepared in accordance with the Ind AS and the relevant provisions of the Companies Act, 2013 and rules made therein, as applicable, Regulation 33, Regulation 34, and Regulation 48 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'). Accounting policies have been consistently applied except where a newly issued accounting standard if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Your Company discloses standalone and consolidated unaudited financial results on a quarterly basis, which are subjected to limited review, and standalone and consolidated audited financial results on an annual basis.

ACQUISITION OF MCNALLY SAYAJI ENGINEERING LIMITED

Your Company has made an important strategic move by acquiring McNally Sayaji Engineering Limited. On February 24, 2023, your Company received an approval from the Honourable National Company Law Tribunal (NCLT) for acquisition of McNally Sayaji Engineering Limited (MSEL) through Corporate Insolvency Resolution Process (CIRP) process. Your Company completed the acquisition of MSEL on March 29, 2023, through Tega Equipments Private Limited, a wholly-owned subsidiary of your Company. With this acquisition your Company has taken a decisive step forward to become a comprehensive solutions provider in the global mineral beneficiation, mining and bulk solids handling industry. The acquisition of MSEL, an Original Equipment Manufacturer (OEM) for the mining and mineral beneficiation sector is expected to enhance your Company's footprint in India and offer comprehensive solutions to global clients through a wide synergistic product portfolio. Your Company designs and manufactures critical-to-operate and recurring consumable products in the mineral processing industry, offers comprehensive solutions across the world. This acquisition is directed at holistic value-creation for all stakeholders. Your Company is now positioned as one of the most integrated global companies in its space, strengthening its brand and visibility as a turn-to global solutions provider.

MSEL enjoys a rich track record of having installed equipment in India, Russia, Kenya, Mozambique, Zambia, South Africa, Indonesia, UAE, Oman and Saudi Arabia. The Company intends to build existing MSEL competencies and extensive global presence to graduate it into one of the leading equipment manufacturing players the world over.

INDUSTRY SCENARIO AND OUTLOOK

Global growth is projected to moderate from an estimated 3.4% in 2022 to 2.9% in 2023, then rise to 3.1% in 2024 - lower than the historical annual average of 3.8%. The lower growth in 2023 is due to the rising central bank rates to combat inflation and the war in Ukraine. Emerging market and developing economies are expected to recover in 2023 and 2024, while advanced economies will experience a decline in growth. The world trade growth is forecasted to decline to 2.4% in 2023 before rising to 3.4% in 2024. In 2023, oil prices are projected to fall by about 16%, while non-fuel commodity prices are expected to fall, on average, by 6.3%.

The global mining market grew from $2022.6 billion in 2022 to $2145.15 billion in 2023 at a compound annual growth rate (CAGR) of 6.1%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The mining market is expected to grow to $2775.5 billion in 2027 at a CAGR of 6.7%.

Government policies to support the mining industry are expected to drive the mining market. Governments are providing subsidies and encouraging foreign direct investments in the mining industry. Growing industrialization, urbanisation and expansion in the mining industry are the leading factors catalysing the need for natural minerals which has developed the needs of various business opportunities for the global mining processing market. Mineral processing market is divided into types and applications in terms of types: crushing, screening, grinding and classification along with metal ore mining and non-metallic ore mining in terms of applications. Moreover, the global mining machinery and equipment market size is expected to grow from $70.35 billion in 2022 to $78.08 billion in 2023 at a compound annual growth rate (CAGR) of 11%. The mining machinery and equipment market is expected to reach $113.35 billion in 2027 at a CAGR of 9.8%. The increasing demand for mining is fueling the growth of the mining machinery and equipment market. Underground advanced mining equipment such as trucks, loaders and diggers are used to dig up the material and are usually transported to the ground through skips or lifts for further production. Mining has performed a key role in the economic growth of developed nations such as Australia, USA and Canada. The demand for iron ore, copper and other metals and minerals are expected to drive the growth of the mineral processing industry.

Global mill liner market is expected to reach USD 1078.54 million by 2029 with a CAGR of 5% between 2023 and 2029 on account of growing awareness pertaining to environmental issues, demand for environmental-friendly mining tools has increased and players in the global mining equipment are developing highly dependable machineries that are safe to the environment. Mill liners improve a mill's performance and durability; protecting the mill from wear and tear while also increasing its efficiency. The metal mill liner section accounted for the largest share of the global grinding mill liner market. The five key mill liner consuming regions include North America, Europe, Asia-Pacific (APAC), Middle East and Africa (MEA) and South America. Faster growth in the mining industry (metal mill liner and rubber mill liner) is the major growth driver of this industry.

The global grinding mill liner market size is expected to grow at a CAGR of 5.5% from 2021 to 2030. The Asia Pacific is expected to be the fastest-growing region during the forecast period. The growth of this market can be attributed to the increasing demand for cement and minerals in this region. The global hydrocyclones market has reached $664 million in 2022 and is expected to expand at a CAGR of 6.7% to reach a market valuation of $1.27 billion by the end of 2032. Europe remained the largest manufacturer of hydro cyclones with a market share of more than 50%, followed by North America and China. Trommel screen, a mechanical screening machine used to separate materials, mainly in the mineral and solid-waste processing industries. As per Future Market Insights, the trommel screen market is expected to attain a value of $180 million by the end of 2023. Global demand for trommel screens is expected to grow at a CAGR of 3.3% to $250 million in 2032. The demand for global trommel screen is mainly fueled by copper and iron mines in Latin American countries, contributing to 35% of the global trommel screen revenue. The trommel screen market presents opportunities in emerging markets such as Asia-Pacific and Latin America, where there is growing demand for waste management solutions and a need to improve the efficiency of construction and mining operations. As these regions continue to develop and urbanize, the trommel screen market is expected to witness growing demand.

The global copper market size will grow from $160.7 billion in 2022 to $176.74 billion in 2023 at a compound annual growth rate (CAGR) of 10% The growth in the copper market is due to increasing construction projects in rapidly developing countries such as China and India owing to the rising population and infrastructure. Asia-Pacific was the largest region in the copper ore mining market in 2022. Autonomous drilling systems are being implemented by the copper industries to enhance safety, efficiency and productivity. This technology is being used to accurately identify drill location and drill production blast holes more effectively using advanced levelling technologies. The copper market size is expected to grow from $254.33 billion in 2027 at a CAGR of 9.5%. Increase in demand for gold and increase in the use of gold in various industries drive the growth of the gold mining market. These factors are expected to drive the growth of mineral mining equipments in the coming years.

OPERATIONS

Your Company operates in six cutting edge manufacturing plants across the world, with three located in India and three strategically placed in major mining locations including Chile, South Africa, and Australia. Your Company's sales and distribution network spans over 70 countries.

Your Company has adopted Industry 4.0 by leveraging digital for competitiveness through implementation of a fully automated Enterprise Resource Planning solutions that uses plant level Supervisory Control and Data Acquisition (SCADA) to generate monthly bills. Your Company has invested in a digital Management Information System that has enhanced a granular understanding of our business and prompted data-based initiatives. This has strengthened our procurement, manufacturing, sales, HR and costing.

Industrial Relations at Kalyani Unit, Industrial Product Division, Samali and Dahej Unit, Gujarat continued to be satisfactory during the year under review.

HUMAN RESOURCES

Your Company's human resource objective is to build the organization as an employer of choice. Your Company seeks to motivate employees to realize the best out of them and align employee goals with the organizational objective, ensuring that employees work happily. With an intent to break the barriers, provide equitable opportunities, your Company has maintained its strong focus on Diversity, Equity, and Inclusion. Women employees have been engaged across senior positions. During the year under review, from the existing 26 weeks, the Maternity leave was extended for 26 weeks (work from home) for women employees. A focus to engage women on sabbatical was initiated, coupled with bridge orientation programs.

Your Company implemented Darwin box to enhance human resource automation that empowered employees to address their HR needs online; online recruitment management widened an awareness across all employees of global opportunities within your Company.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Your Company is on a mission to achieve new standards in sustainability goals. We aspire towards a net zero carbon footprint. Caring for the planet and its people is the core of our purpose of doing business. Even while solving complex challenges for the industry, we stay protective about the impact that our operations and conduct create on the world around us. We have rolled out Environment, Sustainability & Governance (ESG) drive across your Company to subscribe to international benchmarks and compliances. Our intra-company ESG drive covers steps to amplify environment friendly, safe and ethical governance practices. We are actively fine-tuning our systems and strategies around ESG roadmap and report.

Regulation 34(2) of the Listing Regulations, inter alia, provides that with effect from the financial year 2022–23, the top one thousand listed entities based on market capitalization shall submit a Business Responsibility and Sustainability Report in the format as specified by the Securities and Exchange Board of India. Since your Company is one of the top 500 listed entities, it has presented its Business Responsibility and Sustainability Report for the FY 2022-23, in the prescribed format and the same forms an integral part of this report as **Annexure - I.**

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW

The particulars relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act are given in **Annexure – II** attached hereto and forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by your Company, which has been approved by the Board. The Policy is available on the website of your Company at https://www.tegaindustries.com/investors/policies/corporate_social_responsibility_policy.pdf.

Your Company strives to meet its commitment towards the community by committing its resources and energies to social development. The CSR Committee of your Company has formulated a CSR Policy which describes the multiple lines around which the CSR activities of your Company are positioned being education and skills development, social and economic welfare, environmental sustainability and such other activities included in Schedule VII of the Act as may be identified by the CSR Committee from time to time.

Your Company has identified Five focus areas of engagement which are as under:

- Health: Affordable solutions for healthcare through improved access, awareness and health seeking behaviour.
- Education: Access to quality education, training and skill enhancement.
- Protection of National Heritage, Art and Culture.
- Rural Transformation: Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition.
- Environment: Environmental sustainability, ecological balance, conservation of natural resources.

Your Company strives to meet its commitment towards the community by committing its resources and energies to social development. Your Company spends amount on projects keeping in mind sustainability, impact on the desired recipients and efficacy of implementing agencies. Further, your Company believes in contributions which have a long term impact on the society at large. Accordingly, during the year under review your Company made contributions in ongoing projects with an objective of social welfare and development. The unspent amount arising out of these ongoing projects has been transferred by your Company within a period of thirty days from the end of the financial year to a special account opened by your Company in that behalf, and such amount shall be spent by your Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer.

A report on Corporate Social Responsibility (CSR) during the financial year ended March 31, 2023 pursuant to the provisions of clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is given as **Annexure III** to this Report.

RISK MANAGEMENT

Risk Management at your Company forms an integral part of Management focus. The Risk Management Policy of the Company, which is approved by the Risk Management Committee of the Board ('RMC') and the Board of Directors, provides the framework of Enterprise Risk Management ('ERM') by describing mechanisms for the proactive identification and prioritization of risks based on the scanning of the external environment and continuous monitoring of internal risk factors. The ERM framework identifies, evaluates, manages and reports risks arising from the Company's operations and exogenous factors. The Company has deployed both bottom-up and top-down approaches to drive enterprise-wide risk management. The Leadership Team as well as the RMC identifies and assesses long-term, strategic and macro risks for the Company. The RMC oversees the risk management process in the Company. The RMC is chaired by an Independent Director. Further, the Chairman of the RMC briefs the Board at its Meetings about the significant discussions at each of the RMC Meetings. This robust governance structure has also helped in the integration of the ERM with the Company's Strategic Planning Process where emerging risks are used as inputs in such process. Identified risks are used as one of the key inputs in the strategy and business plans. Considering the volatility, uncertainties and unprecedented challenges involved in the businesses, the risk management has gained more importance over the last few years, and it is imperative to manage and address such challenges effectively. Some of the risks identified are set out in the Management Discussion & Analysis which forms part of this Annual Report.

INTERNAL CONTROL SYSTEMS

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that your Company has implemented a robust system and framework of Internal Financial Controls. Your Company has an Internal Financial Controls ('IFC') framework, commensurate with the size, scale, and complexity of your Company's operations. The Board of Directors of your Company is responsible for ensuring that Internal Financial Controls (IFC) have been laid down by your Company and that such controls are adequate and operating effectively. The internal control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies.

Your Company has devised appropriate systems and framework including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audits, risk management framework and whistle blower mechanism. Your Company has already developed and implemented a framework for ensuring internal controls over financial reporting. The framework includes entity level policies, process, and operating level controls & policies. The entity level policies include anti-fraud policies (like code of conduct, insider trading policy and whistle blower policy) inter alia others. Your Company has also prepared risk control matrix (RCM) for each of its key processes, like, procure to pay, order to cash, hire to retire, treasury, fixed assets, inventory, manufacturing operations, etc. During the year, controls were tested, and no reportable significant deficiency / material weakness was observed.

The Internal Audit team develops an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan. The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures, and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee reviews the reports submitted by the Internal Auditors in each of its quarterly meeting.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries for FY 2022-23 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the SEBI Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The Audited Consolidated Financial Statements together with the Auditor's Report thereon form part of this Report. Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company, along with relevant documents and separate annual accounts in respect of subsidiaries are available on the website of the Company.

SHARE CAPITAL

The total Authorized Share Capital of your Company is ₹1,050 million divided into 7,00,00,000 equity shares of ₹10/- each and 3,50,00,000 preference shares of ₹10/- each.

During the year under review, 60,963 equity shares of ₹10/- each were allotted to the employees pursuant to the exercise of options under the Employee Stock Option Scheme 2011. This resulted in a change in the total paid-up Equity share capital from ₹662.93 million to ₹663.54 million.

As on March 31, 2023, the total paid up Equity share capital of your Company is ₹663.54 Million divided into 6,63,54,112 equity shares of ₹10/- each. The total shareholding of the Promoter(s) and Promoter Group of your Company is 79.10% and none of the Promoters/ Promoter Group shareholding is under pledge. Further, in compliance with Regulation 31(2) of SEBI Listing Regulations, 2015, the entire shareholding of promoter(s) and promoter group is in dematerialized form.

TRANSFER TO GENERAL RESERVES

Your Directors do not propose to transfer any amounts to the general reserves of your Company, instead have recommended to retain the entire amount of profits for the financial year ended March 31, 2023 in the profit and loss account.

Your Company did not have any amounts due or outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund.

EMPLOYEE STOCK OPTION SCHEME

In view of the regulatory changes with the introduction of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Members of your Company approved the amendments /modifications in the existing provisions of 'Employee Stock Option Scheme-2011 ("ESOP–2011") in accordance with the aforesaid regulations vide postal ballot dated April 03, 2022. Your Company received in-principle approval from the Stock Exchanges for the said scheme.

During the year under review, the Nomination and Remuneration Committee of your Company has approved the allotment of 60,963 Equity Shares to employees of your Company vide resolution by circulation passed on February 02, 2023. Your Company received listing and trading approval from the Stock Exchanges for the aforesaid shares.

The objective of ESOP-2011 is to attract, retain and motivate the best available talent by way of rewarding employee stock options for their performance and to motivate them to participate in the growth of your Company, besides creating long term wealth in their hands. Accordingly, Options had been granted from time to time to the eligible employees of your Company.

The details as required to be disclosed under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are available at https://www.tegaindustries.com/AGM/ESOPdisclosure.pdf.

DEPOSITS

Your Company has not accepted any deposits from the public and consequently, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014 as on March 31, 2023.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Statement in Form AOC-1 containing the salient features of the financial statement of your Company's subsidiaries and joint ventures pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 (the "Act") read with Rule 5 of the Companies (Accounts) Rules, 2014, forms part of the Annual Report. Further, in line with Section 129(3) of the Act read with the aforesaid Rules, SEBI Listing Regulations, 2015 and in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS Rules) read with Schedule III to the Companies Act, 2013, Consolidated Financial Statements prepared by your Company includes the financial information of its subsidiary companies.

A Report on the performance and financial position of each of the subsidiaries included in the Consolidated Financial Statements prepared by your Company as per Rule 8(1) of the Companies (Accounts) Rules, 2014, forms part of the annual accounts of each of the subsidiary companies and also forms part of Form AOC-1. The said Report is not repeated here for the sake of brevity. Members interested in obtaining a copy of the annual accounts of the subsidiaries may write to the Company Secretary at the email id compliance.officer@tegaindustries.com.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of your Company and audited accounts of each of its subsidiaries, are available on your Company's website www.tegaindustries.com.

As on March 31, 2023, the Company had 11 subsidiaries (1 in India and 10 overseas) and 1 Joint Venture. There has been no material change in the nature of the business of the subsidiaries. During the year under review, Tega Investments Limited, Bahamas, wholly-owned subsidiary was dissolved and accordingly ceased to be a subsidiary of the Company with effect from November 14, 2022. Subsequent to the year end, MSEL became a Subsidiary of the Company with effect from March 29, 2023. Further, Tega Equipments Private Limited, another subsidiary, was merged with the above subsidiary with effect from March 29, 2023. Hosch Equipment (India) Limited is a Joint Venture between your Company and Hosch (G.B.) Limited, England (50:50).

Your Company has formulated a Policy for determining Material Subsidiaries in accordance with SEBI Listing Regulations, 2015.

The said policy is available on your Company's website at the following link: www.tegaindustries.com/investors/policies/policy_for_determining_material_subsidiaries.pdf.

FINANCE

Your Company continues to enjoy the support and patronage of Axis Bank Limited, Standard Chartered Bank, Citibank, RBL Bank Limited, ICICI Bank Limited and for financing its loan requirements.

RELATED PARTY TRANSACTIONS

During the financial year ended March 31, 2023, all transactions with the Related Parties as defined under the Act read with Rules framed thereunder and SEBI Listing Regulations, as amended from time to time, were in the ordinary course of business and at arm's length basis.

During the year under review, your Company did not enter into any material Related Party Transaction which requires prior approval of the Members. There have been no materially significant related party transactions made by your Company with the Promoters, the Directors or the Key Managerial Personnel which maybe in conflict with the interests of your Company at large. Since all related party transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis, therefore, the disclosure of related party transactions as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable to the Company for FY 2022-23 and hence does not form part of this Annual Report. With a view to ensure continuity of day-to-day operations, an omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. A statement giving details of all related party transactions entered pursuant to the omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review. In terms of Regulation 23 of the SEBI Listing Regulations, the Company submits details of related party transactions on a consolidated basis as per the specified format to the stock exchanges on a half-yearly basis. The details of the transactions with related parties are provided in the accompanying Financial Statements.

The Company has formulated a Policy on Related Party Transactions ('RPT Policy') for identifying, reviewing, approving and monitoring of Related Party Transactions. The Policy on Related Party Transactions as approved by the Board can be accessed on your Company's website at following web- link: https://www.tegaindustries.com/investors/policies/policy_on_related_party_transactions.pdf

The details of the related party transactions are set out in the notes to the financial statements.

INTER-CORPORATE LOANS AND INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of your Company is available at www.tegaindustries.com.

CREDIT RATING

Details of Credit Ratings assigned to your Company are given in the Corporate Governance Report.

BOARD MEETINGS

Your Company follows the practice of drawing up an annual calendar for Board and Committee Meetings to ensure the presence of maximum number of Directors in all the Meetings. Primary business of the Board consists of evolving strategy, annual business plans, review of actual performance and course correction, and any other matter as may be deemed fit. The role of the Board also includes structuring, investment, and business re-organization. Matters such as capital expenditure, recruitment of senior level personnel, safety and environment, HR related developments, compliance with status and risk management are also reviewed by the Board from time to time.

Your Company's commitment to good governance practice allows the Board to effectively perform these functions. Your Company ensures that timely and relevant information is made available to all the Directors in order to facilitate their effective participation and contribution during the meetings and discussions.

7 (Seven) Board Meetings were held during the FY 2022-23, the details of which are given in the Corporate Governance Report attached to this Report. The maximum time gap between any 2 (two) consecutive meetings did not exceed 120 (one hundred twenty) days.

COMMITTEES OF THE BOARD

Pursuant to various requirements under the Companies Act, 2013 and the SEBI Listing Regulations, 2015, the Board of Directors has constituted/reconstituted (whenever necessitated) various committees such as Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. During the year under review, there were no instances when the recommendations of the Committees were not accepted by the Board.

During the year under review, two new Committees were constituted by the Board of Directors (i) the Finance & Operations Committee for operational convenience in handling day to day banking and operations related matters and (ii) Sustainability Committee, to oversee and drive sustainability initiatives within the organization. This Committee is responsible for developing and effectively implementing sustainability-based policies and strategies that are not only techno-economically viable but which also ensure that it meets the expectations and concerns of all interested stakeholders.

The details of composition, terms of reference, etc., pertaining to these committees are mentioned in the Corporate Governance Report.

DIRECTORS

The Board of Directors of your Company at their meeting held on March 31, 2022, had appointed Mr. Ashwani Maheshwari (DIN: 07341295), as an Additional Director (Category – Non - Executive Director) with effect from April 01, 2022. Mr. Maheshwari was appointed as an Independent Director of your Company, not liable to retire by rotation, for a term of 5 (Five) consecutive years commencing from April 01, 2022, till March 31, 2027, by the way of a Special Resolution passed by the Shareholders through a postal ballot dated June 26, 2022.

Mrs. Madhu Dubhashi (DIN: 00036846), who was appointed as an Independent Director of your Company for a term of 2 (two) years upto April 30, 2023, has been re-appointed for a second term as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from May 1, 2023 till April 30, 2028, by the Shareholders of your Company at the Annual General Meeting held on September 22, 2022, based on the recommendation of the Board of Directors at their meeting held on August 06, 2022.

Mr. Mehul Mohanka (DIN: 00052134), who was appointed as the Managing Director of your Company for a term of 5 (five) years upto April 11, 2023, has been re-appointed as the Managing Director of the Company & Group CEO for a further period of five years with effect from April 12, 2023 to April 11, 2028, by the Shareholders of your Company at the Annual General Meeting held on September 22, 2022, based on the recommendation of the Board of Directors at their meeting held on August 06, 2022.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the relevant Rules and your Company's Articles of Association, Mr. Syed Yaver Imam (DIN: 00588381) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The brief resume/details relating to Director(s) who are proposed to be appointed/re-appointed are furnished in the Notice of the ensuing AGM. The Board of Directors of your Company recommends the appointment/re-appointment of the above Directors.

Your Company has received a declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI Listing Regulations, 2015 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations, 2015 and that he/she is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective of independent judgement and without any external influence. With regard to integrity, expertise and experience (including the proficiency) of the Independent Director appointed/re-appointed, the Board of Directors are of the opinion that all the Independent Directors are persons of integrity and possess relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of your Company. All requisite declarations were presented before the Board. Further, the Board of Directors, took on record the declaration and confirmation submitted by the Independent Directors under Regulation 25(8) of SEBI Listing Regulations, 2015, after undertaking due assessment of the veracity of the disclosures submitted. Further, at the time of appointment of Independent Directors, a formal letter of appointment is given to the Director, inter alia explaining the role, duties and responsibilities of the Director. Disclosures with respect to Familiarisation programmes for Independent Directors are available on the link: https://www.tegaindustries.com/investors/policies/policy_on_familiarization_programme_for_independent_directors.pdf.

Pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2019 ('the Rules') effective from December 01, 2019, the Independent Directors of your Company have registered themselves with the Databank maintained by the Indian Institute of Corporate Affairs (IICA) and their names presently stands included in the Databank of IICA. The Independent Directors have successfully qualified the Online Proficiency Self Assessment Test, as may be applicable.

KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Manjuree Rai was appointed as the Global Head – Legal & Compliance, Company Secretary and Compliance Officer of your Company with effect from August 07, 2022 in place of Mr. Manoj Kumar Agarwal, Director-Global Finance & Chief Financial Officer of your Company, who was earlier appointed as the Interim Company Secretary and Compliance Officer of your Company.

Mr. Manoj Kumar Agarwal, Director – Global Finance & Chief Financial Officer of your Company ceased to be associated with your Company with effect from close of business hours on January 31, 2023 to pursue other opportunities outside the Tega Group, in the interim, till the appointment of the Chief Financial Officer, Mr. Kaushal Sureka, Deputy General Manager - Finance & Accounts, was made in charge of the Finance Function.

In terms of the provisions of Section 2(51) and Section 203 of the Act, the following are the Key Managerial Personnel of the Company as on March 31, 2023 -

1) Mr. Madan Mohan Mohanka (DIN: 00049388), Chairman & Wholetime Director;

2) Mr. Mehul Mohanka (DIN: 00052134), Managing Director and Group CEO;

3) Mr. Syed Yaver Imam (DIN: 00588381), Wholetime Director; and

4) Ms. Manjuree Rai, Global Head – Legal & Compliance, Company Secretary & Compliance Officer.

BOARD EVALUATION

Pursuant to the provisions of the Act and Regulation 17 of the SEBI Listing Regulations, 2015, the Board has carried out the evaluation of its own performance and that of its Committees as well as evaluation of performance of the individual directors. Further, the Independent Directors at their meeting reviewed the performance and role of non-independent directors and the Board as a whole and Chairperson of your Company. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report attached to this Report.

NOMINATION & REMUNERATION POLICY

The Board of Directors of your Company have adopted a Policy on Selection & Remuneration of Directors, Key Managerial Personnel and other employees based on the recommendation of the Nomination & Remuneration Committee pursuant to the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations, 2015. This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel (KMPs) and other employees. The Policy was amended by the Board during the year, inter alia, in consonance with the applicable provisions of the SEBI Listing Regulations, 2015. The amended Policy may be accessed on the link - https://www.tegaindustries.com/investors/policies/nomination_and_remuneration_policy.pdf

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of your Company is available at www.tegaindustries.com

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has devised an effective whistleblower mechanism enabling stakeholders, including individual employees and their representative bodies, to communicate their concerns about illegal or unethical practices freely. The Company has also established a vigil mechanism for stakeholders to report concerns about any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct.

Your Company has formulated a codified Whistle-Blower Policy incorporating the provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015, in order to encourage Directors and Employees of your Company to escalate to the level of the Audit Committee any issue or concerns impacting and compromising with the interest of your Company and its stakeholders in any way. Your Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy is available on your Company's website at https://www.tegaindustries.com/investors/policies/whistle_blower_policy.pdf.

Further, no complaints were reported under the Vigil Mechanism during the year.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company has a zero tolerance for sexual harassment at workplace and has adopted a policy viz., Policy on Prevention of Sexual Harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). Your Company is also in compliance with the provisions of the POSH Act, with respect to the constitution of Internal Complaints Committee.

During the year, your Company received 1 (One) complaint of sexual harassment which was disposed off following the due process as per the laid down policy. The said policy is available on the website of your Company at https://www.tegaindustries.com/images/articles/pdf/POSH_Policy.pdf.To build awareness in this area, the Company has been conducting awareness sessions during induction of new employees and also periodically for permanent employees, third-party employees and contract workmen through online and in person sessions.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report. 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 forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of your Company. Any member interested in obtaining such information may address their email to compliance.officer@tegaindustries.com.

MATERIAL CHANGES AND COMMITMENTS

Except those disclosed in this Annual Report, there are no material changes and commitments affecting the financial position of your Company between the end of the financial year i.e. March 31, 2023 and the date of this Report.

CORPORATE GOVERNANCE

In terms of the provisions of Regulation 34(3) of the SEBI Listing Regulations, 2015, the Corporate Governance Report and the Certificate on the compliance of conditions of Corporate Governance forms part of the Annual Report and are given separately as **Annexure – IV.**

STATUTORY AUDITORS AND THEIR AUDIT REPORT

Pursuant to the applicable provisions of the Companies Act, 2013, the members of your Company at their 44th Annual General Meeting (AGM) held on October 20, 2022, appointed M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants (Firm Registration No. 007567S/S-200012), as the Statutory Auditors of your Company to hold office from the conclusion of the 44th AGM until the conclusion of the 49th AGM of your Company to be held in the year 2025.

The reports given by the Statutory Auditors, M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants on the standalone and consolidated financial statements of your Company for the year ended March 31, 2023 forms part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Reports.

The Auditors of your Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

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. Accordingly, the Board of Directors of your Company has on the recommendation of the Audit Committee on May 30, 2023, approved the appointment of M/s Mani & Co. as the Cost Auditors of your Company for the financial year ended March 31, 2024. 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 Annual General Meeting for FY 2022-23.

SECRETARIAL AUDITORS

As per Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to have the audit of its secretarial records conducted by a Company Secretary in Practice.

Accordingly, your Company appointed Mrs. Sweety Kapoor, Practising Company Secretary (Membership No. FCS 6410, Certificate of Practice No. 5738) holding a Peer Review Certificate No. 660/2020 as the Secretarial Auditor of your Company for Financial Year 2022-23 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the financial year ended March 31, 2023 does not contain any qualification, reservation or adverse remark or disclaimer and the same forms part of the Annual Report as **Annexure V**.

COMPLIANCE OF SECRETARIAL STANDARDS

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems were adequate and operating effectively.

Your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act and Regulation 18 of the SEBI Listing Regulations, 2015 in the preparation of the annual accounts for the year ended March 31, 2023 and state that:

(i) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they 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 your Company at the end of the financial year and of the profit of your Company for the year;

(iii) they 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 your Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts for the financial year ended March 31, 2023 on a going concern basis;

(v) they have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively;

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws to your Company and the systems are adequate and operating effectively.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Issue of Equity shares with differential rights as to dividend, voting or otherwise.
- There has been no change in the business of your Company.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There is no instance of one time settlement with any Banks/ financial institutions.

ACKNOWLEDGEMENTS

The Directors appreciate the hard work, dedication, and commitment of all its employees including workmen at the plants towards the success of the Company. The Directors also acknowledge the support extended by the Company's Shareholders and would also like to thank the financial institutions, banks, government authorities, customers, vendors and other stakeholders for their continued support and co-operation.

On behalf of the Board of Directors

Sd/-
Madan Mohan Mohanka
Chairman
DIN: 00049388

Place: Kolkata
Date: May 30, 2023

ANNEXURE I

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE

Part I – Details of Listed Entity

1.	**Corporate Identity Number (CIN) of the Listed Entity**	L25199WB1976PLC030532
2.	**Name of the Listed Entity**	TEGA INDUSTRIES LIMITED
3.	**Year of incorporation**	1976
4.	**Registered office address**	Godrej Waterside, Tower-II, Office No.807, 8th Floor, Block DP - 5, Salt Lake Sector V, Kolkata - 700091, West Bengal, India
5.	**Corporate address**	Godrej Waterside, Tower-II, Office No.807, 8th Floor, Block DP - 5, Salt Lake Sector V, Kolkata - 700091, West Bengal, India
6.	**E-mail**	compliance.officer@tegaindustries.com
7.	**Telephone**	+91 33 4093 9000
8.	**Website**	www.tegaindustries.com
9.	**Financial year for which reporting is being done**	Financial year 2022-23
10.	**Name of the Stock Exchange(s) where shares are listed**	• National Stock Exchange (NSE) of India Ltd • BSE Limited
11.	**Paid-up Capital**	INR 663541120
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Ms. Manjuree Rai Company Secretary & Compliance Officer Email id: compliance.officer@tegaindustries.com Telephone No.: 033 4093 9000
13.	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	Standalone

Part II – Products/Services

14. Details of business activities (accounting for 90% of the turnover):

Sl.No	Description of Main Activity	Description of Business Activity	% Turnover of the entity
1.	Products manufacturing	Manufacturing & Sales of Conveyor Components, Hydro Cyclone, Screen, Wear Components, Mill Liners and Others.	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

Sl.No	Product/Service	NIC Code	% Of total Turnover contributed
1.	Mill Liners	28246	70.5%
2.	Screen	28246	9.9%
3.	Others	28246	6.8%
4.	Wear Component	28246	6.4%
5.	Conveyor	28246	4.0%
6.	Hydro-cyclone	28246	2.4%

The Company is into manufacturing of consumables for the global mining, mineral processing, and material handling industries. Since no individual product manufactured attributes to 90% of entities total turnover on a standalone basis, a detailed breakdown of the contribution of each individual product manufactured has been provided in the table above.

Part III – Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Locations	Number of Plants	Number of Offices	Total
National	3 (Three)	18 (Eighteen)	21 (Twenty-One)

17. Markets served by the entity:

a. Number of Locations

Locations	Numbers
National (No. of States)	12 (Twelve)
International (No. of Countries)	72 (Seventy-Two)

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

The contribution of exports to the total turnover of the Company, on a stand-alone basis is greater than 80 %.

c. A brief on types of customers:

TIL caters to multiple customer segments across industries, such as - steel, power, cement, iron ore, copper, zinc, aluminium, ceramic, port, chemicals, fertilizers, gold, platinum & aggregate. At a broader level TIL encompasses the bulk material handling, mining & mineral processing industries.

Part III – Operations

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Particulars	Total (A)	Male		Female	
		(B)	%(B/A)	(C)	%(C/A)
EMPLOYEES					
1. Permanent (D)	472	442	94%	30	6%
2. Other than permanent (E)	46	45	98%	1	2%
3. Total Employee (D+E)	**518**	**487**	**94%**	**31**	**6%**
WORKERS					
4. Permanent (F)	190	190	100%	0	0
5. Other than permanent (G)	727	722	99%	5	1%
6. Total Workers (F+G)	**917**	**912**	**99%**	**5**	**1%**

b. Differently abled Employees and workers:

Particulars	Total (A)	Male		Female	
		(B)	%(B/A)	(C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES					
1. Permanent (D)	1	1	0.2%	0	0%
2. Other than permanent (E)	0	0	0%	0	0%
3. Total Employee (D+E)	**1**	**0**	**0%**	**0**	**0%**
DIFFERENTLY ABLED WORKERS					
4. Permanent (F)	0	0	0%	0	0%
5. Other than permanent (G)	0	0	0%	0	0%
6. Total Workers (F+G)	**0**	**0**	**0%**	**0**	**0%**

19. Participation/Inclusion/Representation of women:

Particulars	Total (A)	Number and percentage of Female	
		(B)	%(B/A)
Board of Directors	6	1	17%
Key Management Personnel	4	1	25%

20. Turnover rate for permanent employees and workers:

Particulars	FY 2022-2023			FY 2021-2022			FY 2020-2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16%	2%	18%	16%	1%	17%	9%	0%	9%
Permanent Workers	4%	NA	4%	7%	NA	7%	7%	NA	7%

NA – Not applicable

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

21. Names of holding / subsidiary / associate companies / joint ventures

Name of the holding / subsidiary /associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Tega Industries Inc.	Subsidiary	100%	NO
Tega Industries Australia Pty Ltd.	Subsidiary	100%	NO
Tega Industries Canada Inc.	Subsidiary	100%	NO
Tega Do Brasil Servicos Technicos Ltd.	Subsidiary	99.99%	NO
Tega Holdings Pty. Ltd.	Subsidiary	100%	NO
Losugen Pty. Ltd.	Subsidiary	100%	NO
Tega Industries Chile SpA and its subsidiaries	Subsidiary	100%	NO
Tega Investments South Africa Proprietary Limited	Subsidiary	100%	NO
Tega Industries Africa Proprietary Limited	Subsidiary	100%	NO
Tega Equipment Private Limited*	Subsidiary	100%	NO
McNally Sayaji Engineering Limited**	Subsidiary	100%	NO
MBE Coal & Mineral Technology India Pvt Ltd***	Subsidiary	0%	NO
Hosch Equipment (India) Limited	Joint Venture	50%	NO
Tega Holdings Pte Limited	Subsidiary	100%	NO
Tega Investments Limited (Liquidated w.e.f. 14.11.2023)	Subsidiary	100%	NO

Notes:

**Period - December 01, 2022, to March 29, 2023*

*** became a wholly owned subsidiary of the Company w.e.f. February 24, 2023*

**** became a subsidiary of the Company w.e.f February 24, 2023, and ceased to be a subsidiary on March 29,2023*

Part VI – CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: YES

(ii) Turnover (in ₹): 7,400.97 Million

(iii) Net worth (in ₹): 10,310.11 Million

Part 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:

Particulars	Grievance Redressal Mechanism in Place (Yes/No) If yes provide weblink of the grievance redressal policy	FY 2022-2023			FY 2020-2021		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	YES	0	0	NA	0	0	NA
Investors (other than shareholders)	YES	0	0	NA	0	0	NA
Shareholders	YES	0	0	NA	0	0	NA
Employees and Workers	YES	3	0	NA	5	0	NA
Customers	YES	116	69	NA	161	28	NA
Value Chain Partners	YES	0	0	NA	NA	NA	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

24. Overview of the entity's material responsible business conduct issues

Sl.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.	Compliance with ESG norms and expectations	Risk	Nonadherence to sustainability related norms and reasonable and justified expectations may lead to non-compliances, thereby impacting trade relationship	To mitigate the risk identified, TIL has implemented a 'Compliance monitoring dashboard', which eventually would induct emerging and existing sustainability and climate related compliance rules & regulations across geographies of operations, followed by periodic monitoring of the same.	Negative – 1. Loss of business opportunity and partnerships owing to non addressal of various ESG aspects – expectations from stakeholders. 2. Loss of revenue 3. Trade barriers 4. Higher tariff
2.	Sustainable and responsible supply chain management	Risk	Compliance with global ESG skewed expectations and norms and assessment of adverse environmental and social impacts arising out of supply chains operations may have a detrimental impact on TIL's brand image as a responsible corporate citizen. Improving Logistics safety is crucial to uplift overall EHS performance of any organisation	1. TIL has conceptualized and yet to be implemented the ESG 'Code of Conduct' for its value chain to ensure that it is in line with the global ESG norms and expectations. 2. Additionally, we will strive to conduct ESG-DD (Due Diligence) for major and critical suppliers. 3. Initiate the process to conduct DD to monitor sustainability performance of the supply chain. The organization strives for highest levels of EHS performance during the transportation through implementation of Multimodal logistics safety management module	Negative - 1. ESG based liabilities arising out of supplier's business operation may result in negative amplification of TIL. 2. Supplier is in non-compliance with ESG norms. 3. Lack of real-time information of all organizations in the value chain, to enable TIL to compare such organizations. Same as above

Sl.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.	Data breach prevention and management	Risk	Any organization, owing to the lower level of protections against data leakage or pilferage can become susceptible to ever increasing cyber threats.	To strengthen the data and cyber framework, TIL strives to implement internal controls and program frameworks to assess and mitigate risk related to cyber security.	Negative – 1. Loss of revenue 2. Loss of confidential data 3. Regulatory Impact
4.	Plant and machinery: utilization and health	Risk	RCM (Reliability Centered Maintenance) based maintenance ensures optimum asset performance.	Tega has initiated RCM (Reliability Centered Maintenance) based program to improve asset efficiency.	Negative – 1. Loss of operational efficiency 2. Decline in MTBF will result in loss of revenue
5.	Digitally integrating process and technology	Opportunity	1. Real time monitoring and control through industry 4.0 platform to ensure high visibility of intrinsic electro-mechanical issues and thereby enable quick resolution. 2. Digital platforms like SAP ensure logging of issues with ageing analysis and thereby speed up the process of rectification.	Not applicable since it is an opportunity.	Positive – 1. Improvement in operational efficiency 2. Operational cost savings 3. Significant improvement in MTBF (Mean time between failure) and thereby reducing MTTR (Mean time to repair)
6.	Creating a 'culture of care' through embracement of principles of human rights and governance	Opportunity	Creation of a centralized HR repository enables robust governance w.r.t statutory compliances, easy accessibility, and transparency of data.	Not applicable since it is an opportunity.	Positive – Ensuring a hassle free and cost-effective experience in moderating HR related activities.
		Risk	With the emerging landscape around human resource-based policies, it becomes imperative for TIL to embrace the principles of Social and Human Rights and principles of corporate ESG governance.	TIL plans to enhance the current human rights, social and governance principles and policies as per global social, human rights and governance standards.	Negative- 1. Low employee satisfaction 2. High attrition
		Risk	Ensuring at a minimum, water neutrality for the water consumed in-house inside the business operations of the organization, to protect the rights of the local community.	TIL shall take initiatives to neutralize the water inhouse or in water scarcity zones.	Negative – 1. Reduced water level, leading to migration of local community. 2. Negative amplification by media 3. Resettlement of local community
7.	Manufacturing excellence and new product identification & development	Opportunity	Customer satisfaction derived from product reliability facilitates better business opportunity and market penetration. Thus, it becomes crucial to predict new products which would be in demand to improve the topline revenue of the organization and also improve the organization's CO2 equivalent emission footprint. Further facilitating better market penetration through cross selling shall result in 'improved revenue', through cross selling.	Not applicable since it is an opportunity.	Positive – 1. Increase in revenue through new customer acquisition & existing customer retention. 2. Improve in quality leading to 'customer delight.' 3. Increase in revenue. Wider market capture and penetration.

Sl.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)
8.	Transit to low carbon ecosystem	Risk	To optimize energy consumption and enhance process efficiency, energy efficient measures need to be adopted.	TIL will strive to 1. Conduct periodic energy audit across the manufacturing facilities and implement energy efficient measures. 2. Work towards fulfillment of Energy Productivity – 100 (EP-100) 3. Implementation of recommendations surfaced from the energy audit.	Negative – 1. Loss in operational efficiency 2. Revenue losses
9.	Appropriate implementation of Environment health safety and social frameworks	Risk	EHS performance of blue-collar contractual workers if not guided through contractor EHS code of conduct may result in dipping of EHS performance. Further inclusion of Comprehensive risk assessment through 6-dimensional hazard analysis shall result in improvement of the EHS performance through Behavioral based risk governance.	1. TIL shall ensure identification of activities that the contractors are engaged in and subsequently governing them through the EHS contractor code of conduct (5-star rating system) under the leadership of an apex committee. 2. TIL shall strive to provide a safe working environment to every stakeholder through continuously upgrading HIRA and periodically reviewing it. 3. It has been in TIL's priority list to reduce the incidents arising out of behavioural issues through BBS (Behavioural Based Safety) management system.	Negative – 1. Loss of revenue owing to incident expenses (medical, legal, etc.) 2. Loss of reputation and stakeholder confidence 3. High attrition rate owing to increase in cost of hiring, thereby, resulting in production delays. 4. Jobs that are delivered may be ineffective

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) *	YES	YES	YES	YES	YES	YES	YES	YES	YES
1. b. Has the policy been approved by the Board? (Yes/No)	YES	YES	YES	YES	YES	YES	YES	YES	YES
1. c. Web Link of the Policies, if available	At TIL the entity has formulated and approved the policies in alignment with the nine guiding principles and corresponding core elements of National Guidelines on Responsible Business Conduct (NGRBC). The policies developed are available at the webpage of - Investor Relations - Tega Industries.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	YES	YES	YES	YES	YES	YES	YES	YES	YES
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	YES	YES	YES	YES	YES	YES	YES	YES	YES
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.	At TIL the policies have been developed in alignment with National Guidelines on Responsible Business Conduct (NGRBC). The organization confirms with national and international standards such as – • ISO 9001:2015 – Quality Management System • ISO 45001:2018 – Occupational Health and Safety • ISO 14001:2015 – Environment Management System • SA 8000 – Social Accountability								

Disclosure Questions	Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The material performance indicators have been determined from the materiality assessment carried out for TIL. Further, for each of material performance indicators, the goals & target metrices that have been derived are presented below, which we intend to achieve by the end of Indian FY 23/24: 1. **Compliance with emerging ESG norms and expectation (Principle 1 and Principle 6)** - We have created a compliance monitoring dashboard, which would eventually capture ESG norms, followed by formulating & implementing appropriate monitoring framework. By FY 2023-24,we strive to create entity's sustainability and climate risk framework incorporating emerging global & domestic norms such as CBAM, CSDDD, CSRD etc. We will integrate ISO 37001 into our governance structure. 2. **Manufacturing Process Efficiency and Transition to Low Carbon Ecosystem (Principle 2 and Principle 6)** - We envision to enhance manufacturing process efficiency by conducting energy audits across the facilities and implementing appropriate procedures by FY 23-24, to reduce energy intensity of the products manufactured and switch over to low carbon intensive material and processes. 3. **Environmental, Health & Safety (EHS) (Principle 3)** - Reinforcing the existing EHS performance & risk management framework through periodic training interventions. We strive to incorporate six-dimensional hazard identification approach by FY 2023-24 inclusive BBS and establish infrastructure of ETP and work towards water neutrality. 4. **Sustainable and Responsible Supply chain management (Principle 1, Principle 3, Principle 5, Principle 6)** - We strive to develop & implement supplier and CSMS code of conduct for further executing suppliers Environmental, Social, & Governance - Due Diligence (ESG DD). 5. **Climate related physical risk (Principle 6)** - We will conduct scenario analysis to identify physical and transition risk associated with our business operations and implement strategies for its mitigation. 6. **Logistics safety (Principle 1, Principle 3, Principle 5, Principle 6)** - To ensure safe logistic movement we will conduct risk assessment and develop monitoring & evaluation framework. 7. **Plant & Machinery: Utilization & health (Principle 1, Principle 6)** - RCM based maintenance involved and continued through FY 23-24 8. **Digitally integrating process and technology (Principle 4)** - We shall conduct technical know-how analysis of the existing workforce to identify the gaps & accordingly deploy appropriate training module for skill upgradation, followed by conducting periodic assessment of the same. 9. **Data breach prevention and management (Principle 9)** - We shall strive to strengthen our data & and cyber security framework by implementing ISO 27001, inclusive of GDPR & NIST CSF. 10. **Creating a culture of care (Principle 1, Principle 3 & Principle 5)** - We strive to strengthen our human rights & governance requirements and align the same with UNGC principles, ILO guidelines and other domestic & international guidelines, such as ISO 37000 and ISO 26000 by the end of FY 23/24.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	TIL has established appropriate commitments, goals and targets, through identification of issues (risk & opportunities) material to the business, as highlighted and mentioned in the aforementioned clause. The performance corresponding to the same shall be reported in the consecutive financial years.								

Disclosure Questions	Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	We at TIL firmly believes in co-existence of mankind and nature for a sustainable future. We firmly believe to operate as a responsible corporate citizen and integrate sustainability in all aspects of decision-making procedures; and accordingly consider our impacts on the environment and society at large. At TIL we have initiated our journey of transition and placing efforts in value creation for better sustainability performance. Our stakeholders are of high importance to our business operations, and we endeavour to enhance their confidence in our business. Thus, to understand and capture the concerns of the stakeholders we have formulated a stakeholder engagement committee and taken appropriate measures to identify our key stakeholder groups comprising of internal & external stakeholders, followed by identification of material KPI's through Double materiality assessment framework and appropriate stakeholder engagement and consultation process. Simultaneously, we have established strategies to mitigate the concerns identified by the stakeholders. To combat climate change and align with domestic and international goals on climate change at TIL, we have initiated certain measures to transit to a low carbon future. One of such steps was introduction of renewable energy to reduce our indirect carbon emission footprint, through the initiative of solar fencing. We appreciate the fact that use of fossil fuel in our operations is one of the major sources of direct emission, hence, we have been implemented processes to transit to cleaner fuels and have accordingly, adopted low carbon-intensive methods such as dual fired boiler, fuel switch to achieve higher energy output inclusive of reduced emissions. Post pandemic, the world as we know have changed; and as a responsible corporate citizen, we have initiated multiple efforts to uplift the society & local communities though our CSR initiatives. We endeavour to create a sustainable future where humanity thrives in correlation to nature.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	**Manoj Kumar Sinha** Designation: Director - Global Operations (Member of Executive Committee)								
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.	**YES.** The Director of Global Operations has the authority to oversee the implementation of policies and decision-making pertaining to sustainability related issues.								

*Refer to Annex 1 for detailed outline of policies in correspondence to the principles of NGRBC

10. Details of Review of NGRBCs by the Company:

Disclosure Questions	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	• All the policies of the Company are approved by the Board/ Committee and reviewed periodically or on a need basis. • During the review, the effectiveness of the policies is evaluated and necessary amendments to policies and procedures are implemented, inclusive of taking any action that is felt appropriate.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	YES	YES	YES	YES	YES	YES	YES	YES	YES	The Company complies with the regulations and principles that are applicable and takes necessary action for rectification, wherever felt appropriate.								

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.

Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
NO	NO	NO	NO	NO	NO	NO	NO	NO

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA - Not Applicable, since the policies of the Company cover all Principles, as per the NGRBCs.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4	• Policies and procedures of the Company with respect to business ethics and values.	100%
Key Managerial Personnel	4	• Policies and procedures of the Company with respect to POSH, Insiders Trading, Code of Conduct and Whistle Blower • Internal Committee POSH Training; Diversity & Inclusion	100%
Employees other than BoD and KMPs	18	• Policies and procedures of the Company with respect to POSH, Insiders Trading, Code of conduct and whistle blower • Diversity & inclusion and POSH • SA 8000 awareness	68%
Workers	5	• Policies and procedures of the Company with respect to diversity & inclusion and POSH	40%

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, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies / judicial institutions	Amount (in INR)	Brief of the case	Has an appeal been preferred? (Yes / No)
Penalty / Fine	NA	NA	0	NA	NA
Settlement	NA	NA	0	NA	NA
Compounding fees	NA	NA	0	NA	NA
Non - Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies / judicial institutions		Brief of the case	Has an appeal been preferred? (Yes / No)
Imprisonment	NA	NA		NA	NA
Punishment	NA	NA		NA	NA

NA – Not Applicable

For the FY 2022-23, there were no cases 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.

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:

Case details	Name of the regulatory/ enforcement agencies / judicial institutions
NA	NA

NA – Not Applicable

Not Applicable since no instances of fines / penalties /punishment/ award/ compounding fees/ settlement amount had been paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the aforementioned financial year.

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:

At TIL, the organization believes in fair and transparent practices & has laid emphasis on anti-corruption and anti-bribery in the BRSR policy that has been formulated and implemented for the organization, in accordance with Principle 1. - Clause 5 of the policy document reads as follows-

"The Company shall have zero tolerance for bribery and corruption in its business dealings. All Employees of the Company shall not directly or indirectly, solicit or accept any personal fee, commission or any form of remuneration arising out of a transaction involving the Company. This includes gifts or other benefits, which might be extended at times, to influence business decisions. Any offer, promise or grant of gift may be made only if it is customary and/or are of a commemorative nature."

Further, the Code of Conduct policy has been put in place for Directors and KMP's emphasis on anti-corruption and anti-bribery.

Weblink to the policy -

1. Business Responsibility & Sustainability Policy
2. Code of conduct for all members of the Board and senior management

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	**NIL**	**NIL**

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of Directors	0 (Zero)	NA	0 (Zero)	NA
Number of complaints received in relation to issues of Conflict of Interest of KMPs	0 (Zero)	NA	0 (Zero)	NA

NA – Not Applicable

No complaints were received regarding conflict of interest against Directors/KMPs in FY 2022-23 and FY 2021-22.

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 since no complaints had been filed regarding corruption and conflict of interest.

Leadership Indicator

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?**

(Yes/No) If Yes, provide details of the same.

Yes, TIL has appropriate processes in place to avoid/ manage conflict of interests involving members of the Board. TIL has board approved policy in place for managing conflict of interest as per applicable rules & regulations.

The procedure to address conflict has been highlighted in the Clause (ii) of "GENERAL STANDARDS OF CONDUCT" in Code of conduct for all members of the Board and senior management.

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.**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvement in social and environmental impacts
R&D Expenses	NIL	NIL	NA
Capex			
	1.43%	0.93%	FY21-22 1. Installation of Effimax System in the boiler has led to improvement in combustion efficiency of the boiler, thereby leading to lesser fuel consumption. 2. Upgradation of the installed bins for Storage of Hazardous & Non-Hazardous wastes at factory premises. FY22-23 1. Installation of Solar Fencing along the boundary wall at Samali facility, comprising of several photo-voltaic cells that gets charged by during daytime. It would enable replacement of grid electricity with renewable power considerably. 2. Upgradation of the existing Boiler Effimax system. 3. Installation of RO system enables softening of input water to the boiler. This has resulted in a considerable reduction in the number of blowdowns, which eventually results in reduction of heat loss during the process and the energy consumed to recover the lost heat.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

No. As on date there is no procedures that had been established for sustainable sourcing, specifically. However, the Company intends to put a process in place in respect to the same at the earliest.

b. **If yes, what percentage of inputs were sourced sustainably?**

Not applicable since sustainable sourcing procedure is currently not in existence.

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 believes in going beyond compliance and has therefore taken numerous steps to improve waste management practices across its operations. All businesses are optimized to minimise waste generation through evaluation of options such as resources, technologies, and processes.

The Company has established appropriate processes for disposal of waste generated from its business operations. For products manufactured and sold to end users, TIL facilitates the customer with safety manuals comprising detailed guidelines on responsible consumption, usage, and disposal of the products at the end of life, further emphasizing on compliance with regional norms in terms of disposal of the product.

For the hazardous waste generated from the operational process, the entity disposes the same through Pollution Control Board (PCB) approved vendor, RAMKY in a periodic interval of six months. Other waste generated from the processes are disposed off through local scrap dealers.

In the manufacturing facility of Dahej, India use of plastic is mostly restricted in the process, except the important one. Plastic waste generated in the process is disposed off through the GPCB authorised vendor, who further recycles it as per the norms set by GPCB. E-waste generated in the process is disposed off through the GPCB authorised vendor, who recycles it as per the norms set by GPCB. Cured and semi cured rubber (Flash & Spew) generated as a process waste from the manufacturing of Mill liner, is disposed of through the GPCB authorised vendor, who further recycles and reclaims the rubber for further use as per the norms set by GPCB. Mild steel generated as a process waste from the manufacturing of Mill liner is sold to vendors, who further sells the same to recycler, who reclaims 98% metal for further use. Electronic waste generated is disposed off in accordance with the IT policy of the organization, through approved Pollution Control Board (PCB) vendors.

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.**

Yes, Extended Producer Responsibility (EPR) is applicable to the entity's activities. TIL submits its waste collection plan in alignment with the Extended Producer Responsibility (EPR) plan to the concerned Pollution Control Boards (PCBs).

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:**

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)
Permanent Employees											
Male	442	442	100%	442	100%	-	-	NA	NA	NA	NA
Female	30	30	100%	30	100%	30	100%	NA	NA	NA	NA
Total	**472**	**472**	**100%**	**472**	**100%**	**-**	**-**	**NA**	**NA**	**NA**	**NA**
Non-Permanent Employees											
Male	45	45	100%	45	100%	-	-	NA	NA	NA	NA
Female	1	1	100%	1	100%	1	100%	NA	NA	NA	NA
Total	**46**	**46**	**100%**	**46**	**100%**	**-**	**-**	**NA**	**NA**	**NA**	**NA**

NA – Not Applicable

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

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)
Permanent Workers											
Male	190	190	100%	190	100%	NA	NA	NA	NA	NA	NA
Female	0	0	0	0	0	0	0	NA	NA	NA	NA
Total	**190**	**190**	**100%**	**190**	**100%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Non-Permanent Workers											
Male	722	722	100%	722	100%	NA	NA	NA	NA	NA	NA
Female	5	5	0	5	0	NA	NA	NA	NA	NA	NA
Total	**727**	**727**	**100%**	**727**	**100%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

NA – Not Applicable

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

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 / deposited with the authority (Yes/No/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted / deposited with the authority (Yes/No/NA)
PF	100%	100%	YES	100%	100%	YES
Gratuity	100%	100%	YES	100%	100%	YES
ESI	9%	57%	YES	12%	62%	YES

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, the premises / offices of the entity are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

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.

Currently TIL does not have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0 (Zero)	0 (Zero)	0 (Zero)	0 (Zero)
Female	0 (Zero)	0 (Zero)	0 (Zero)	0 (Zero)
Total	0 (Zero)	0 (Zero)	0 (Zero)	0 (Zero)

As on date there has been an only one instance of maternity leave being applied by an employee of TIL, which is currently on an ongoing phase, thus data in correspondence to Return to work and Retention rates of permanent employees and workers that took maternity leave cannot be assessed in this financial year.

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/NO (If YES, then give details of the mechanism in brief)
Permanent employees	Yes*
Non-permanent employees	Yes*
Permanent workers	Yes*
Non-permanent workers	Yes*

**Details of mechanism given below*

Yes, at TIL, appropriate processes and procedures have been established to receive and redress grievances from employees (permanent & non-permanent) and workers (permanent & non-permanent). Currently at TIL the mechanism to capture grievances of the employees comprises of whistle-blower mechanism and the POSH, both of which have board approved policies and procedures implemented.

The mechanism of whistle-blower comprises of lodging of complains by the employee within 30 days after becoming aware of the incident, which is then investigated by the vigilance officer followed by submission of the same to the vigilance committee. The committee then conducts an internal audit, wherein if unethical & improper act is concluded by the committee, then the audit committee enforces disciplinary or corrective action.

The mechanism of POSH comprises of lodging of detailed complain along with documentary evidence, if available. Post receipt of the complaint and prior to initiating the inquiry, the committee take steps to conciliate the complaint between the complainant and the respondent. During inquiry all the proceedings are documented, and the committee interviews the respondent separately and impartially. Committee states exactly what the allegation is and who has made the allegation. The respondent is given full opportunity to respond and provide any evidence, etc. Detailed notes of the meetings are prepared which may be shared with the respondent and complainant upon request. Any witnesses produced by the respondent are also interviewed & statements are taken. Post the inquiry the committee submits its report containing the findings and recommendations to the employer, within 10 days of completion of the inquiry. Appropriate steps are taken depending on whether the complaint is unsubstantiated or substantiated.

To receive and redress the grievances of workers currently there are two mechanisms – the first mechanism comprises of the workers registering complaints directly with the plant HR or departmental supervisor or the plant head, which is then subsequently investigated and addressed. The second mechanism comprises of suggestion boxes which are available at all the manufacturing facilities. Each month the suggestions submitted in the boxes are reviewed by the internal committee of the plants and appropriate measures are taken to address the concerns/suggestions submitted by the workers.

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

Category	FY 2022-23			FY 2021-22		
	Total number of employees / workers in respective category (A)	No. of employees / workers in respective category who are part of association(s) or Union (B)	% (B/A)	Total number of employees / workers in respective category (C)	No. of employees / workers in respective category who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**472**	**0**	**0**	**435**	**0**	**0**
Male	442	0	0	416	0	0
Female	30	0	0	19	0	0
Total Permanent Workers	**190**	**102**	**54%**	**195**	**105**	**54%**
Male	190	102	54%	195	105	54%
Female	0	0	0	0	0	0

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

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)
Employees										
Male	442	90	20%	404	91%	416	248	60%	317	56%
Female	30	0	0%	29	97%	19	5	26%	18	95%
Total	**472**	**90**	**19.06%**	**433**	**91.73%**	**435**	**253**	**58.16%**	**335**	**77.01%**
Workers										
Male	190	69	36%	76	40%	195	51	26%	55	28%
Female	0	0	0	0	0	0	0	0	0	0
Total	**190**	**69**	**36%**	**76**	**40%**	**195**	**51**	**26%**	**55**	**28%**

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)	%(C/D)
Employees						
Male	442	442	100 %	416	416	100%
Female	30	30	100 %	19	19	100%
Total	**472**	**472**	**100%**	**435**	**435**	**100%**
Workers						
Male	190	189	100%	195	195	100%
Female	0	0	NA	0	0	NA
Total	190	189	100%	195	195	100%

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, the Company has implemented occupational health and safety management system, TIL is certified to ISO 45001:2018.

The coverage of the system comprises of Design, Engineering, Development, Production & Installation of -

1. Wear Resistant Rubber, Poly Urethane, Composite and Hybrid Products along with various related accessories for Mineral Processing, Beneficiation, Mining & Materials Handling Industries (Ferrous & Non– ferrous)
2. Mill Liners, Hydro cyclones & Hydro cyclones systems and Pump & Pump Linings along with various related accessories for Mineral Processing, Beneficiation, Mining & Materials Handling Industries (Ferrous & Non-ferrous):
   a. Grinding Mill Liners, Composite & Hybrid Mill Liners, Hydro cyclones, & Hydro cyclones systems and Pump along with various related accessories
   b. Screens & Screen matts, Composite & Hybrid Screen Matts & Trommel along with various related accessories
   c. Wear Resistant Liners, Composite & Hybrid Wear Resistant Liners, Engineering Chutes along with various related accessories.
   d. Spillage Control equipment, Belt Tracking system and various support systems for all types of Conveyors along with various related accessories

The management system extends to corporate headquarters, manufacturing facilities of Samali, Kalyani and Dahej in India.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

At TIL, the organization implements processes and procedures such as Hazard Identification and Risk Assessment (HIRA) to identify hazard, analyse and assess its associated risk for applying the suitable control measures.

Job Safety Analysis (JSA) has been implemented to further integrate accepted safety and health principles and practices into a particular task or job operation. Periodic internal audit is conducted by safety officer to identify work-related hazards and accordingly, assess the risks and develop appropriate procedures for mitigation of the risks identified. Permit to Work System or PTW is a standard operational procedure that has been implemented by TIL to issue documented permission to perform tasks that are considered hazardous or non-routine.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

YES, Safety Alert Card system has been developed for workers to report the work-related hazards and to remove themselves from such risks.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

YES, the workers of the entity have access to non-occupational medical and healthcare services. The manufacturing facilities comprises of Occupational Health Centre, where in primary health check-up is available.

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

Safety Incident/Number	FY 2022-23		FY 2021-22	
	Employees	Workers	Employees	Workers
Lost Time Injury Frequency Rate (LTIFR) (per one million- person hours worked)	0	1.84	1.14	2.48
Total recordable work-related injuries	4 (Four)	44 (Forty-four)	2 (Two)	109 (Hundred and nine)
No. of fatalities	NIL	NIL	NIL	NIL
High consequence work- related injury or ill-health (excluding fatalities)	NIL	NIL	NIL	NIL

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

Across the facilities of the Company, the organization has implemented processes and procedures such as Hazard Identification and Risk Assessment (HIRA) to identify hazard, analyse and assess associated risk with operations and processes & accordingly apply the suitable control measures. Job Safety Analysis (JSA) is conducted to integrate accepted safety and health principles and practices into a particular task or job operation.

Further, safety alert card system has been implemented, alongside hazard analysis and risk assessment system. Permit to Work System or PTW is a standard operational procedure that has been implemented by TIL to issue documented permission to perform tasks that are considered hazardous or non-routine. A permit to work form consists of specific instructions of the nature of the job, the time and place along with adequate information of critical safety procedures to follow. Periodic internal audit is also conducted by safety officer to ensure safe and healthy workplace.

13. 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
Working Conditions	2 (Two)	0 (Zero)	NA	0 (Zero)	0 (Zero)	NA
Health & Safety	0 (Zero)	0 (Zero)	NA	5 (Five)	0 (Zero)	NA

14. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities, or third parties)
Health and safety practices	100 %
Working Conditions	100 %

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.

Corrective action taken or underway to address safety-related incidents and on significant risks / concerns arising from assessments of health & safety practices and working conditions comprises of Hazard Identification Risk Assessment and Control (HIRAC), Job Safety Analysis (JSA), Safety Alert Card system, Permit to Work System, Incident investigation, etc followed by training and capacity development.

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.

Key Stakeholder groups at TIL is identified through internal framework and forms & formats that have been developed and implemented. As per the process laid down, each department mentions the roles and responsibilities related to their department, followed by the stakeholder that they interact with, in respect to such roles and responsibilities. Such stakeholders could be external or internal to the organization.

The framework emphasizes on understanding & capturing the influence of the of stakeholders on the business, impact of the stakeholder of the business and the impact of the business on the stakeholder. Further, based on mutual consultation with departmental personnel, each of the stakeholder is rated in a scale of 1 to 5, with 5 being the maximum importance accorded to the stakeholder. Accordingly, the stakeholders who have been given the highest ratings are preferably consulted earlier in comparison to the ones with a lesser rating.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	NO	Meetings both physical and virtual, Email, telephonic conversation	Quarterly & event based	To inform on how the Company is currently doing and what it plans to do in near term future and responding to all queries.
Shareholders	NO	Meetings both physical and virtual, Email, telephonic conversation	Quarterly & event based	To inform on how the Company is currently doing and what it plans to do in near term future and responding to all queries.
Employees & Workers	NO	Meetings both physical and virtual, Email, telephonic conversation	Ongoing	To inform employees & worker on key developments and compliances applicable to the Company.
Customers	NO	Email	Event based	Query/ clarification handling
Communities	YES	Meetings, Email, written correspondence, telephonic conversation	Event based	Support CSR projects
Regulatory Body	NO	Email, written correspondence, website, Stock Exchange, telephonic conversation	Event based	Compliance related matters and discussions on policy regulations and amendments, inspections, and approvals
BoD & KMP	NO	Meetings both physical and virtual, Email, written correspondence, telephonic conversation	Quarterly & event based	Decision making and exercising powers of the Board.
Statutory Auditor	NO	Meetings both physical and virtual, telephonic conversation	Quarterly & event based	Audit
Company Secretarial Auditor	NO	Meetings both physical and virtual, Email, telephonic conversation	Ongoing	Audit and discussions on policy regulations and amendments.
Register & Share Transfer Agent	NO	Meeting, Email, written correspondence, telephonic conversation	Quarterly & event based	RTA related services

Leadership Indicators –

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

TIL has a Stakeholder Engagement process to consult with stakeholders and receive feedback from them and the feedback received is further communicated to the board. The process for consultation between stakeholders and the Board on economic, environmental, and social topics is determined through the Stakeholder Engagement & Consultation (SEC) and Sustainability based Materiality Assessment Framework (SMAF). The process comprises of the following stages –

- Identification of Key stakeholder groups (internal and external) through appropriate weightage in terms of economic, social and environmental impacts considering both impact of the stakeholder on business and the impact of the business on the stakeholder.
- Development and circulation of appropriate questionnaires amongst key stakeholder groups identified, to identify issues/concerns and expectations that are material to the business as well as to the stakeholders from stakeholder's perspective.
- The concerns and expectations are then assessed through a SMAF process. The SMAF process defines a risk/opportunity rating process. The concerns and expectations that are identified as of high significance, i.e. important and material are marked as material matters. The objectives of such material matters are then identified. Accordingly, such material matters are converted into material Key Performance Indicators. For each of the material KPIs, a baseline and an achievable target is set, for the defined time-period.
- The above is followed by the communication of the feedback received from the stakeholders, as well as the material KPIs identified to the Board.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, Stakeholder consultation is used to support the identification and management of environmental, and social topics.

The materiality assessment process is adopted for identification of environmental, social and governance topics/issues that are of concern/expectations to stakeholders and the business. In accordance with identified topics the management and the Board at TIL shall incorporate components in policy statements and procedures to address the concerns raised and accordingly formulates pathways for mitigation of the concern raised.

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)
Employees						
Permanent	472	335	71%	435	0	0
Other than Permanent	46	0	0%	53	0	0
Total Employees	**518**	**335**	**65%**	**488**	**0**	**0**
Workers						
Permanent	190	76	40%	195	0	0
Other than Permanent	727	0	0%	683	0	0
Total Workers	**917**	**76**	**7.82%**	**878**	**0**	**0**

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

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent										
Male	442	0	0	442	100%	416	0	0	416	100%
Female	30	0	0	30	100%	19	0	0	19	100%
Other than Permanent										
Male	45	0	0	45	100%	51	0	0	51	100%
Female	1	0	0	1	100%	2	0	0	2	100%
Workers										
Permanent										
Male	190	0	0	190	100%	195	0	0	195	100%
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	722	138	20%	584	81%	683	113	17%	570	83%
Female	**5**	**5**	**100%**	**0**	**0**	0	0	0	0	0

3. **Details of remuneration/salary/wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	54425280	0	0
Key Managerial Personnel	4	37994812	1	4500004
Employees other than BoD and KMP	440	624091	29	741253
Workers	189	243210	0	0

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)**

Yes, at the Company, there is an Internal committee responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The internal mechanisms in place to redress grievances related to human rights currently comprises of whistle blower and POSH policy and procedures outlined and implemented. The details of the same have been highlighted below –

(a) Whistle Blower Policy

Procedure: All the Protected Disclosures are to be reported in writing by the Complainant as soon as possible, not later than 30 days after the whistle blower becomes aware of the same. All Protected Disclosure under this Policy will be recorded and thoroughly investigated.

Investigation: The Vigilance Officer will carry out an investigation either himself/herself or by involving any other officer of the Company at the advice of the Vigilance Committee or through an outside agency before presenting report on the matter to the Vigilance Committee.

Decision and Recording: If an investigation leads to a conclusion that an improper or unethical act has been committed, the chairperson of the Audit Committee shall recommend to the Board to take such disciplinary or corrective action as it may deem. Any disciplinary or corrective action initiated against the subject as a result of the findings of an investigation pursuant to this Policy, shall adhere to the applicable personnel or staff's conduct and disciplinary procedures. The Company may also opt to reward the Whistle Blower, based on merits of the case.

(b) POSH Policy

Lodging a Complaint: The complainant is required to submit a detailed complaint, along with any documentary evidence available or names of witnesses, to any of the committee members at the workplace.

Resolution: Once the complaint is received, before initiating the inquiry the committee may take steps to conciliate the complaint between the complainant and the respondent. This is only if requested by the aggrieved woman.

Conducting Inquiry: The committee initiates inquiry in the following cases:

- No conciliation is requested by aggrieved woman.
- Conciliation has not resulted in any settlement.
- Complainant informs the committee that any term or condition of the settlement arrived through conciliation, has not been complied with by respondent.

All proceedings of the inquiry are documented. The Committee interviews the respondent separately and impartially. Committee states exactly what the allegation is and who has made the allegation. The respondent is given full opportunity to respond and provide any evidence etc. Detailed notes of the meetings are prepared which may be shared with the respondent and complainant upon request. Any witnesses produced by the respondent are also interviewed & statements are taken. Post the inquiry, the committee submits its report containing the findings and recommendations to the employer, within 10 days of completion of the inquiry. Appropriate steps are taken depending on whether the complaint is unsubstantiated or substantiated.

(c) SA 8000

To protect the rights of the workers and prevent their exploitation at the workplace, TIL has implemented SA 8000. This involve ensuring a good working condition, giving appropriate wages, ensuring higher levels of health and safety protections, and prevention of discrimination and that there is no room for forced labour or any other form of modern slavery, apart from no existence of dangerous working conditions and coercion for co-existence.

We at TIL have implemented SA 8000, which encompasses the designated four fundamental rights at work, as laid down in Article 2 of the ILO Declaration of Fundamental Principles and Rights at Work 1998. We ensure the following in our workplace:

1. Freedom of association and the effective recognition of the right to collective bargaining,
2. The elimination of all forms of forced or compulsory labour,
3. The effective abolition of child labour,
4. The elimination of discrimination in respect of employment and occupation.

We have put in place external & internal communication mechanism to include concerns and expectations raised by external & internal stakeholders as a part of SA-8000.

(d) Prevention of Environmental Damage

We at TIL believe that every stakeholder has the right to a healthy environment, good health, food, and water. While we strictly adhere to national environmental regulations, we have also taken measures to prevent environmental damage. We have initiated the process of positive water balance by trying to recharge the water wherever it is practically possible both inside the plant, as well as exploring other areas where there is a scarcity of water for facilitating water recharge, which would eventually result in water-food-livelihood-social security. We have considered low carbon intensive business activities in our plant operations that results in reduction of effect on climate change. All such initiatives have been taken in view that if such measures are not taken, then these could otherwise negatively impact human rights of the local and global community. Overall, we have implemented ISO 14001, Environmental Management System (EMS) in all the manufacturing facilities in India that ensures that human rights of any individual are not violated/impacted to the extent possible and practicable through any form of acceptable damage if caused to the environment by us. We have put in place external & internal communication mechanism to include concerns and expectations raised by external & internal stakeholders as a part of EMS.

(e) No Forceful Acquisition of Land for Business Activities

We at TIL, in principle believe that for individuals and communities, access to land and natural resources are necessary for their livelihood and survival. Hence, their rights to property, housing, food, and water can be abused, if their land is taken away from them. We therefore strictly to abide by the laws of the land. In case of land that is to be acquired by us for the purpose of business activities, we make appropriate rehabilitation and settlement provisions for the impacted community/individuals.

(f) Ensuring appropriate Occupational, Health and Safety measures

We at TIL believe in the provision of appropriate health and safety situations to our entire workforce, inclusive of our vendors, to protect their right for a safe working environment. In view of the same, we have implemented ISO 45001, Occupational Health, and Safety Management System (OHSMS) in the manufacturing facilities of TIL, in India that ensures that the human rights of individuals are not impacted to the extent practicable, on account of any form of incidents caused inside/outside the plant premises. We have put in place external & internal communication mechanism to include concerns and expectations raised by external & internal stakeholders as a part of OHSMS.

(g) Corporate Social Responsibility (CSR) measures

We believe that we should make a focussed approach to operate in ways that enhance our society and the environment. We believe taking CSR initiatives that will not only help in improving the causes of various marginalised and disadvantaged section of the society apart from protecting the environment, it will also give a boost to the positive brand image of our company.

In this respect, we have developed and implemented a CSR Policy that identifies the need and concerns of the disadvantaged and marginalised section of the society, followed by identifying appropriate measures to address their needs. The CSR programs that are taken in alignment with the needs of the community and environment are monitored periodically by the board members.

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

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)
Sexual Harassment	1	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

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

At the Company in order, to prevent adverse consequences to the complainant in respect to discrimination and harassment cases, the organization has established POSH Policy. The details of the policy & the mechanism that is implemented is facilitated in the documentation link that is enclosed below.

Link to the policy document: POSH guidelines signed 2022

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

No, currently human rights requirements do not form a part of TILs business agreements.

9. Assessments for the year:

	% of your plants & offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Other human rights related issues	100%

*Assessment was conducted by the entity for the corporate office at Kolkata and manufacturing facilities were audited by third parties.

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

No significant risk / concern arose from the assessment.

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:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	39.79 TJ	38.21 TJ
Total fuel consumption (B)	112 TJ	108 TJ
Energy consumption through other sources (C)	NIL	NIL
Total energy consumption (A+B+C)	151.79 TJ	146.21 TJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	22384.349 J / INR	26123.85 J/INR
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

NA – Not Available

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency (Y/N)?

No independent assessment/ evaluation/assurance has been carried out by an external agency.

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)

No, the Company does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water Withdrawal by Source (KL)		
(i) Surface water	19132	18793
(ii) Groundwater	4611.6	4611.6
(iii) Third party water	13212	8873
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	36956	32278
Total volume of water consumption (in kilolitres)	36956	32278
Water intensity per rupee of turnover (Water consumed / turnover)	0.005 lt / INR	0.005 lt/INR
Water intensity (optional) – the relevant metric may be selected by the entity	**NA**	**NA**

NA – Not Available

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency (Y/N)?

No independent assessment/ evaluation/assurance has not been carried out by any external agency.

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

No, the Company has not implemented a mechanism for Zero Liquid Discharge.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx*	mg/Nm3	83	69
Sox*	mg/Nm3	62	87
Particulate matter (PM)*	mg/Nm3	53	58
Persistent matter (PM)	-	NA	NA
Volatile Organic Compounds (VOC)	-	NA	NA
Hazardous Air Pollutants (HAP)	-	NA	NA
Others – Please specify	-	NA	NA

NA – Not available

*Note –

1. SOx emissions – Boiler and DG set stack emissions data across sites of Kalyani, Dahej, & Samali
2. NOx emissions – Boiler and DG set stack emissions data across sites of Kalyani, Dahej, & Samali
3. PM emissions – Boiler and DG set stack emissions data across sites of Kalyani, Dahej, & Samali

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No, independent assessment/ evaluation/assurance has not been carried out by an external agency.

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

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions	Metric tonnes of CO2 equivalent	11343	14748
Total Scope 2 emissions	Metric tonnes of CO2 equivalent	8738	8392
Total Scope 1 and Scope 2 emissions per rupee of turnover	Kg of CO2 equivalent / INR	0.0029	0.0041
Total Scope 1 and Scope 2 emissions intensity (optional) – the relevant metric may be selected by the entity		**NA**	**NA**

NA – Not Available

For the purpose of this year's reporting, three national plants located in India and a major office (i.e. head-office of TIL in Kolkata) have been considered.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No, independent assessment/ evaluation/assurance has not been carried out by an external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the Company has already employed certain projects and are in the process of engagement of certain projects to reduce carbon emissions associated with its operations.

TIL has done CAPEX investment to establish solar fencing in the Samali manufacturing facility to reduce indirect emission associated with electricity purchased from the grid. Further, to reduce the direct GHG emission footprint associated with the operations and processes the entity has adopted fuel switch measures to lower emissions footprint in its boilers.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste Generated (in Metric Tonnes)		
Plastic Waste (A)	20	16
E-Waste (B)	2	0
Bio-medical waste (C)	0	0
Construction & demolition waste (D)	0	0
Battery Waste (E)	1	0
Radioactive Waste (F)	0	0
Other Hazardous Waste (G). - Used Oil, Discarded container with hazardous chemicals, Rubber Scrap	158	171
Other Non-Hazardous Waste generated (H). Specify if any	2324	1789
Total (A+B+C+D+E+F+G+H)	2505	1976
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	811	770
(ii) Reused	NIL	NIL
(iii) Other recovery operations	NIL	NIL
Total	**811**	**770**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
(i) Incineration	NIL	NIL
(ii) Landfilling	NIL	NIL
(iii) Other disposal operations	1688	1201
Total	**1688**	**1201**

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.

Process waste disposal system is implemented as per the guidelines of PCB and CCA approved by PCB. Various categories of hazardous waste are identified and disposed of through PCB approved recycler or reclaimer. Continuous improvement in process for reduction of process waste is adopted by entity. Lead based chemlock is now replaced with environment friendly chemlock as suggested by manufacturer.

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.

Sl.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken if any.
	NA	NA	NA

NA – Not applicable

Not applicable for the Company since the Company has no 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.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name & brief details of project	EIA notification no.	Date	Whether conducted by an independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant weblink
NA	NA	NA	NA	NA	NA

NA – Not applicable

NO, Environmental Impact Assessments have been conducted in the current financial year since no such projects were undertaken by the entity.

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, the Company is 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.

An instance of non-compliance was identified in the manufacturing facility of Dahej which subsequently has been addressed and appropriate corrective actions have been taken. The details of the same has been facilitated below –

Sr. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Under Clause-33 of Water Act 1974, Under Clause-31 of Air Act 1981	1. STP Units are not effectively operated and ETP was not installed as per CCA. 2. The permission from GPCB was not taken for incineration of the rejected products and others i.e. Hand gloves, cotton waste etc.	Closure notice was served by GPCB	1. STP operation set in order. ETP installed as per CCA. 2. CTE amendment done for the inclusion of incineration process. CTO is in process. Expected by March-23.

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.

The Company is associated with 7 (seven) trade and industry chambers/associations.

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.

Sl. Number	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Chamber of Commerce	National
2	FICCI	National
3	Indo-Australian Chamber of Commerce	National
4	Economic Research India Pvt Ltd	National
5	Confederation of Indian Industry	National
6	Dahej Industries Association	State
7	Bharat Chamber of Commerce	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

NA – Not applicable

Not applicable for the Company, since no such issues related to anti-competitive conduct by or for the entity has been reported.

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:**

As the CSR projects implemented by TIL is under the value of INR 1 crore, conducting Social Impact Assessment in accordance with applicable laws of the land is NOT APPLICABLE.

Name & brief details of project	SIA notification no.	Date of notification	Whether conducted by an independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant weblink
NA	NA	NA	NA	NA	NA

NA – Not applicable

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

NO such projects were undertaken by TIL which has resulted in Rehabilitation and Resettlement (R&R).

Sl. No.	Name of the project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (in INR)
NA	NA	NA	NA	NA	NA	NA

NA – Not applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

To receive & redress grievances of the community the Company has specified contact details for grievances and queries on its website. Further, the Company can be approached at compliance.officer@tegaindustries.com.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers.	15.2%	10.86%
Sourced directly from within the district and neighbouring districts	45.91%	37.12%

Principle 9 - Businesses should promote inclusive growth and equitable development.

Essential Indicators -

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

The customer registers the complains through Tega apps and on behalf of the customer the Product Management Group (PMG) or the branch offices escalates the issue to the Customer Complaint Manager (CCM). Post the complaint has been received, different related departments such as PMG, manufacturing, quality, and others conduct a Root Cause Analysis (RCA) for the problem.

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

	As a percentage of total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

Category	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data Privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive trade practices	NIL	NIL	NA	NIL	NIL	NA
Unfair trade practices	NIL	NIL	NA	NIL	NIL	NA
Others (Customer Complaints related to services)	118	69	NA	161	28	NA

NA – Not applicable

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reason for Recall
Forced Recall	0 (Zero)	Not Applicable
Voluntary Recall	0 (Zero)	Not Applicable

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)**

Yes, TIL has a framework on cyber security and risks related to data privacy. The framework document is available on the organization's intranet. We however have plans to further strengthen the framework.

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.**

The disclosure is not applicable for TIL since no issues pertaining to the above-mentioned parameters arouse in the FY 2022-23.

Leadership Indicators -

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available):**

Yes, the TIL website comprises of information on products and services of the entity in the segment "Our Offerings".

Weblink: https://www.tegaindustries.com/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:**

The Company provides its consumers with an appropriate manual for proper usage of its products, as well as safe disposal of its products.

Annexure 1 – NGRBC Principles and the Company Policies

Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
Business Responsibility & Sustainability Policy 'Code of conduct' – Directors and Senior management team Code of Conduct to regulate, monitor and report trading by Designated Persons and their immediate relatives. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information Whistle Blower policy Dividend Distribution Policy Materiality Policy for Disclosure in offer Documents	Business Responsibility & Sustainability Policy Risk Assessment & Management policy	Business Responsibility & Sustainability Policy Code of conduct - Directors and Senior management team Nomination and Remuneration policy Vigil Mechanism/ Whistle Blower Policy Policy on Prevention of Sexual Harassment of Women at Workplace (POSH)	Business Responsibility & Sustainability Policy Policy for determination of materiality of events or information Code of Conduct to regulate, monitor and report trading by Designated Persons and their immediate relatives. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information Vigil Mechanism/ Whistle Blower Mechanism Policy Risk Assessment & Management Policy Corporate Social Responsibility Policy	Business Responsibility & Sustainability Policy Vigil Mechanism/ Whistle Blower policy Policy on Prevention of Sexual Harassment of Women at Workplace (POSH)	Business Responsibility & Sustainability Policy Corporate Social Responsibility Policy	Business Responsibility & Sustainability Policy	Business Responsibility & Sustainability Policy	Business Responsibility & Sustainability Policy

ANNEXURE II

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A. Conservation of Energy

(a) Energy Conservation Measures Taken: New measures for conservation of energy are being experimented.

(b) Additional Investments and Proposals for Reduction of Consumption of Energy: Plant efficiency has been increased to reduce power consumption.

(c) Impact of the above measures: The above measures have reduced energy consumption and will eliminate energy wastage.

(d) Total energy consumption and energy consumption per unit of production -

Total energy Consumed: 11,414,193 kwh

B. Technology Absorption:

Efforts made in technology absorption are as follows-

RESEARCH & DEVELOPMENT (R & D)

1. Specific areas in which R&D carried out by the Company

(a) Polyurethene Screen for various applications are being developed.

(b) Development of Modular Panel for both rubber and Polyurethene.

(c) Introduction and Development of Trommel.

2. Benefits derived as a result of the above R & D

(a) Substitution of imported products.

(b) Improvement in quality of product.

(c) New applications have been developed.

3. Future Plan of Action

(a) Development of Polyurethane Wear Components for application in mining & mineral processing liners.

(b) Development of ceramic reinforced sheets for mining applications.

4. Expenditure on Research & Development: NIL

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts made:** Special Polyurethane Belt Scrappers & Dust sealing rings are being developed.

2. Benefit derived as a result of above efforts:

(a) Expansion of area of application and product range.

(b) Improvement in the quality of products

(c) Reduction in cost of product.

3. The Company has not imported any technology.

C. Total Foreign Exchange used and earned during the FY 2022-23-

(₹in Million)

Foreign Exchange earned in terms of actual inflows	5,734.32
Foreign Exchange outgo in terms of actual outflows	1,839.96

On behalf of the Board of Directors

Sd/-
Mehul Mohanka
Managing Director & Group CEO
DIN: 00052134

Place: Kolkata
Date: May 30, 2023

ANNEXURE III

Annual Report on Corporate Social Responsibility (CSR) for the Financial Year 2022-23

[Pursuant to Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the same is placed on the Company's website and the web link for the same is: https://www.tegaindustries.com/investors/policies/corporate_social_responsibility_policy.pdf

The CSR Policy outlines the Company's approach to CSR, CSR thrust areas, Role of CSR Committee, CSR Reporting mechanism, amongst others. At the Company, CSR has effectively evolved from being engaged in passive philanthropy to corporate investments, which takes the form of a social partnership initiative creating value for stakeholders. The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.

2. Composition of CSR Committee (as on March 31, 2023):

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Madhu Dubhashi (Chairperson w.e.f. August 07, 2022)	Chairperson & Independent Director	2	2
2.	Ashwani Maheshwari (Member w.e.f. August 07, 2022)	Independent Director	2	0
3.	Mehul Mohanka (Member w.e.f. August 07, 2022)	Managing Director	2	0
4.	Madan Mohan Mohanka (Chairman and Member till August 06, 2022)	Executive Director	2	2
5.	Syed Yaver Imam (Member till August 06, 2022)	Executive Director	2	2

The Company Secretary of the Company acts as the Secretary to the Committee.

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

The web-links are given below:

(i) Composition of CSR committee – https://www.tegaindustries.com/investor#corporate-tab

(ii) CSR Policy – https://www.tegaindustries.com/investors/policies/corporate_social_responsibility_policy.pdf

(iii) CSR projects approved by the board – https://www.tegaindustries.com/csr-initiatives

4. Executive summary along with web-link(s) 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 – Not Applicable

5. (a) Average net profit of the Company as per sub-section (5) of Section 135 – ₹89,82,86,300

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135(5)

– ₹ 1,79,65,726

(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)]** - ₹1,79,65,726 (Details attached as Annexure – A)

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹1,57,71,220

(b) **Amount spent in Administrative overheads:** ₹1,23,368

(c) **Amount spent on Impact Assessment, if applicable:** Not Applicable

(d) **Total amount spent for the Financial Year [(a) + (b) + (c)]:** ₹1,58,94,588

(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.
1,58,94,588	21,50,000	28/04/2023	NA	NA	NA

(f) **Excess amount for set off, if any** – Not applicable

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	1,79,65,726
(ii)	Total amount spent for the Financial Year	1,58,94,588
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	Nil
(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)]	Nil

7. **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	FY 2021-22	38,00,000	-	38,00,000	-	-	-	-
2.	FY 2020-21	-	-	-	-	-	-	-
3.	FY 2019-20	-	-	-	-	-	-	-

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No, since assets are not in the books of the Company

If Yes, enter the number of capital assets created/acquired: Not applicable

Furnish the details relating to such asset (s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or assets(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number	Name	Registered Address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):

Your Company strives to meet its commitment towards the community by committing its resources and energies to social development. Your Company spends amount on projects keeping in mind sustainability, impact on the desired recipients and efficacy of implementing agencies. Further, your Company believes in contributions which have a long term impact on the society at large. Accordingly, during the year under review, your Company made contributions in ongoing projects with an objective of social welfare and development. The unspent amount arising out of these ongoing projects has been transferred by the Company within a period of thirty days from the end of the financial year to a special account opened by the company in that behalf, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer.

For and on behalf of the Corporate Social Responsibility Committee

Sd/-
Mrs. Madhu Dubhashi
DIN: 00036846
Chairman of the CSR Committee

Sd/-
Mr. Mehul Mohanka
DIN: 00052134
Managing Director & Group CEO

Place: Kolkata
Date: May 30, 2023

ANNEXURE - A

DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Promoting Education	CI (ii) Promoting education	Yes	West Bengal	North 24 Parganas	3	30,00,000	8,50,000	21,50,000	No	Katakhali Swapnopuron Welfare Society	CSR00000352
2.	Promoting Education		Yes	Haryana	Karnal	3	40,00,000	40,00,000	-	No	Disha India Education Trust	CSR00018963
	Total						70,00,000	48,50,000	21,50,000			

DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Joypul Nandanik Shikshayatan	Clause (i) Promoting healthcare Clause (ii) Promoting education	Yes	North 24 Parganas, West Bengal		9,10,489	Yes	-	-
2.	Nabapally Primary School	Clause (i) Promoting healthcare Clause (ii) Promoting education	Yes	North 24 Parganas, West Bengal		6,63,057	Yes	-	-
3.	Rotary Sarada Shishu Shiksha	Clause (i) Promoting healthcare Clause (ii) Promoting education	Yes	North 24 Parganas, West Bengal		5,71,488	Yes	-	-
4.	Friends of Tribals Society	Clause (ii) Promoting education	Yes	Kolkata, West Bengal		1,00,000	Yes	-	-
5.	Thiruvengada Nagar Educational Society – Rotary Club of Ambattur	Clause (ii) Promoting education	Yes	Tiruvallur District, Tamil Nadu		1,65,000	Yes	-	-
6.	Rajkiya Uchch Prathmik Vidyalaya	Clause (ii) Promoting education	Yes	Jhunjhunu District, Rajasthan		43,540	Yes	-	-
7.	Nandabangha Nivedita Rural Welfare Organization	Clause (i) Promoting healthcare Clause (ii) Promoting education	Yes	South 24 Parganas, West Bengal		1,10,000	Yes	-	-
8.	Promoting Education	Clause (ii) Promoting education	Yes	Kolkata, West Bengal		3,20,000	No	Rotary Club of Calcutta Metropolitan Trust	CSR00000054
9.	Promoting Special Education and Healthcare	Clause (i) Promoting healthcare Clause (ii) Promoting education	Yes	Kolkata, West Bengal		35,00,000	No	IAC Patrons Foundation	CSR00024440
10.	Angarberia FP School	Clause (i) Promoting sanitation Clause (ii) Promoting education	Yes	South 24 Parganas, West Bengal		11,84,219	Yes	-	-

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
11.	Utkal Gaurav Foundation	Clause (ii) Promoting education	Yes	Keonjhar, Odisha		25,00,000	Yes	-	-
12.	Aanganwadi Lakhigam	Clause (i) Make available safe drinking water Clause (ii) Promoting education	Yes	Bharuch, Gujarat		3,80,777	Yes	-	-
13.	Occupation Health Centre	Clause (i) Promoting healthcare	Yes	Bharuch, Gujarat		89,998	Yes	-	-
14.	Computer Training for the underprivileged section of the society	Clause (ii) Promoting education		South 24 Parganas, West Bengal		46,652	Yes	-	-
15.	Paschim Banga Andho Alok Samity	Clause (ii) Promoting education	Yes	Nadia, West Bengal		3,36,000	Yes	-	-
	Total					**1,09,21,220**			

ANNEXURE IV

Corporate Governance Report

Company's Philosophy on Code of Governance

Corporate governance is the system of rules, practices, and processes by which a company is directed and controlled. It is the creation and enhancement of long-term sustainable value for the stakeholders, comprising regulators, employees, customers, vendors, investors, and the society at large, through ethically driven business practices. Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

The corporate governance framework of the Company ensures that it evolves and follows not just the stated corporate governance guidelines, but also globally best practices. It also ensures that it protects the rights of its stakeholders and disclose timely, adequate and accurate information regarding its financials and performance, as well as the leadership and governance of the Company. The Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders.

The Company also aims to increase and sustain its corporate values through growth and innovation. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures, credibility, sustainability, etc. serve as the means for implementing the philosophy of corporate governance in letter and in spirit.

Board of Directors

The Board of Directors ("Board") of the Company are entrusted with the ultimate responsibility of the management, direction and performance of the Company and have been vested with the requisite powers, authorities and duties.

The Board of the Company has an optimum combination of Executive, Non –Executive and Independent Directors with at least one Woman Director, having requisite knowledge and expertise in business & industry, corporate finance, taxation, legal matters, risk management and marketing. The composition of the Board is in conformity with the requirements of Section 149 of the Companies Act, 2013 (as amended) (the "Act") and Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

As on March 31, 2023, the Board comprised of 6 (Six) Directors with an optimal combination of Executive, Non-Executive and Independent Directors, including a Woman Director. 3 (Three) Directors are Executive Directors and 3 (Three) Directors are Non-Executive & Independent Directors including 1 (One) Woman Independent Director. Fifty per cent of the Board is comprised of non-executive directors.

The composition and category of the Board of Directors as on March 31, 2023, the number of committees of which a director is a Member/Chairperson and the attendance of each director at the Board Meetings and the last Annual General Meeting (AGM) of the Company were as follows:

Name of the Directors and Category	No. of membership on Board committees including the Company^	No. of chairmanship on Board committees including the Company^	No. of Board meetings entitled to attend	No. of Board meetings attended during the FY 2022-23	Attendance at last AGM held on 22.09.2022
Mr. Madan Mohan Mohanka Promoter Chairman and Wholetime Director DIN: 00049388	0	0	7	7	Yes
Mr. Mehul Mohanka Promoter Managing Director & Group CEO DIN: 00052134	3	0	7	7	Yes
Mr. Syed Yaver Imam Wholetime Director DIN: 00588381	1	0	7	7	Yes
Mr. Jagdishwar Prasad Sinha Non – Executive & Independent Director DIN: 02345086	1	0	7	7	Yes
Mrs. Madhu Dubhashi Non – Executive & Independent Director DIN: 00036846	5	2	7	7	Yes
Mr. Ashwani Maheshwari Non – Executive & Independent Director DIN: 07341295	2	1	7	7	Yes

The Committee positions are based on the latest disclosures received by the Company.

^Only membership/ chairmanship of the Audit Committee and Stakeholders Relationship Committee of Indian public limited companies have been considered.

Mr. Ashwani Maheshwari (DIN: 07341295) was appointed by the Board of Directors as an Additional Non-Executive Director (Category – Independent) of the Company for a term of 5 (five) consecutive years with effect from April 01, 2022 till March 31, 2027 and the same was approved by way of a Special Resolution passed by the Shareholders through postal ballot dated June 26, 2022.

During the year under review, Mr. Madan Mohan Mohanka (DIN: 00049388), who was liable to retire by rotation, was re-appointed as Director of the Company.

Further, Mrs. Madhu Dubhashi (DIN: 00036846) was re-appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from May 01, 2023 with the approval of shareholders by way of a Special Resolution passed in the Annual General Meeting held on September 22, 2022.

Further, Mr. Mehul Mohanka (DIN: 00052134) was reappointed as the Managing Director of the Company & Group CEO, not liable to retire by rotation, for a further period of 5 (five) consecutive years with effect from April 12, 2023 by way of a Special Resolution passed by the Shareholders in the Annual General Meeting held on September 22, 2022.

The Independent Directors of the Company have confirmed that they meet the criteria for "independence" and "eligibility" as prescribed under the SEBI Listing Regulations and Section 149 of the Act and in the opinion of the Board, the independent directors of the Company fulfill the conditions specified under the SEBI Listing Regulations and are independent of the management.

Disclosures regarding appointment/re-appointment of the directors have been furnished in the Notice convening the 47th Annual General Meeting of the Company, which forms part of the Annual Report.

During the year under review, none of the Independent Directors have resigned.

As required under Para C of Schedule V to the SEBI Listing Regulations, based on the latest disclosures received by the Company, following are the number of other directorships and the names of the listed entities where the directors of the Company are also a director and the category of their directorships therein as on March 31, 2023:

Name of the Directors	No. of Directorships@	Directorships and its category in listed entities
Madan Mohan Mohanka	6	McNally Sayaji Engineering Limited*– Additional Non-executive Director
Mehul Mohanka	7	McNally Sayaji Engineering Limited*– Additional Non-executive Director
Syed Yaver Imam	1	NIL
Jagdishwar Prasad Sinha	0	NIL
Madhu Dubhashi	3	1. Clean Science and Technology Limited - Independent Director
		2. Pudumjee Paper Products Limited - Independent Director
		1. Sanghvi Movers Limited – Independent Director
Ashwani Maheshwari#	1	McNally Sayaji Engineering Limited*– Additional Non-Executive & Independent Director

@Excludes memberships of the managing committee of various chambers/bodies, directorships in private limited companies, foreign companies, companies registered under section 8 of the Act and alternate directorships.

**McNally Sayaji Engineering Limited got delisted with effect from April 20, 2023.*

#Appointed with effect from April 01, 2022.

Based on the disclosures received from the Directors, none of the directors hold Directorships in more than 20 (twenty) companies of which Directorships in public companies does not exceed 10 (ten) in line with the provisions of Section 165 of the Act. Further, no Director holds Directorship in more than 7 (seven) listed Companies as per SEBI Listing Regulations.

None of the directors on the Board is a member of more than 10 (ten) committees or Chairperson of more than 5 (five) committees, reckoned in terms of Regulation 26 of the SEBI Listing Regulations.

None of the directors is an Independent Director in more than 7 (seven) listed companies and where he is serving as a whole time director/managing director in any listed company, does not hold such position in more than 3 (three) listed Companies.

None of the non-executive directors hold any shares in the Company.

None of the directors of the Company are related to each other and there are no inter-se relationships between the Directors except Mr. Madan Mohan Mohanka and Mr. Mehul Mohanka (being father and son respectively).

During the financial year ended March 31, 2023, 7 (seven) Board meetings were held. Time gap between any two consecutive board meetings did not exceed 120 days during the Financial Year 2022-23. In case of any emergency, resolutions are also passed by the Board of Directors vide circulation. Video Conferencing facility is offered to facilitate Directors to participate in the Meetings. The details of the Board Meetings held during the Financial Year 2022-23 are as follows:

Sl. No.	Date of Board Meetings	Board Strength (No. of Directors)	No. of Directors Present	No. of Independent Directors Present
1.	19.04.2022	6	6	3
2.	24.05.2022	6	6	3
3.	06.08.2022	6	6	3
4.	08.09.2022	6	6	3
5.	11.11.2022	6	6	3
6.	31.01.2023	6	6	3
7.	27.02.2023	6	6	3

Board Procedure

The Board has devised a proper system to ensure compliance with the provisions of all applicable laws and periodically reviewed the compliance reports of all laws applicable to the Company and necessary steps were taken to ensure the compliance in letter and spirit.

The Board meets at least once a quarter to review the quarterly business and the financial performance of the Company. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given to each Director. The Board papers, comprising the agenda backed by comprehensive background information are circulated to the Directors in advance and in exceptional cases, the same is tabled at the Board Meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. The Company uses Convene board application as a tool to digitize, streamline and automate the meetings of the board and the committees to ensure, meetings' productivity, efficiency, experience, convenience, transparency and high standards of compliance and governance.

The Board's function is not limited to matters requiring statutorily the Board's approval. The Board is involved in all the important decisions relating to the Company including policy matters, strategic business plans, new avenues of investment and expansion, compliance with statutory/regulatory requirements. Major accounting provisions and write-offs are considered by the Board. The Minutes of Audit Committee and other Committees of the Board are regularly placed before the Board.

Minutes of the meetings of the Board and all the Committees are circulated to all the Directors/Committee Members and are finalised after incorporating their comments received, if any.

The Governance processes in the Company includes an effective post meeting follow-up, review and reporting process for action taken/pending on decisions of the Board and the Board Committees.

During the Financial Year 2022-23, information as per Part A of Schedule II of SEBI Listing Regulations have been placed before the Board for its consideration.

Core Skills / Expertise / Competencies available with the Board of Directors of the Company

In pursuance of Para C(2), Schedule V of the SEBI Listing Regulations, the Board of Directors of the Company have identified the following core skills/ expertise/competencies that are desirable for the Company to function effectively in the context of the business of the Company:

Skills/Expertise/Competencies	Details
Business & Industry	Domain Knowledge in Business and understanding of business environment, Optimising the development in the industry for improving Company's business.
Financial Expertise	Financial and risk management, Internal control, Experience of complex financial reporting processes, taxation, Capital allocation, resource utilisation, Understanding of Financial policies and accounting statement and assessing economic conditions.
Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values.
Technology	Knowledge in anticipating technological trends, innovations and techniques to create new business models.
Strategic Expertise	Potential to understand, critically examine and review business strategies including mergers, acquisitions and other business combinations/ restructuring.
Behavioral	Fulfilling a director's duties and responsibilities, acting ethically and morally, actively contributing towards wellbeing of the organization, collaborative, performance oriented, putting the organisation's interest in priority before personal interests and professional.

The Board of the Company comprises of qualified members who possess required skills, expertise and competencies (as given below) that allow them to make effective contributions to the Board and its Committees.

Name of Director	Skills/expertise/competencies					
	Business & Industry	Financial Expertise	Governance & Compliance	Technology	Strategic Expertise	Behavioral
Mr. Madan Mohan Mohanka	Y	Y	Y	Y	Y	Y
Mr. Mehul Mohanka	Y	Y	Y	Y	Y	Y
Mr. Syed Yaver Imam	Y	-	Y	Y	Y	Y
Mr. Jagdishwar Prasad Sinha	Y	Y	Y	-	Y	Y
Mrs. Madhu Dubhashi	-	Y	Y	-	Y	Y
Mr. Ashwani Maheshwari	Y	Y	Y	Y	Y	Y

Board Training and Familiarisation Programme

In terms of Regulation 25 of the SEBI Listing Regulations, the Company is required to conduct various programmes for the Independent Directors of the Company to familiarise them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The details of such programmes for familiarisation of the Independent Directors are put on the website of the Company at the following web-link: https://www.tegaindustries.com/investors/policies/policy_on_familiarization_programme_for_independent_directors.pdf

Independent Directors' Separate Meeting

Schedule IV of the Act i.e. Code for Independent Directors and the SEBI Listing Regulations mandates the Independent Directors of the Company to hold at least one meeting in every financial year, without the presence of non-independent directors and members of the management. During the year ended March

31, 2023, a separate meeting of the Independent Directors was held on March 19, 2023, inter alia, to review performance of Non-Independent Directors & the Board as a whole; to review performance of the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

Code of Conduct

Regulation 17(5) of the SEBI Listing Regulations requires every listed company to have a Code of Conduct for its directors and senior management. The Board of the Company has adopted the Code of Conduct for its Directors and Senior Management. The said Code has been communicated to the Directors and the Senior Management Personnel and the same is available on the website of the Company at the following web-link: https://www.tegaindustries.com/investors/policies/code_of_conduct_for_all_members_of_the_board_and_senior_management_.pdf

All the Directors and Senior Management Personnel have affirmed compliance with the Code for the financial year 2022-23. A declaration to this effect signed by the Managing Director is annexed to this Report.

Board Committees

The Board has constituted various committees consisting of Executive and Non-Executive Directors of the Company to meet various mandatory requirements of the Act and the SEBI Listing Regulations as well as to perform other critical functions. Currently, the Board has 5 (five) committees, viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The composition of the said committees has also been disclosed on the website of the Company. The Company Secretary acts as the Secretary to all the Committees of the Board.

Audit Committee

The Audit Committee acts as a link between the Management, the Statutory Auditors, the Internal Auditors and the Board and has been constituted in line with the provisions of Section 177 of the Act read with Regulation 18 of the SEBI Listing Regulations.

Terms of Reference:

Terms of reference of the Audit Committee, inter alia, includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommending appointment, remuneration and terms of appointment of auditors; reviewing/examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval; evaluate Company's internal financial controls and risk management systems; reviewing performance of statutory and internal auditors and adequacy of internal control systems; reviewing the functioning of the Whistle Blower Mechanism and other matters specified for Audit Committee in Section 177 of the Act, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI Listing Regulations.

Composition, Meetings and Attendance:

The composition of the Audit Committee is in accordance with the provisions of the Act and Regulation 18 of the SEBI Listing Regulations.

All the Members of the Audit Committee are financially literate and have accounting or related financial management expertise. Mrs. Madhu Dubhashi, Non-Executive and Independent Director is the Chairperson of the Committee. The Committee meetings were attended by the Statutory Auditors and the Chief Financial Officer of the Company as invitees. The Committee also invited the representatives of Internal Auditors for obtaining valuable guidance from their expertise in best practices in Internal Audit. The minutes of the Audit Committee meetings were circulated to the Board, discussed and taken note of. All recommendations made by the Audit Committee during the year were accepted by the Board.

As per the applicability of the SEBI Listing Regulations, Audit Committee meetings were held at least four times in a year and the time gap between any two consecutive meetings of the Audit Committee did not exceed 120 days during the Financial Year 2022-23. During the year ended March 31, 2023, 6 (six) Audit Committee meetings were held on May 24, 2022, August 06, 2022, September 08, 2022, November 11, 2022, January 31, 2023 and February 27, 2023.

The composition and attendance of the members of the Committee during the Financial Year 2022-23 are as follows:

Sl. No.	Name of Director	Position	Category	No. of meetings entitled to attend	No. of meetings attended
1.	Madhu Dubhashi	Chairperson	Non-Executive & Independent Director	6	6
2.	Jagdishwar Prasad Sinha	Member	Non-Executive & Independent Director	6	6
3.	Mehul Mohanka	Member	Managing Director	6	6
4.	Ashwani Maheshwari	Member	Non-Executive & Independent Director	6	6

Nomination & Remuneration Committee

The Nomination and Remuneration Committee has been constituted in line with the provisions of Section 178 of the Act read with Regulation 19 of SEBI Listing Regulations.

Terms of Reference:

The terms of reference of the Nomination & Remuneration Committee covers all the areas mentioned under Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act including evaluating the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, making recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, identifying the persons who are qualified to become Directors and who may be appointed in senior management along with remuneration payable to them in accordance with the criteria laid down and recommending to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent directors), approve the grant of options and allotment of shares to the eligible employees of the Company and its subsidiaries under the shareholders approved ESOP Scheme and other matters specified for Nomination and Remuneration Committee in Section 178 of the Act, Companies (Meetings of Board and its Powers) Rules, 2014 and under SEBI Listing Regulations.

Composition, Meetings and Attendance:

During the year ended March 31, 2023, 2 (two) meetings of Nomination & Remuneration Committee were held on May 24, 2022 and August 06, 2022.

The composition and attendance of the members of the Committee during the Financial Year 2022-23 are as follows:

Sl. No.	Name of Director	Position	Category	No. of meetings entitled to attend	No. of meetings attended
1.	Ashwani Maheshwari	Chairman	Non-Executive & Independent Director	2	2
2.	Madhu Dubhashi	Member	Non-Executive & Independent Director	2	2
3.	Jagdishwar Prasad Sinha	Member	Non-Executive & Independent Director	2	2

Remuneration of directors:

The Policy on Selection & Remuneration of Directors, Key Managerial Personnel and other Senior Management Personnels and on Board Diversity as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors is available at the link - https://www.tegaindustries.com/investors/policies/nomination_and_remuneration_policy.pdf.

The role of Non-Executive and Independent Directors is not just restricted to corporate governance or outlook of the Company. They also bring with them significant professional expertise and rich experience across a wide spectrum of functional areas in the fields of scientific knowledge, research and innovation, manufacturing, global healthcare service, general management, finance and risk management, compliance and governance, technology and digital perspective and other corporate functions. The Company seeks their expert advice on various matters from time to time. The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to the Directors.

Non-Executive Directors are paid remuneration by way of commission. The overall limit is 1% per annum of net profits of the Company, calculated as per the provisions of Section 198 of the Companies Act, 2013, for remuneration payable by way of quarterly commission to the Non-Executive and Independent Directors of the Company.

The Non - Executive Directors do not have any pecuniary relationship/transaction with the Company in their personal capacity other than Commission (not exceeding the limits prescribed under the Act) and Sitting Fees and reimbursement of expenses, if any, for attending meetings of the Board and Committees thereof. The Non- Executive and Independent Directors are paid ₹40,000/- each for attending each meeting of the Board and ₹10,000/- each for attending each meeting of the Committees. No sitting fees is paid for attending meetings of the Corporate Social Responsibility Committee. The aggregate annual commission payable to the Non-Executive Directors is well within the limits as prescribed under the Act.

Details of remuneration paid/payable to the Directors for the year ended March 31, 2023 and their shareholding as on that date is as under:

(₹ in Million)

Names of Directors	Salary	Perquisites/ Benefits	Bonus	Commission ^	Sitting Fees	Others*	Total	Shareholding
Executive Directors								
Mr. Madan Mohan Mohanka	43.66	0.38	16.32	-	-	-	60.36	5348502
Mr. Mehul Mohanka	48.57	0.29	20.61	-	-	-	69.47	2003315
Mr. Syed Yaver Imam	-	-	-	-	-	20.44	20.44	29510#
Independent Directors								
Mrs. Madhu Dubhashi	-	-	-	1.00	0.26	-	1.26	-
Mr. Jagdishwar Prasad Sinha	-	-	-	1.00	0.26	-	1.26	-
Mr. Ashwani Maheshwari	-	-	-	1.00	0.28	-	1.28	-

Note: The above table -

(i) includes provisions made for gratuity, leave benefits (determined as per the actuarial valuation) and bonus (determined by the Nomination & Remuneration Committee).

(ii) Excludes value of perquisite upon exercise of stock options which were granted during earlier financial years. No options were granted during the year.

^ Commission includes the actual amount paid during the Financial Year 2022-23.

** Mr. Imam is entitled to receive Professional fees and may, at any time, and after giving 90 (Ninety) days prior notice of his intent to do so, or equivalent base compensation in lieu thereof, terminate the engagement with the Company.*

 # Mr. Imam has been allotted 29,510 shares pursuant to exercise of options under ESOP 2011 Scheme.

The appointment of the Chairman and the other Executive Directors is governed by the resolutions passed and the agreements approved by the Board and the shareholders of the Company, which cover the terms and conditions of such appointment read with the service rules of the Company. Letters of appointment have been issued by the Company to the Independent Directors, detailing inter alia others, their roles, duties, responsibilities, etc.

The tenure of office of Mr. Madan Mohan Mohanka, Chairman & Whole time Director and Mr. Mehul Mohanka, Managing Director & Group CEO is for 5 (five) years from their respective date of appointment. Further, the Agreement can be terminated by either party by giving six months' notice or equivalent gross compensation in lieu thereof with respect to Mr. Madan Mohan Mohanka and by giving six months' notice with respect to Mr. Mehul Mohanka. Mr. Syed Yaver Imam was appointed for a period of 5 (five) years with effect from June 01, 2019 as a Non-Executive Director. However, later on, he was re-designated as a Wholetime Director in the Company with effect from April 01, 2021 and the same was approved by the shareholders in the Extra-Ordinary General Meeting held on August 02, 2021.

There is no separate provision for payment of severance fees.

Succession Planning:

The Board on the recommendation of the Nomination & Remuneration Committee has formulated a Policy on Succession Plan for the Board and Senior Management and the same is available on the website of the Company at the following web-link: https://www.tegaindustries.com/investors/policies/policy_on_succession_planning_for_the__Board_&_Senior_Management.pdf

Performance Evaluation and Criteria:

Pursuant to Section 178 of the Act and the SEBI Listing Regulations, the Nomination & Remuneration Committee (NRC) has specified the manner and the criteria for performance evaluation of the Board, its Committees and Individual Directors (including Independent Directors). Accordingly, the Board has carried out the performance evaluation of its own performance and that of its Committees as well as evaluation of performance of the Directors individually. The indicative criteria on which evaluation was carried out includes Degree of fulfilment of key responsibilities; Board structure and composition; Effectiveness of Board processes, information and functioning; Attendance (captured from records of meetings), Contribution at Board Meetings; Guidance/ support to management / Committee meetings, Quality of relationship of the committee with the Board and the management, etc.

The performance evaluation of the Board, its Chairman and the Non-Independent Directors was also carried out by the Independent Directors in its separate meeting. The NRC also reviewed the implementation of the criteria specified for performance evaluation and also formulated its feedback for supporting the Board in carrying out such evaluation of the performance. The evaluation of performance for the Financial Year 2022-23 was carried out through structured questionnaires (based on various aspects of the Board's functioning, composition, its committees, culture, governance, execution and performance of statutory duties and obligations). The questionnaire covers all aspects prescribed by SEBI vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 05, 2017. The Board expressed its satisfaction with the evaluation process and results thereof.

Risk Management Committee

In compliance with Regulation 21 of the SEBI Listing Regulations, the Board of Directors of the Company have a Risk Management Committee to review, in particular, the Risk Management Policy of the Company, the effectiveness and adequacy of the Risk Management Systems of the Company.

Terms of Reference:

The terms of reference of Risk Management Committee covers all the requirements of Regulation 21 of the SEBI Listing Regulations including Formulation of a detailed risk management policy which constituted (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee; (b) measures for risk mitigation including systems and processes for internal control of identified risks; and (c) business continuity plan; Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems; Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary; Keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken; Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any); To implement and monitor policies and/or processes for ensuring cyber security and any other similar or other functions as may be laid down by the Board from time to time and/or as may be required under applicable laws, as and when amended from time to time, including the SEBI Listing Regulations.

Composition, Meetings and Attendance:

During the year ended March 31, 2023, two meetings of the Risk Management Committee were held on May 24, 2022 and November 11, 2022.

In view of resignation of Mr. Manoj Kumar Agarwal, the Risk Management Committee was reconstituted on January 31, 2023. Accordingly, the composition and attendance of the members of Risk Management Committee during the Financial Year 2022-23 are as follows:

Sl. No.	Name of Member	Position	Category	No. of meetings entitled to attend	No. of meetings attended
1.	Mehul Mohanka	Chairman	Managing Director	2	2
2.	Syed Yaver Imam	Member	Executive Director	2	2
3.	Ashwani Maheshwari	Member	Non-Executive & Independent Director	2	2
4.	Manoj Kumar Agarwal (Member till 31.01.2023)	Member	Director – Global Finance & Chief Financial Officer	2	2
5.	Shyama Prasad Ganguly (inducted as a Member w.e.f 31.01.2023)	Member	Deputy General Manager – Finance & Accounts	0	0

Corporate Social Responsibility (CSR) Committee

Pursuant to the provisions of Section 135 of the Act, the Company constituted a Corporate Social Responsibility (CSR) Committee which recommends the amount of expenditure to be incurred for undertaking CSR activities by the Company in terms of the Corporate Social Responsibility Policy.

Terms of Reference:

The terms of reference of CSR Committee are in conformity with the requirements of the Act which, inter alia, includes 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 of the Act, review and recommend the amount of expenditure to be incurred on the activities, monitoring the Corporate Social Responsibility policy of the Company and its implementation from time to time and any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable laws, as and when amended from time to time.

Composition, Meetings and Attendance:

During the year ended March 31, 2023, 2 (two) CSR Committee meetings were held on May 24, 2022 and August 06, 2022.

During the year under review, the CSR Committee was reconstituted with effect from August 07, 2022 consequent to cessation of Mr. Madan Mohan Mohanka and Mr. Syed Yaver Imam as members of the Committee. Accordingly, the composition and attendance of the members of the CSR Committee during the Financial Year 2022-23 are as follows:

Sl. No.	Name of Director	Position	Category	No. of meetings entitled to attend	No. of meetings attended
1.	Madhu Dubhashi (Designated as the Chairperson w.e.f. 07.08.2022)	Chairperson	Non-Executive & Independent Director	2	2
2.	Ashwani Maheshwari (inducted as a member w.e.f. 07.08.2022)	Member	Non-Executive & Independent Director	0	0
3.	Mehul Mohanka (inducted as a member w.e.f. 07.08.2022)	Member	Managing Director	0	0
4.	Madan Mohan Mohanka (Member till 06.08.2022)	Member	Executive Director	2	2
5.	Syed Yaver Imam (Member till 06.08.2022)	Member	Executive Director	2	2

Stakeholders Relationship Committee

In compliance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Act, the Board of Directors of the Company have constituted a Stakeholders Relationship Committee.

Terms of Reference:

The terms of reference of Stakeholders Relationship Committee (SRC) are in conformity with the requirements of Section 178 of the Act and Regulation 20 read with Para B of Part D of Schedule II to the SEBI Listing Regulations which, inter alia, includes considering and looking into various aspects of interest of shareholders and other security holders of the company; resolving the grievances of the security holders of the company including complaints related to transfer/ transmission of shares, non- receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.; reviewing of 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 and carrying out any other functions required to be carried out by the Stakeholders Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time .

Composition, Meetings and Attendance:

During the year ended March 31, 2023, 2 (two) SRC meetings were held on May 24, 2022 and November 11, 2022.

The composition and attendance of the members of the SRC are as follows:

Sl. No.	Name of Director	Position	Category	No. of meetings entitled to attend	No. of meetings attended
1.	Ashwani Maheshwari	Chairman	Non-Executive & Independent Director	2	2
2.	Syed Yaver Imam	Member	Executive Director	2	2
3.	Mehul Mohanka	Member	Managing Director	2	2

Compliance Officer:

Ms. Manjuree Rai (holding Membership No. A12858) was appointed as the Company Secretary and Compliance Officer of the Company with effect from August 07, 2022 in place of Mr. Manoj Kumar Agarwal, Director – Global Finance & Chief Financial Officer of the Company who was appointed as the Company Secretary and Compliance Officer for an interim period with effect from December 23, 2021 till August 06, 2022.

Details of Shareholders' complaints:

No complaints were received during the period under review. There were no outstanding complaints as on March 31, 2023.

The Company supports SCORES by using it as a platform for communication between SEBI and the Company. Also, there are no pending complaints on the SCORES platform.

Means of Communication:

The full format of the results are filed with the Stock Exchanges on NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre) and are available on the websites of the Stock Exchange - www.nseindia.com and www.bseindia.com. The extract of the said financial results were published in the leading English and Bengali newspapers such as Financial Express (All editions) and Arthik Lipi.

The financial results, official news releases, presentations made to Institutional Investors and Analysts, concall transcripts and the audio/video recordings with Analysts have been hosted on the Company's website www.tegaindustries.com as well as on the website of stock exchanges.

Website:

The Website of the Company (www.tegaindustries.com) provides ease of access to the required information to all the stakeholders. The website carries a comprehensive database of information as required as per SEBI Listing Regulations.

General Body Meetings

Location and time, where last three Annual General Meetings were held:

Financial Year Ended	Date	Time	Venue	Special Resolution Passed
March 31, 2022	September 22, 2022	11:00 A.M. (IST)	Godrej Waterside,Tower-II,Office No.807,8th Floor, Block DP-5, Salt Lake Sector V, Bidhannagar, Kolkata - 700091. West Bengal	(i) Re-appointment of Mrs. Madhu Dubhashi (DIN: 00036846) as an Independent Director of the Company for a second term of 5 (five) consecutive years; (ii) Re-appointment of Mr. Mehul Mohanka (DIN: 00052134) as the Managing Director of the Company & Group CEO for a further period of 5 (five) consecutive years.
March 31, 2021	September 29, 2021	12:00 P.M. (IST)	Godrej Waterside,Tower-II,Office No.807,8th Floor, Block DP-5, Salt Lake Sector V, Bidhannagar, Kolkata - 700091. West Bengal	(i) Continuation of Directorship of Mr. Rudolph Micheal Edge (DIN: 00626151) as Non-Executive Independent Director.
March 31, 2020	October 20, 2020	11:00 A.M. (IST)	147, Block-G, New Alipore, Kolkata-700053	(i) Renewal of term of Mr. Hemant Madhusudan Nerurkar (DIN: 00265887) and Mr. Rudolph Michael Edge (DIN: 00626151) as Non-Executive Independent Directors

During the year ended March 31, 2023, No Extra Ordinary General Meetings of the Members were held.

Postal Ballot:

During FY 2022-23, the Company sought the approval of the shareholders by way of Postal Ballot, through notice dated May 24, 2022, on the following Special Resolution:

Approval for appointment of Mr. Ashwani Maheshwari (DIN: 07341295) as an Independent Director of the Company for a term of 5 (Five) consecutive years.

The Board of Directors had appointed Mr. Atul Kumar Labh, Practising Company Secretary (CP No. 3238 and Membership No. FCS 4848) as the Scrutinizer for conducting the Postal Ballot process through the e-voting process in a fair and transparent manner.

The voting period for remote e-voting commenced on Saturday, May 28, 2022 at 9:00 A.M. (IST) and ended on Sunday, June 26, 2022 at 5:00 P.M. (IST). The consolidated report on the result of the postal ballot through remote e-voting for approving aforementioned resolutions was provided by the Scrutinizer on Monday, June 27, 2022 and the results were declared on Tuesday, June 28, 2022. The results along with the Scrutinizer's Report are available on the Company's website viz. www.tegaindustries.com and on the remote e-voting website of Link Intime India Private Limited viz. https://instavote.linkintime.co.in.

The details of e-voting on the aforementioned resolution are provided hereunder-

Description of the Resolution	Votes in favour of the Resolution(s)			Votes against the Resolution(s)			Invalid Votes	
	Number of Members voted	Number of valid votes cast (shares)	% of total number of valid votes cast	Number of Members voted	Number of valid votes cast (shares)	% of total number of valid votes cast	Total number of Members whose votes were declared invalid	Total number of invalid votes (shares)
Approval for appointment of Mr. Ashwani Maheshwari (DIN: 07341295) as an Independent Director of the Company for a term of 5 (Five) consecutive years.	118	59275635	99.9979%	8	1266	0.0021%	0	0

The Special Resolution was passed with requisite majority.

Further, no special resolution is proposed to be passed through Postal Ballot as on the date of this report.

Procedure for Postal Ballot:

The Postal Ballot was carried out as per the provisions of Section 108, Section 110 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 08, 2021 and General Circular No. 3/2022 dated May 05, 2022, issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars"), read with Regulation 44 of the SEBI Listing Regulations and Secretarial Standards-2 ("SS-2") on General Meetings including any statutory modifications or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations.

General Shareholder Information

Annual General Meeting (AGM)

Date	Tuesday, August 29, 2023
Venue	The AGM will be held through Video Conferencing ("VC") or Other Audio Visual Means (ÖAVM") in compliance with the SEBI Regulations/MCA Circulars and shall be deemed to be conducted at the Registered Office of the Company
Time	11:00 A.M. (IST)
Record Date	Saturday, August 19, 2023

Financial Year:

The Financial Year under review is from April 01, 2022 to March 31, 2023.

Dividend Payment Date:

The Board of Directors of the Company at their meeting held on May 30, 2023 have recommended a final dividend of ₹2/- (two) per equity share (20%) of face value of ₹10/- each for the Financial Year ended March 31, 2023, subject to declaration of the same by the Members at the 47th AGM of the Company.

The dividend payout for the year under review shall be in accordance with the Company's policy on distribution of dividend.

Dividend Payment Date – Within a period of 30 days from the date of the approval i.e. AGM date.

Listing on Stock Exchange(s):

Name and address of Stock Exchanges(s):

The Equity Shares of the Company are listed on-

i) BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
BSE Scrip Code: 543413

ii) National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
NSE Symbol: TEGA

Listing fees for the FY 2023-24 has been paid to both the aforementioned stock exchanges.

Market Price Data – High, Low (based on daily closing price) and volume (no. of shares traded) during each month in FY 2022-23 of Fully Paid-up Ordinary Shares, on BSE Limited and National Stock Exchange of India Limited:

Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (No. of shares traded)	High (₹)	Low (₹)	Volume (No. of shares traded)
April 2022	497.00	425.00	3,98,144	498.00	425.00	16,08,000
May 2022	462.15	402.20	1,61,859	462.45	401.55	14,20,000
June 2022	480.00	420.40	97,997	482.00	439.50	15,42,000
July 2022	489.60	449.45	1,02,406	507.70	450.85	16,36,000
August 2022	565.00	465.00	2,72,800	566.00	463.60	28,07,000
September 2022	585.00	518.05	1,51,087	585.00	520.05	16,37,000
October 2022	590.00	511.65	66,876	589.80	511.80	7,47,000
November 2022	588.75	520.05	46,283	588.95	525.05	7,75,000
December 2022	655.80	545.00	2,24,438	659.00	532.00	23,55,000
January 2023	624.40	554.40	48,363	625.40	550.00	6,06,000
February 2023	668.10	600.60	1,04,715	669.75	599.75	12,81,000
March 2023	718.00	605.05	1,67,963	719.40	621.00	25,39,000

Performance of the share price of the Company in comparison to broad-based indices such as BSE SENSEX and NIFTY 50:

Month	Closing Price of Equity Shares at BSE (₹)	BSE SENSEX	Closing Price of Equity Shares at NSE (₹)	NIFTY 50
April 2022	426.75	57,060.87	427.30	17,102.55
May 2022	443.50	55,566.41	442.45	16,584.55
June 2022	459.75	53,018.94	460.05	15,780.25
July 2022	475.95	57,570.25	475.60	17,158.25
August 2022	550.35	59,537.07	550.90	17,759.30
September 2022	529.65	57,426.92	531.50	17,094.35
October 2022	540.10	60,746.59	540.25	18,012.20
November 2022	559.55	63,099.65	562.35	18,758.35
December 2022	580.00	60,840.74	579.40	18,105.30
January 2023	609.30	59,549.90	613.30	17,662.15
February 2023	626.95	58,962.12	626.90	17,303.95
March 2023	705.05	58,911.52	701.45	17,359.75

Credit Ratings:

The Company has obtained credit ratings for the credit facilities sanctioned to it and the strong ratings ascribed by the Rating Agencies reflect the Company's financial discipline and prudence in management.

During the year under review, CRISIL Ratings has reaffirmed its 'CRISIL A+/Stable' ratings on the long term bank facilities of the Company, and reaffirmed the short-term rating as 'CRISIL A1'.

Registrar and Share Transfer Agent:

Link Intime India Private Limited is the Registrar and Share Transfer Agent ("RTA") of the Company.

Address:

Room Nos.: 502 & 503,
5th Floor, Vaishno Chamber,
6, Brabourne Road, Kolkata – 700 001
SEBI Registration No.: INR000004058
Website: www.linkintime.co.in
Email id: kolkata@linkintime.co.in

Distribution of Shareholding

Distribution of Shareholding as on March 31, 2023:

(a) According to category of holding (based on fully paid-up Equity Shares):

Category	No. of Share Holders	% of Share Holders	No. of Shares	% of Shares
Promoters & Promoter Group	5	0.00	52483895	79.10
Institutions:				
Mutual Funds	10	0.00	7933018	11.96
Alternate Investment Funds	3	0.00	58835	0.09
NBFCs registered with RBI	2	0.00	2430	0.00
Foreign Portfolio Investors Category I	18	0.00	1600973	2.42
Foreign Portfolio Investors Category II	2	0.00	1778	0.00
Non-Institutions:				
Directors and their relatives (excluding independent directors and nominee directors)	1	0.00	29510	0.04
Resident Individuals	68558	96.95	3558014	5.36
NRI	494	0.70	174391	0.26
Bodies Corporate	196	0.28	276942	0.42
Trusts	3	0.00	16282	0.02
LLP	20	0.00	22158	0.03
HUF	1381	1.95	175881	0.27
Clearing Member	23	0.00	20005	0.03
Total	**70716**	**100.00**	**66354112**	**100.00**

(b) According to the number of Equity Shares held (based on fully paid-up Equity Shares):

Serial No.	Shares Range			Number of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1	1	to	500	70211	98.6941	2499834	3.7674
2	501	to	1000	486	0.6832	368897	0.5560
3	1001	to	2000	217	0.3050	326496	0.4921
4	2001	to	3000	67	0.0942	168018	0.2532
5	3001	to	4000	36	0.0506	126037	0.1899
6	4001	to	5000	15	0.0211	70404	0.1061
7	5001	to	10000	48	0.0675	309165	0.4659
8	10001	to	**********	60	0.0843	62485261	94.1694
			Total	**71140**	**100.0000**	**66354112**	**100.0000**

Demat Suspense Account/Unclaimed Suspense Account

In terms of Regulation 34 read with Schedule V to the SEBI Listing Regulations, the listed entity has to make certain disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account. In this regard, the Company is not required to make any disclosures as it does not have any demat suspense account/ unclaimed suspense account.

Share Transfer System:

The Company has formulated a Board-level Stakeholders Relationship Committee to examine and redress investors' complaints. The status on complaints and share transfers are reported to the entire Board.

SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated all listed companies to issue securities in dematerialised form only, while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard. Transfer of shares in electronic form are processed and approved by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") through their Depository Participant without the involvement of the Company.

During the year, the Company has obtained, a certificate from a Company Secretary in Practice, as per Regulation 40(9) of the SEBI Listing Regulations in respect of due compliance of share transfer formalities of the Company. The Company has delivered/sent letters of confirmation as per SEBI's operational guidelines, for execution of issue of duplicate share certificates received during the Financial Year ended March 31, 2023, within the prescribed time from the respective date of lodgement.

Dematerialization of shares and liquidity:

The Company has entered into agreements with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories.

Demat ISIN no. for equity shares of the Company in NSDL and CDSL is INE011K01018.

99.81% of the equity shares of the Company have been dematerialized as on March 31, 2023.

Status of dematerialization as on March 31, 2023-

Particulars	No. of Shares	% to Total Capital
National Securities Depository Limited	63091238	95.08
Central Depository Services (India) Limited	3136098	4.73
Total Demateralised	66227336	99.81
Physical	126776	0.19
Grand Total	66354112	100

Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion Date and likely impact on equity:

Not Applicable.

Transfer of unclaimed / unpaid dividend to the Investor Education and Protection Fund:

In terms of Section 125 of the Act, read with rules made thereunder, everyCompany is required to transfer the unpaid dividend amounts which remained unclaimed for 7 years from the date of transfer of such amounts to Unpaid Dividend Account to Investor Education and Protection Fund (IEPF). There are no unclaimed/unpaid amounts due for transfer to IEPF during the year under review.

Commodity Price Risk or foreign exchange risk and hedging activities:

The Company lays down the overall risk strategy and Risk Committee oversees the application and adherence to it. The Company has adopted a comprehensive approach for market risk that not only hedges against market risks, but also endeavours to maximise the risk-adjusted rate of return of the portfolio by keeping close track of macro-economic developments including changes and its impact on movement in interest rates, foreign exchange rates and liquidity position in the market. Foreign exchange risk management becomes an imperative as the Company borrows and lends money in foreign currency. Therefore, in order to optimise the cost of funds and diversify the funding mix, effective hedging strategies are put in place in keeping with the Company's risk appetite; and limits pertaining to an open position are devised. Further, with respect to Abnormal increase in input prices (including commodity prices), being a critical spares suppliers, we have been able to pass the price to the end users with a lag of 1-2 quarters (either side).

Plant Locations:

The Company has six manufacturing sites, including 3 (three) in India i.e. at Dahej in Gujarat and at Samali and Kalyani in West Bengal, and one each in South Africa, Chile and Australia. Location of the plants are:

- **Kalyani**: P.O. Netaji Subhas Sanatorium, Kalyani, Nadia – 741251
- **Samali**: Village – Samali, Barapukur Road, P.O. Nahajari, District - 24 Parganas (South), Kolkata – 700104
- **Dahej**: Plot No. Z/103/J, Dahej (SEZ), Phase II, P.O. Dahej, Vagra District, Bharuch, Gujarat – 392130
- **Chile**: Galvarino 7701, Quilicura, Santiago, Chile
- **South Africa**: 2 Uranium Road, Vulcania Ext 2, Brakpan, 1541
- **Australia**: Unit 2&3, 26 Biscayne Way, Jandakot, WA 6164

Address for correspondence:

Registered Office –
Godrej Waterside, DP-5, DP Block, Tower II- 8th floor,
Salt Lake Sector V, Bidhannagar, Kolkata, West Bengal 700091
Telephone No.: +91 33 4093 9000 | F. +91 33 4093 9075
Website: www.tegaindustries.com
Email address: compliance.officer@tegaindustries.com

Other Disclosures

i) **Related Party Transactions** - The Company does not have any materially significant related party transactions, which may have potential conflict with the interests of the Company at large. The transactions with related parties, in normal course of business, have been disclosed separately in the Notes to the Financial Statements. The Company has disclosed the policy on dealing with the related party transactions on its website at the following web-link: https://www.tegaindustries.com/investors/policies/policy_on_related_party_transactions.pdf

Pursuant to Regulation 16(1)(c) of the SEBI Listing Regulations, the Company has three material subsidiaries as on March 31, 2023, details of which are mentioned below:

Sl. No.	Name of subsidiary	Date of incorporation	Place of incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
1	Tega Holdings Pte Limited	December 01, 2010	Singapore	JH Tan & Associates	06.08.2022
2	Tega Industries Africa (Pty) Limited	November 08, 1984*	South Africa	Price Waterhouse Coopers Inc., South Africa	06.08.2022
3	Tega Industries Chile SpA	February 05, 1990#	Santiago, Chile	PwC Chile	06.08.2022

* Acquired by Tega Industries Limited in accordance with the share purchase agreement dated May 12, 2006.

Acquired by Tega Industries Limited in accordance with the stock purchase agreement dated February 03, 2011.

As on the date of this Report, McNally Sayaji Engineering Limited is also a Material Subsidiary of the Company

The Company has appointed Independent Directors of the Company to serve as Independent Directors on the Board of its unlisted material subsidiaries.

The Company has also disclosed the policy for determining material subsidiaries on its website at the following web-link: https://www.tegaindustries.com/investors/policies/Policy_for_Determination_of_Materiality_of_Events_or_Information.pdf .

ii) **Details of non-compliance by and penalties, etc. imposed on the Company** - There were no instances of non-compliances related to capital markets during the year under review and no penalties/ strictures were imposed against the Company during the last three years.

iii) **Vigil Mechanism/Whistle Blower Policy** - Whistle Blower Policy framed by the Company to deal with unethical behavior, victimisation, fraud and other grievances or concerns, if any, is available on the Company's website at the following web-link: https://www.tegaindustries.com/investors/policies/whistle_blower_policy.pdf

No complaints were reported under the vigil mechanism during the FY 2022-23. Further, no personnel has been denied access to the Audit Committee.

iv) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements** - All mandatory requirements relating to corporate governance under the SEBI Listing Regulations have been appropriately complied with.

v) **Details of utilization of funds raised through preferential allotment or qualified institutions placement** – The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

vi) **Management Discussion and Analysis Report** - In terms of the SEBI Listing Regulations, the Management Discussion and Analysis Report forms part of the Annual Report. Details of significant changes in key financial ratios, along with detailed explanations thereof (including details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof) have been adequately covered under the Management Discussion and Analysis Report.

vii) **Annual Secretarial Compliance Report** – In terms of Regulation 24A of the SEBI Listing Regulations and circulars issued thereunder, the Company has obtained the Annual Secretarial Compliance Report from Mrs. Sweety Kapoor, Practicing Company Secretary (Membership No. FCS 6410 and C.P. No. 5738) for the Financial Year ended March 31, 2023 confirming compliance of all the applicable SEBI Regulations and circulars/guidelines issued thereunder. The Company on its own maintains a Structured Digitial Database containing the details of persons/entities with whom Unpublished Price Sensitive Information is shared. This database is maintained with adequate controls and checks such as time stamping and audit trails to ensure stamping and data base cannot be tampered.

viii) **CEO & CFO Certification** – Mr. Mehul Mohanka, Managing Director & Group CEO and Mr. Kaushal Sureka, Deputy General Manager – Finance & Accounts (appointed as, in charge of the Finance Function in interim, till the appointment of the Chief Financial Officer) have issued a certificate according to the provisions of Regulation 17(8) of the SEBI Listing Regulations for the Financial Year 2022-23 certifying that the financial statements do not contain any material untrue statement and these statements represent a true and fair view of the Company's affairs.

ix) **Accounting Treatment in preparation of Financial Statements** - The financial statements have been prepared in accordance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the date of the financial statements as approved for issue by the Board of Directors have been considered in preparing these financial statements.

x) **Risk Management Policy** - The Company has a defined Risk Management Policy approved by the Board of Directors of the Company. The Risk Management Policy is available on the website of the Company at the following web link: https://www.tegaindustries.com/investors/policies/risk_management_policy.pdf

Further, the Company has adequate internal control systems to identify risks at appropriate time and to ensure that the executive management controls the risk through properly defined framework.

xi) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013** - As per the requirement of the Sexual Harrassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules made thereunder, the Company has constituted an Internal Complaints Commitee at all its locations to redress complaints received regarding sexual harrassment and recommended appropriate actions for the same. The objective being providing a safe working environment to all the employees of the Company (permanent, contractual, temporary and trainees covered under this policy).

During the year under review, 1 (one) complaint / case was filed, the same was disposed off during the financial year and no complaints were pending for redressal as on end of the financial year, pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

xii) **Certificate from Practicing Company Secretary regarding non-debarrment and non-disqualification of Directors** - A certificate has been obtained from Mrs. Sweety Kapoor, Practicing Company Secretary (Membership No. FCS 6410 and C.P. No. 5738) confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

xiii) **Acceptance of recommendation of Committees by the Board** - All recommendations made by the Committees of the Board during the year were accepted by the Board. During the FY 2022-23, there was no such instance wherein the Board had not accepted any recommendation of any committee of the Board.

xiv) **Consolidated fees paid/payable to Statutory Auditors** - Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis for the FY 2022-23, to the Statutory Auditors and all entities in the network firm/ network entity of which the Statutory Auditors are a part, given below:

Particulars	Amount (₹ in Million)
Statutory Audit Fees	14.60
Limited Review	2.48
Tax Audit Fees	0.60
Certification Fees	0.23
Reimbursement of expenses	0.39
Total	18.30

xv) **Disclosure of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount' –**

Loan given by	Loan given to	Amount (₹ in Million)
Tega Industries Limited	Tega Equipments Private Limited	655.69
Tega Industries Limited	Tega Holdings Pte Ltd	193.10

Note:

(i) Loan given to Tega Equipments Private Limited has been converted to investment in equity in McNally Sayaji Engineering Limited.

(ii) Tega Equipments Private Limited ceased to be a subsidiary with effect from March 29, 2023 after its merger with McNally Sayaji Engineering Limited.

xvi) Compliance with Corporate Governance Requirements - The Company has duly complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 of the SEBI Listing Regulations.

xvii) Compliance with discretionary requirements -

a. Maintenance of Chairman's office – This particular compliance is not applicable to the Company as the Company has an Executive Chairperson on Board.

b. Shareholder Rights – As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website at https://www.tegaindustries.com/investor#stock-tab , the same are not being sent to the shareholders separately.

c. Modified opinion(s) in Audit Report – The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

d. Reporting of Internal Auditor – The Internal Auditor functionally reports to the Audit Committee.

xviii) Other items which are not applicable to the Company have not been separately commented upon.

On behalf of the Board of Directors

Sd/-
Mehul Mohanka
Managing Director & Group CEO
DIN: 00052134

Place: Kolkata
Date: May 30, 2023

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

Tega Industries Limited ("the Company") has adopted the Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the website of the Company.

It is hereby confirmed that the Company has obtained affirmation from all the Board Members and Senior Management Personnel that they have complied with the said Code for the Financial Year 2022-23.

On behalf of the Board of Directors

sd/-
Mehul Mohanka
Managing Director & Group CEO
DIN: 00052134

Place: Kolkata
Date: May 30, 2023

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER IN TERMS OF REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, the undersigned, in our respective capacities, to the best of our knowledge and belief, hereby certify that:

A. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. 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.

B. 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.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   1. there has been no significant change in internal control over financial reporting during the year;

   2. there has been no significant change in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. there has been no instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Place: Kolkata
Date: May 30, 2023

Sd/-
Mehul Mohanka
Managing Director & Group CEO

Sd/-
Kaushal Sureka*
Deputy General Manager- Finance & Accounts
(in-charge of finance function)

* Mr. Manoj Kumar Agarwal, Director – Global Finance & Chief Financial Officer of your Company ceased to be associated with your Company with effect from close of business hours on January 31, 2023, in the interim, till the appointment of the Chief Financial Officer, Mr. Kaushal Sureka, Deputy General Manager - Finance & Accounts, was made in charge of the Finance Function by the Board of Directors at their meeting held on January 31, 2023.

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of Tega Industries Limited

I have examined the compliance of the conditions of Corporate Governance by Tega Industries Limited [L25199WB1976PLC030532] ("the Company") for the year ended March 31, 2023, as stipulated under Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and Para C, D and E of Schedule V to the Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate 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.

In my opinion and to the best of my information and according to the explanations given to me, read with the matter described hereinabove, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in LODR Regulations during the year ended March 31, 2023.

sd/-
Sweety Kapoor
Practising Company Secretary
Membership No.FCS 6410, C.P. No.5738
UIN: I2003WB399800
PRCN: 660/2020
UDIN: F006410E000418723:

Place: Kolkata
Date: May 30, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
Tega Industries Limited
Godrej Waterside, Tower-II,
Office No. 807, 8th Floor, Block DP-5,
Salt Lake Sector V,
Bidhannagar, Kolkata – 700091

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Tega Industries Limited (hereinafter referred to as "the Company"), having CIN: L25199WB1976PLC030532 and registered office at Godrej Waterside, Tower-II, Office No. 807, 8th Floor, Block DP-5, Salt Lake Sector V, Bidhannagar, Kolkata - 700091, produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para – C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Director Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

Sl. No.	DIN	Name	Date of appointment in Company
1	00049388	MADAN MOHAN MOHANKA	15/05/1976
2	00052134	MEHUL MOHANKA	06/06/2002
3	00588381	YAVER SYED IMAM	19/07/2005
4	02345086	JAGDISHWAR PRASAD SINHA	01/05/2021
5	00036846	MADHU DUBHASHI	01/05/2021
6	07341295	ASHWANI MAHESHWARI	01/04/2022

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

Sd/-
Sweety Kapoor
Practising Company Secretary
Membership No.FCS 6410, C.P. No.5738
UIN: I2003WB399800
PRCN: 660/2020
UDIN: F006410E000418712:

Place: Kolkata
Date: May 30, 2023

ANNEXURE V

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Tega Industries Limited
Godrej Waterside, Tower-II, Office No.807, 8th Floor
Block DP-5, Salt Lake Sector V, Bidhannagar
KOLKATA 700091

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tega Industries Limited (L25199WB1976PLC030532) (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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 31st March, 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 the Company for the period ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act,1956 and the Rules made thereunder;

(iii) The Depositories Act,1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder 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:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(e) The Securities and Exchange Board of India (Share Based Employee Benefitsand Sweat Equity) Regulations, 2021;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) The Industry specific law applicable as per the representation given by the management ;-

The Rubber Act, 1947.

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

a) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI);

b) The Listing Agreement entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

I report that during the Period under Review, the Company has complied with the provisions of the Laws, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, during the year under review, there were no actions/ events in pursuance of the following Rules/ Regulations requiring compliance thereof by the Company:

a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

d) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021.

I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

I further report that:

The Board of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least 7 days in advance except in case of meeting held with shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be and therefore no dissenting views were required to be captured and recorded as part of the minutes.

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 the applicable Laws, Rules, Regulations and Guidelines.

I further report that during the Audit Period under review:

1. The Company received approval from the Honourable National Company Law Tribunal (NCLT) vide its order dated February 24, 2023, for the acquisition of McNally Sayaji Engineering Limited (MSEL) through Corporate Insolvency Resolution Process (CIRP) process. The Company completed the acquisition of MSEL on March 29, 2023, through Tega Equipments Private Limited (TEPL), a wholly-owned subsidiary of the Company. TEPL merged into MSEL, resulting in MSEL becoming a wholly owned subsidiary of the Company w.e.f. March 29, 2023.

2. The shareholders at 46th Annual General Meeting held on September 22, 2022:

   - approved the re-appointment of Mr. Mehul Mohanka (DIN: 00052134) as the Managing Director of the Company and Group CEO for a further period of 5 (five) consecutive years.

   - approved the re-appointment of Mrs. Madhu Dubhashi (DIN: 00036846) as an Independent Director of the Company for a second term of 5 (five) consecutive years.

3. The shareholders approved the appointment of Mr. Ashwani Maheshwari (DIN: 07341295) as an Independent Director of the Company for a term of 5 (five) consecutive years through postal ballot on June 26, 2022.

4. The company has allotted 60963 Equity shares of ₹10/- each fully paid under Employee Stock Option Plan (ESOP) Scheme of the Company.

5. Tega Investment Bahamas, ceased to be a Wholly owned subsidiary of the Company due to its dissolution with due approval from the Company.

6. Tega Equipments Private Limited became a Wholly owned subsidiary of the Company w.e.f. December 02, 2022 and ceased to be exist w.e.f March 29, 2023, upon its merger into MSEL.

7. Mr. Manoj Kumar Agarwal has resigned and ceased to be Chief Financial Officer (CFO) of the company w.e.f 31st January, 2023.

Sd/-
Sweety Kapoor
Practising Company Secretary
Membership No. FCS 6410, CP No.5738
UIN: I2003WB399800
PRCN: 660/2020
UDIN: F006410E000418767

Place: Kolkata
Date: May 30, 2023

Annexure – A

To
The Members,
Tega Industries Limited
Godrej Waterside, Tower-II, Office No.807,8th Floor
Block DP-5, Salt Lake Sector V, Bidhannagar
KOLKATA 700091

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. My audit was based on examination of books and records maintained by the Company.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though I have relied to a certain extent on the information furnished in such returns.
5. Whenever required, I have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test and sample basis.
7. 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.

Sd/-
Sweety Kapoor
Practising Company Secretary
Membership No. FCS 6410, CP No.5738
UIN: I2003WB399800
PRCN: 660/2020
UDIN: F006410E000418767

Place: Kolkata
Date: May 30, 2023

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures under section 129(3) read with rule 5 of the Companies (Accounts) Rules, 2014

Part "A": Subsidiaries

Sr No.	Name of the Subsidiary Company	Date of becoming subsidiary	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	% of Shareholding	Country
							In INR Million											
1	Tega Holdings Pte. Limited	01-Dec-10	01-04-2022	31-03-2023	SGD	61.7925	4,986.27	-923.50	4,327.45	264.69	3,476.51	254.09	-28.76	6.47	-35.23	-	100%	Singapore
2	Teaa Industries Canada Inc.	27-Aug-07	01-04-2022	31-03-2023	CAD	60.6675	3.03	87.67	255.31	164.60	-	574.10	-24.35	-5.94	-18.41	-	100%	Canada
3	Tega Industries Australia Pty Limited	11-Jun-02	01-04-2022	31-03-2023	AUD	55.0250	4.68	94.36	161.52	62.48	-	435.44	-13.28	-3.01	-10.27	-	100%	Australia
4	Tega Investments Limited *	02-May-06	01-04-2022	14-11-2022	USD	82.1700	-	-	-	-	-	0.27	0.00	0.21	-0.21	-	100%	Bahamas
5	Tega Do Brazil Servicos Technicos Ltda	04-Apr-08	01-04-2022	31-03-2023	BRL	16.0400	7.23	-5.55	6.22	4.55	-	35.35	3.06	0.78	2.28	-	99.99%	Brazil
6	Tega Holdings Pty Limited	03-Dec-10	01-04-2022	31-03-2023	AUD	55.0250	0.28	325.80	766.59	440.52	763.70	-	-22.94	-6.88	-16.06	-	100%	Australia
7	Tega Industries Africa Pty Limited	12-May-06	01-04-2022	31-03-2023	ZAR	4.6175	0.00	824.23	1,146.70	322.47	-	1,679.08	250.52	43.70	206.82	-	100%	South Africa
8	Tega Investment South Africa Pty Limited	19-Apr-06	01-04-2022	31-03-2023	ZAR	4.6175	9.82	33.28	43.40	0.30	43.02	-	-0.29	-	-0.29	-	100%	South Africa
9	Tega Industries Inc.	27-Nov-01	01-04-2022	31-03-2023	USD	82.1700	16.43	197.45	224.97	11.08	-	514.76	18.92	3.91	15.01	-	100%	USA
10	Tega Industries Chile SpA and its subsidiaries	03-Feb-11	01-04-2022	31-03-2023	CLP	0.1038	2,985.76	-1,741.18	3,083.97	1,839.39	-	2,937.55	351.86	65.23	286.62	-	100%	Chile
11	Losugen Pty Limited	21-Dec-10	01-04-2022	31-03-2023	AUD	55.0250	0.00	202.93	309.11	106.17	-	676.93	90.73	28.05	62.67	-	100%	Australia
12	McNally Sayaji Engineering Limited#	24-Feb-23	24-02-2023	31-03-2023	INR	1.0000	656.69	1,330.04	3,316.33	1,329.60	-	359.72	59.62	-1.83	61.46	-	100%	India
13	Tega Equipments Private Limited ##	02-Dec-22	02-12-2022	29-03-2023	INR	1.0000	-	-	-	-	-	-	-1.10	-	-1.10		100%	India

* Tega Investments Limited liquidated w.e.f 14-11-2022

McNally Sayaji Engineering Limited became subsidiary w.e.f 24-02-2023

Tega Equipments Private Limited became subsidiary w.e.f 02-12-2022 and ceased to be subsidiary w.e.f 29-03-2023

Note:

Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2023.

Part "B": Associates and Joint Ventures

Sr No.	Name of the Joint venture	Latest audited Balance sheet date	Date on which Joint venture was associated	Reporting Currency	No. of shares held by the company in the Joint venture on the year end	Amount of Investment in Joint venture	Reserves and Surplus	Extend of holding	Description of how there is significant influence	Reason why the joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Share of profit/loss for the year	
												Considered in consolidation	Not Considered in consolidation
1	Hosch Equipment (India) Limited	31-03-2023	29-May-10	INR	1,12,500	150.08	323.26	50%	Controls more than 20% of the total share capital and has significant influence over operational and financial decision making.	-	162.75	43.20	43.20

The Company does not have any Associate Company for the year ended as on 31.03.2023.

Financial Statements

Standalone Financial Statements

Independent Auditor's Report

To
The Members of
Tega Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of Tega Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying value of equity investments in Tega Holdings Pte Limited, a wholly owned subsidiary (Refer to Note 2.6 "Investments in Subsidiaries and Joint Venture", Note 2A (ii) "Critical estimates and judgements - Impairment of Investments in Subsidiaries" and Note 4 "Investment in subsidiaries and joint venture", to the Standalone Financial Statements) The Company carries equity investments in subsidiaries at cost less impairment losses, if any. For these investments carried at cost, where there is an indication of impairment to the carrying value, the Company performs impairment assessment in accordance with Ind AS 36 'Impairment of Assets' and recognises impairment provision, if required, to bring the carrying value to its recoverable amount.	**Our audit procedures included the following:** a) Understanding and evaluating the design and testing the operating effectiveness of internal controls over the impairment assessment; b) Evaluating the Company's accounting policy in respect of impairment assessment of investments in subsidiaries; c) Perusing the report issued by the external valuation experts engaged by the management and conducting enquiries with them to understand the assumptions considered by them; d) Evaluating the independence, competence and capability of the valuation experts engaged by the management; e) Assessing the assumptions underlying the cash flow projections and assumptions used in the discounted cash flow model and evaluating the mathematical accuracy;

Key audit matter	How our audit addressed the key audit matter
The Company's equity investments in subsidiaries as at March 31, 2023 includes investments in the above mentioned wholly-owned subsidiary aggregating to ₹4,504.18 million. The management has carried out impairment assessment in view of the subsidiary's net-worth being less than the carrying amount of the investment. For assessing the recoverable amount using the discounted cashflow model, the Company's management has engaged independent valuation experts and based on their assessment, no provision for impairment to the carrying value of this investment was considered necessary. We considered this as a key audit matter because of the significant carrying value of the above-mentioned investment and estimation uncertainty in assumptions used in assessing future cashflows, such as discount rate, rate of growth over the estimation period and terminal growth rate which are affected by future market and economic conditions and, hence, are inherently uncertain.	f) Together with auditor's valuation experts, testing the appropriateness of the discounted cash flow model and key assumptions therein and performing sensitivity analysis over key assumptions to corroborate the recoverable amount of the investments; g) Assessing adequacy and appropriateness of the presentation and disclosures in the Standalone Financial Statements. Based on the above procedures performed, the management's impairment assessment of the investments in the subsidiary was considered to be reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in The Management Discussion and Analysis Report, Director's Report, Corporate Governance Report and Business Responsibility and Sustainability Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

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

   In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Standalone Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 43A to the Standalone Financial Statements;

ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company has made provision as at March 31, 2023, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts. Refer Note 5 to the Standalone Financial Statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50(j) to the Standalone Financial Statements);

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50(k) to the Standalone Financial Statements); and

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

v. The Company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
UDIN: 23058507BGYAYG7659

Kolkata
May 30, 2023

Annexure A to the Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Tega Industries Limited on the Standalone Financial Statements as of and for the year ended March 31, 2023.

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to Standalone Financial Statements of Tega Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
UDIN: 23058507BGYAYG7659

Kolkata
May 30, 2023

Annexure B to the Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Tega Industries Limited on the Standalone Financial Statements as of and for the year ended March 31, 2023.

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties [other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee except for five lease agreements (Refer note 3(b)(i) to the Standalone Financial Statements)], as disclosed in Note 3(a) on Property, Plant and Equipment to the Standalone Financial Statements, are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its Standalone Financial Statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account other than those as set out below: (Also refer Note 48 to the standalone financial statements).

Name of the Banks	Aggregate working capital limits sanctioned (₹ in million)	Nature of Current Asset offered as Security	Quarter ended**	Amount disclosed as per quarterly return/ statement (₹ in million)	Amount as per unaudited books of account (₹ in million)	Difference (₹ in million)	Reasons for difference
Working Capital Lenders*	2,360	Trade receivables and contract assets	June 30, 2022	1,863.26	1,927.72	(64.46)	Refer note 48 to the standalone financial statements

* ICICI Bank Limited, Standard Chartered Bank, Axis Bank Limited, RBL Bank Limited, CITI Bank N.A, and Syndicate Bank are represented as Working Capital Lenders.

** Quarterly Return/ Statement for the quarter ended March 31, 2023 is yet to be filed by the Company.

iii. (a) The Company has, during the year, made investments in thirty three mutual fund schemes, one perpetual bond and one Company, granted unsecured loan to two employees and two Companies, stood guarantee for two Companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees to subsidiaries and to parties other than subsidiaries are as per the table given below:

	Guarantees (₹ in million)	Loans (₹ in million)
Aggregate amount granted/ provided during the year - Subsidiaries - Others (Employees)	1,210.05 Nil	848.79 1.66
Balance outstanding as at balance sheet date in respect of the above case - Subsidiaries - Others (Employees)	1,210.05 Nil	193.10@ 0.48

(Also refer Note 13 on loans and Note 43B(i) on Guarantees, to the standalone financial statements)

@excluding loan amounting to INR 655.69 million converted into equity investments as at March 31, 2023. (Refer Note 47 to the standalone financial statements)

(b) In respect of the aforesaid investments, guarantees and loans including loan to employees (which are interest free), the terms and conditions under which such investments were made, guarantees provided and loans were granted are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loan (other than loan to employees), the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable. In respect of the loans to employees, the schedule of repayment of principal amount has been stipulated, and the employees are repaying the principal amount as stipulated in a regular manner. Payment of interest is not applicable as these employee loans are interest free in nature.

(d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed/ extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) The loans granted during the year (other than loan to employees), including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. Further, the loans granted to employees during the year had stipulated the scheduled repayment of principal and the same were not repayable on demand.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made and guarantees and security provided by it, (as applicable).

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, in respect of provident fund, though there has been a slight delay in few cases and is regular in depositing undisputed statutory dues, including goods and services tax, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and services tax, provident fund, employees' state insurance and cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in million)*	Amount paid (₹ in million)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1994	Excise Duty	9.51	9.72	2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	0.92	2.16	2007-08, 2013-14	Customs, Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.87	-	AY 2008-09	Assessing Officer
		366.65	-	AY 2003-04, AY 2016-17, AY 2017-18, AY 2021-22	Commissioner of Income Tax (Appeals)
		170.45	-	AY 2018-19	Income Tax Appellate Tribunal
Central Sales Tax Act, 1956	Declaration form due, Disallowances	1.75	0.19	2016-17, 2017-18	Appellate and Revisional Board
West Bengal Value Added Tax Act, 2003	VAT Liability, Disallowances	0.41	-	2013-14	Deputy Commissioner of Commercial Tax
		4.41	0.21	2016-17, 2017-18	Appellate and Revisional Board
Customs Act, 1962	Custom Duty	3.06	-	2016-17, 2017-18, 2018-19	Commissioner of Customs (Appeals)
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	30.03	-	2013-14 to 2017-18	High Court at Kolkata

*Net of amount paid under Protest

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer note 50(i) to the standalone financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture. The Company did not have any associate company during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture. The Company did not have any associate company during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer note 45 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial statements, our knowledge of the

Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also refer note 35(a) to the standalone financial statements).

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
UDIN: 23058507BGYAYG7659

Kolkata
May 30, 2023

Standalone Balance Sheet as at 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	1,249.88	1,090.73
Right-of-Use Assets	3(b)	306.25	306.76
Capital work in progress	3(c)	83.33	51.66
Intangible assets	3(d)	1.90	3.12
Financial assets			
(i) Investment in subsidiaries and joint venture	4	5,324.17	4,670.37
(ii) Loans	13(a)	193.10	-
(iii) Other financial assets	5	68.30	73.02
Current tax assets (net)	6	119.77	119.77
Other non-current assets	7	22.43	19.00
Total non-current assets		**7,369.13**	**6,334.43**
Current assets			
Inventories	8	1,484.86	1,679.51
Financial assets			
(i) Investments	9	1,890.05	1,744.06
(ii) Trade receivables	10(a)	2,054.53	1,939.85
(iii) Cash and cash equivalents	11	42.11	29.39
(iv) Other bank balances	12	7.33	7.06
(v) Loans	13(b)	0.58	0.32
(vi) Other financial assets	14	91.21	138.19
Contract assets	10(b)	35.31	144.95
Other current assets	15	206.40	267.05
Total current assets		**5,812.38**	**5,950.38**
Total assets		**13,181.51**	**12,284.81**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	663.54	662.93
Other equity	18	9,646.57	8,510.45
Total equity		**10,310.11**	**9,173.38**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	389.84	557.07
(ii) Lease liabilities	3(b)	7.90	5.26
(iii) Other financial liabilities	20	24.25	43.86
Deferred tax liabilities (net)	21	0.52	23.89
Total non-current liabilities		**422.51**	**630.08**
Current liabilities			
Financial liabilities			
(i) Borrowings	22	1,191.50	1,132.83
(ii) Lease liabilities	3(b)	8.40	4.79
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	23	60.02	79.67
(b) Total outstanding dues of creditors other than micro and small enterprises	23	548.95	602.46
(iv) Other financial liabilities	24	131.64	177.31
Provisions	25	108.15	86.66
Current tax liabilities (net)	26	79.71	20.23
Other current liabilities	27	320.52	377.40
Total current liabilities		**2,448.89**	**2,481.35**
Total liabilities		**2,871.40**	**3,111.43**
Total equity and liabilities		**13,181.51**	**12,284.81**

This is the Standalone Balance Sheet referred to in our report of even date.

The accompanying notes are an integral part of this standalone financial statements

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507

Place: Kolkata
Date: 30 May 2023

For and on Behalf of Board of Directors

Madan Mohan Mohanka
Chairman
DIN: 00049388

Place: Kolkata
Date: 30 May 2023

Mehul Mohanka
Managing Director
DIN: 00052134

Place: Kolkata
Date: 30 May 2023

Manjuree Rai
Company Secretary

Place: Kolkata
Date: 30 May 2023

Kaushal Sureka
DGM - Finance and Accounts

Place: Kolkata
Date: 30 May 2023

Standalone Statement of Profit and Loss for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	28	7,151.31	5,919.86
Other income	29	249.66	450.62
Total income		**7,400.97**	**6,370.48**
Expenses			
Cost of materials consumed	30	3,184.47	2,726.54
Changes in inventories of finished goods and work-in-progress	31	33.62	(72.53)
Employee benefits expense	32	668.99	539.84
Finance costs	33	98.84	79.68
Depreciation and amortisation expenses	34	183.20	207.36
Other expenses	35	1,735.84	1,651.87
Total expenses		**5,904.96**	**5,132.76**
Profit before tax		**1,496.01**	**1,237.72**
Income tax expense			
Current tax	36	379.93	256.03
Deferred tax	36	(22.12)	22.30
Total tax expense		**357.81**	**278.33**
Profit for the year (A)		**1,138.20**	**959.39**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) on post employment defined benefit plans	32.1	(4.96)	1.10
Income tax related to the above	36	1.25	(0.28)
Other comprehensive income for the year, net of tax (B)		**(3.71)**	**0.82**
Total comprehensive income for the year (A+B)		**1,134.49**	**960.21**
Earnings per equity share: (Nominal value per share ₹10/-)			
Basic	40	17.17	16.13
Diluted	40	17.08	14.40

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

The accompanying notes are an integral part of this standalone financial statements

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
Place: Kolkata
Date: 30 May 2023

For and on Behalf of Board of Directors

Madan Mohan Mohanka
Chairman
DIN: 00049388
Place: Kolkata
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Mehul Mohanka
Managing Director
DIN: 00052134
Place: Kolkata
Date: 30 May 2023

Manjuree Rai
Company Secretary

Place: Kolkata
Date: 30 May 2023

Kaushal Sureka
DGM - Finance and Accounts

Place: Kolkata
Date: 30 May 2023

Standalone Statement of Changes in Equity for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
As at 1 April 2021		576.01
Changes during the year	16	86.92
As at 31 March 2022		**662.93**
Changes during the year		
Exercise of options - proceeds received	16	0.61
As at 31 March 2023		**663.54**

B. Preference share capital

Particulars	Notes	Amount
As at 1 April 2021		86.92
Changes during the year	17	(86.92)
As at 31 March 2022		**-**
Changes during the year	17	-
As at 31 March 2023		-
As at 31 March 2023		**-**

C. Other equity

Particulars	Notes	Reserve & surplus			Share options outstanding account	Total other equity
		Securities premium	General reserve	Retained earnings		
Balance as at 1 April 2022	18	902.10	337.98	7,269.89	0.48	**8,510.45**
Exercise of options - proceeds received		1.63	-	-	-	**1.63**
Transfer within equity - exercise of options		0.06	-	-	(0.06)	**-**
Profit for the year		-	-	1,138.20	-	**1,138.20**
Other comprehensive income [net of tax]		-	-	(3.71)	-	**(3.71)**
Balance as at 31 March 2023		**903.79**	**337.98**	**8,404.38**	**0.42**	**9,646.57**

Particulars	Notes	Reserve & surplus			Share options outstanding account	Total other equity
		Securities premium	General reserve	Retained earnings		
Balance as at 1 April 2021	18	902.10	337.98	6,309.68	0.48	**7,550.24**
Profit for the year		-	-	959.39	-	**959.39**
Other comprehensive income [net of tax]		-	-	0.82	-	**0.82**
Balance as at 31 March 2022		**902.10**	**337.98**	**7,269.89**	**0.48**	**8,510.45**

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

The accompanying notes are an integral part of this standalone financial statements.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
Place: Kolkata
Date: 30 May 2023

For and on Behalf of Board of Directors

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Manjuree Rai
Company Secretary

Place: Kolkata
Date: 30 May 2023

Kaushal Sureka
DGM - Finance and Accounts

Place: Kolkata
Date: 30 May 2023

Standalone Statement of Cash Flows for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash Flow from operating Activities		
Profit before tax	1,496.01	1,237.72
Adjustments for:		
Depreciation and amortisation expenses	183.20	207.36
Finance costs	97.53	61.37
Interest income	(12.22)	(0.72)
Allowance for expected credit loss (including bad debt and advances written off)	65.71	17.04
Claims/ liquidating damages	2.13	3.14
Net fair value (gain)/ loss on investments classified at FVTPL	2.23	(226.38)
Net (gain) on sale of investments classified at FVTPL	(95.00)	(5.31)
Gain on sale of investments in subsidiary	(13.51)	-
Mark to Market (gain) on derivative instrument (net)	(50.77)	(32.34)
Derivative settlement (net)	(6.96)	36.32
(Gain)/ loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/ written off)	(0.19)	2.07
Provision for diminution in the value of investments	-	0.57
Dividend income	(5.63)	(56.25)
Provision for warranty expenses	12.68	11.34
Provision for slow moving/ non- moving and obsolete inventory	32.64	18.46
Other non cash items	(0.26)	(2.66)
Effect of unrealised exchange differences (net)	14.68	4.52
Operating profit before working capital changes	**1,722.27**	**1,276.25**
Changes in Working Capital:		
(Increase)/ decrease in Non Current/ Current financial and other assets	52.28	(369.59)
(Increase)/ decrease in Inventories	162.00	(616.92)
Increase/ (decrease) in Non Current/ Current financial and other liabilities/ provisions	(174.48)	93.58
Cash Generated from Operations	**1,762.07**	**383.32**
Income taxes paid	(323.64)	(304.02)
Net cash generated from operating activities	**1,438.43**	**79.30**
B. Cash flow from Investing Activities		
Purchase of capital assets	(344.88)	(211.54)
Sale of capital assets	5.10	4.11
Purchase of investments in subsidiaries	(656.12)	-
Proceeds from sale of investments in subsidiary	15.84	-
Loan given to a subsidiary	(182.55)	-
Payment for purchase of investments	(2,022.94)	(392.48)
Proceeds from sale of investments	1,966.66	472.00
Deposits with bank placed	(170.20)	(2.00)
Deposits with bank matured	170.20	8.14
Interest received	21.87	1.77
Dividend received from joint venture	5.63	56.25
Net cash (used in) investing activities	**(1,191.39)**	**(63.75)**

Standalone Statement of Cash Flows for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
C. Cash flow from Financing Activities		
Proceeds from issue of equity shares	2.24	-
Proceeds from long term borrowings	11.38	-
Repayment of long term borrowings	(201.68)	(155.78)
Proceeds from/ (repayment of) short term borrowings (net)	44.12	291.12
Derivative settlement (net)	6.96	(36.32)
Finance cost paid	(88.01)	(65.70)
Finance cost paid on account of lease liabilities	(2.46)	(2.39)
Repayment of lease liabilities	(9.14)	(23.53)
Net cash (used in)/ generated from financing activities	**(236.59)**	**7.40**
Net increase in cash and cash equivalents	**10.45**	**22.95**
Cash and cash equivalents at the beginning of the year (refer note 11)	29.39	6.38
Exchange differences on translation of foreign currency cash and cash equivalents	2.27	0.06
Cash and cash equivalents at the end of the year (refer note 11)	**42.11**	**29.39**

Notes:

1. The above standalone statement of cash flow has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".
2. During the year non-cash transaction from Investing and Financing Activities with respect to acquisition of Right-of-Use Assets with corresponding adjustments to Lease Liabilities ₹31.78 Mn (31 March 2022: NIL).

This is the Standalone Statement of Cash Flows referred to in our report of even date.

The accompanying notes are an integral part of this standalone financial statements

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

For and on Behalf of Board of Directors

Amitesh Dutta
Partner
Membership Number: 058507
Place: Kolkata
Date: 30 May 2023

Madan Mohan Mohanka
Chairman
DIN: 00049388
Place: Kolkata
Date: 30 May 2023

Mehul Mohanka
Managing Director
DIN: 00052134
Place: Kolkata
Date: 30 May 2023

Manjuree Rai
Company Secretary

Place: Kolkata
Date: 30 May 2023

Kaushal Sureka
DGM - Finance and Accounts

Place: Kolkata
Date: 30 May 2023

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

1. Company Information

Tega Industries Limited ("Tega" or "Company") is a public limited company incorporated in India with its registered office at Godrej Waterside, Tower-II, Office No. 807, 8th Floor, Block DP-5, Salt Lake Sector V, Bidhannagar, Kolkata – 700 091 West Bengal, India and engaged in the business of manufacturing and distribution of specialized 'critical to operate' and recurring consumable products for the global mineral beneficiation, mining and bulk solids handling industry. It was promoted by Mohanka Family in 1976 in technical and financial collaboration with Skega AB, Sweden.

The Company's equity shares are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The standalone financial statements as at 31 March 2023 present the financial position of the Company.

The standalone financials statements for the year ended 31 March 2023 were approved by the Board of Directors and authorised for issue on 30 May 2023.

2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

(i) Compliance with Ind AS

These standalone financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

(ii) Historical Cost Convention

The standalone financial statements have been prepared as going concern on accrual basis and under the historical cost convention except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);

- defined benefit plans – plan assets measured at fair value;

- share-based payments

(iii) Current versus Non Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Indian Accounting Standards (Ind AS) and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

(iv) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022.

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

2.2 Use of Estimates

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Estimates are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

2.3 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment measured at the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

Depreciation

i) Depreciation is calculated using a straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as specified by Schedule II to the Act, wherever applicable. The estimated useful lives of the property, plant and equipment have been presented below:

Class of assets	Estimated useful life (in years)
Buildings	30 - 60 years
Plant and Equipment*	3 - 15 years
Furniture and Fixtures	10 years
Vehicles	5-10 years
Office equipment	5 years
Electrical installation	10 years

*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Company believes that the useful lives as given above best represent the year over which Company expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Act.

ii) Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

The assets residual values and useful lives are reviewed by the management , and adjusted if appropriate , at the end of each reporting period.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

2.4 Intangible assets

Intangible assets are stated at cost of acquisition net of accumulated amortisation and accumulated impairment, if any. Costs associated with maintaining software programs are recognised as an expense as incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets measured at the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation

The company amortises computer software using straight- line method over the following periods:

Class of assets	Estimated useful life (in years)
Software	3 years

Research and Development Expenditure

Research expenditure and development expenditure that do not meet the criterias mentioned below are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Property, plant and equipment used in Research and Development are capitalised.

Development costs are recognised as intangible assets when the following criteria are met:

1. it is technically feasible to complete the intangible asset so that it will be available for use
2. management intends to complete the intangible asset and use or sell it
3. there is an ability to use or sell the intangible asset
4. it can be demonstrated how the intangible asset will generate probable future economic benefits
5. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
6. the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

2.5 Impairment

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

2.6 Investments in subsidiaries and joint venture

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

2.7 Financial Instruments

The financial assets are classified in the following categories:

1. financial assets measured at amortised cost,
2. financial assets measured at fair value through profit or loss (FVTPL), and
3. financial assets at fair value through other comprehensive income (FVOCI).

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow. For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss and other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Regular purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sale the financial asset.

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Company's model of managing the assets and the cash flow characteristics of the asset. There are three measurement categories in which the Company classifies its debt instruments.

Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of profit and loss and presented in other gains/(losses). The losses arising from impairment are recognised in the statement of profit and loss.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in statement of profit and loss.

Financial assets measured at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Investments in units of mutual funds are subsequently measured at FVTPL and the changes in fair value are recognised in the statement of profit and loss.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

De-recognition of financial asset

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, demand deposits with banks, other short term highly liquid investments, if any, with original maturities of three months or less that are readily convertible to known amount of cash and subject to an insignificant change in value.

Financial Liabilities

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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

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

Trade and other payables

Trade and other payables represents as current liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amount are unsecured and are usually paid within 30-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability (or a part of financial liability) is de-recognised from Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

Derivative Instruments

Derivatives are only used for economic hedging purposes and not as speculative investments. The Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts and interest rate swaps and options. The derivative contracts to hedge risks are not designated as hedges .

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Net mark to market gains/ losses on derivatives taken by the Company are recorded in other income/ expenses respectively.

2.8 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.9 Inventories

Inventories are valued at lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labours and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted-average cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Revenue Recognition

Revenue shall be recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Sale of goods

Sales are recognised when control of the products has been transferred to the buyer, being when the products are dispatched/ delivered to the customer depending on the contract terms. This occurs when the products have been shipped or delivered to the specific location as the case may be, the risk of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from contract with customers is primarily recorded at a point in time. In few contracts the Company performance does not create an asset with alternative use to the Company and the Company has concluded that it has an enforceable right to payment for performance completed to date. In the said cases, the Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time. The Company uses the input method to recognise revenue.

The Company has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Company and the transfer of goods and services to the customer.

No element of financing is deemed present as the sales are generally made with a credit term upto 180 days which is consistent with the market practice.

Revenue is recognised based on the price specified in the contract.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

Sale of services

Revenue from service contracts are recognised in the accounting period in which the services are rendered.

Some contracts include multiple deliverables, such as sale of product and certain related services. However, the services are simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on the expected cost plus margin. If contracts include the installation of product, revenue for the product is recognized at a point in time when the product is delivered, the legal title has passed and the customer has accepted the product.

A receivable is recognised when the goods are dispatched or delivered, depending on the contract terms, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract asset is recognised in respect of those performance obligations where the control of the goods has been transferred to the buyer, and only delivery of the goods is pending. In these cases the consideration is due after the shipping obligation is complete, accordingly these are classified as contract assets as the consideration is conditioned on something other than passage of time.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

The Company generally provides for warranties which are assurance-type warranties under Ind AS 115, and are accounted for under Ind AS 37, Contingent Liabilities and Contingent Assets.

2.11Other Income

Interest: Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend: Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in statement of profit and loss when the right to receive payment is established.

2.12 Government Grants

(i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

(ii) Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

2.13 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

2.14 Foreign Currencies Translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Tega Industries Limited's functional and presentation currency.

Initial Recognition: On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition: Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

2.15 Employee Benefits

a) Short-term Employee Benefits:

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

b) Defined contribution plans

Provident Fund

This is a defined contribution plan for certain employees and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to the statement of profit and loss in the period in which the related employee services are rendered. The Company has no further obligations for future Provident Fund benefits other than its monthly contributions.

Superannuation Fund

This is a defined contribution plan. The Company contributes a certain percentage of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees. The Company has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

c) Defined benefit plans

Gratuity

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

d) Other long-term employee benefits:

Compensated absences

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

e) Share based payments

Share-based compensation benefits are provided to employees via the Tega Industries Limited Employee Stock Option Scheme namely ESOP Scheme 2011. Employees of the Company receive remuneration in the form of share based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Employee Stock Options Outstanding Account in equity, over the period in which the performance and/or service conditions are fulfilled, in Employee Benefit Expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.16 Current and Deferred Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.17 Provision and Contingent Liabilities

The Company recognises a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. However, provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or there is a present obligation, reliable estimate of the amount of which cannot be made. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Provision for warranty

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure.

2.18 Earnings per Share

Basic earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The executive committee (which consist of Chairman, Managing Director & Chief Executive Officer, Head Product Management Group and Global Marketing, Head Global Operations, Head Global Finance (Chief Financial Officer), Head Human Resource and Company Secretary) has been identified as the chief operating decision maker ('CODM') (Refer note 42).

2.20 Leases

The Company as lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentive received, any initial direct costs and restoration costs.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the Statement of profit and loss.

Lease liability is measured at the present value of the following lease payments.

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Tega Industries Limited, which does not have recent third party financing
- makes adjustments specific to the lease, e.g. term, country, currency and security

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company entities use that rate as a starting point to determine the incremental borrowing rate.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Payment made towards leases for which non-cancellable term is 12 months or lesser (short-term leases) and low value leases are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

2.21 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.22 Exceptional items

When items of income and expenses within statement of profit and loss from ordinary activities are of as such size, nature and or incidence that there disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

2.23 Rounding of Amounts

All amounts disclosed in the Financial Statements and notes have been rounded off to the nearest millions (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

2A Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

(i) Estimation of defined benefit obligation - Note 32.1

The estimate requires the Company to make assumptions regarding variable such as discount rate and salary growth rate. Change in these key assumptions can have significant impact on the defined benefit obligation.

(ii) Impairment of Investments in Subsidiaries - Note 4

Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management estimates the future cash flows, operating margins, growth rates, discount rates of the underlying business/ operations of the subsidiaries to determine the value using the discounted cash flow model.

(iii) Impairment of Property, Plant and Equipment - Note 2.5, 3(a) and 3(d)

The Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value which involve estimates and judgements.

(iv) Useful lives of property, plant and equipment and intangible assets - Note 2.3, 3(a) and 3(d)

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. Uncertainties in these estimates relates to technical and economic obsolescence that may change the useful life of property, plant and equipment and intangible assets. This reassessment may result in change in depreciation and amortisation expense in future periods.

(v) Fair value measurements of financial instruments - Note 38

This includes financial assets and liabilities, measured using inputs other than quoted prices that are observable for assets and liability, either directly as prices or indirectly derived from prices which involves estimates and judgements. This majorly includes derivative contracts.

(vi) Expected credit loss for trade receivables

Refer note 2.7, 10(a) and 39A(i) for details of critical estimates in expected credit loss for financial instruments carried at amortised cost.

(vii) Critical judgement in determining the lease term - Note 3(b)

The Company determines the lease term on the basis of termination and renewal options in various lease contracts where the Company applies its judgement.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the Standalone Financial Statements as at and for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 3(a) Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2022	Additions during the year	Disposals/ adjustments during the year	As at 31 March 2023	As at 1 April 2022	For the year	Disposals/ adjustments during the year	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Tangible Assets										
(a) Land	59.40	1.55	-	60.95	2.25	0.36	-	2.61	58.34	57.15
(b) Buildings	637.54	5.80	-	643.34	133.36	21.84	-	155.20	488.14	504.18
(c) Plant and Equipment	1,489.91	293.29	(28.26)	1,754.94	1,029.92	126.38	(25.68)	1,130.62	624.32	459.99
(d) Furniture and Fixtures	41.85	0.83	(7.27)	35.41	28.11	6.56	(6.81)	27.86	7.55	13.74
(e) Vehicles	47.34	25.37	(9.91)	62.80	21.29	7.92	(8.06)	21.15	41.65	26.05
(f) Office Equipment	38.79	2.27	(0.22)	40.84	18.72	1.74	(0.21)	20.25	20.59	20.07
(g) Electrical Installation	12.32	0.73	-	13.05	2.77	0.99	-	3.76	9.29	9.55
Total	**2,327.15**	**329.84**	**(45.66)**	**2,611.33**	**1,236.42**	**165.79**	**(40.76)**	**1,361.45**	**1,249.88**	**1,090.73**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2021	Additions during the year	Disposals/ adjustments during the year	As at 31 March 2022	As at 1 April 2021	For the year	Disposals/ adjustments during the year	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Tangible Assets										
(a) Land	59.40	-	-	59.40	1.58	0.67	-	2.25	57.15	57.82
(b) Buildings	608.53	29.01	-	637.54	108.80	24.56	-	133.36	504.18	499.73
(c) Plant and Equipment	1,355.31	134.60	-	1,489.91	890.91	139.01	-	1,029.92	459.99	464.40
(d) Furniture and Fixtures	40.00	2.67	(0.82)	41.85	23.17	5.54	(0.60)	28.11	13.74	16.83
(e) Vehicles	52.87	4.82	(10.35)	47.34	19.24	8.07	(6.02)	21.29	26.05	33.63
(f) Office Equipment	28.88	16.40	(6.49)	38.79	21.60	1.98	(4.86)	18.72	20.07	7.28
(g) Electrical Installation	3.49	8.83	-	12.32	2.37	0.40	-	2.77	9.55	1.12
Total	**2,148.48**	**196.33**	**(17.66)**	**2,327.15**	**1,067.67**	**180.23**	**(11.48)**	**1,236.42**	**1,090.73**	**1,080.81**

Note:

(i) Refer note 19 and 22 for Property, plant and equipment pledged as security.

(ii) Contractual obligations

Refer note 43B(ii) for disclosure of capital commitments for the acquisitions of Property, plant and equipment.

(iii) No proceedings have been initiated on or are pending against the company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder.

(iv) Title deeds of all the immovable properties are held in the name of the Company.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note 3(b): Right-of-Use Assets

a) The Company as a lessee

The Company's significant leasing arrangements include assets dedicated for use under long-term arrangements, lease of land, office space, equipment, vehicles and some IT equipment. Lease of Land have lease term of 60 years, leases of plant and equipment and office equipments have lease terms between 2 to 5 years, while offices and guest houses generally have lease terms between 12 months to 60 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The Company also has certain leases of offices and guest houses with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases. For leases recognised under long term arrangements involving use of a dedicated asset, non-lease components are excluded based on the underlying contractual terms and conditions.

(b) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2023	As at 31 March 2022
Right-of-Use Assets		
Land [Refer (i) below]	80.79	82.40
Building	223.13	217.98
Plant and Equipment	-	0.13
Office Equipment	2.33	6.25
Total	**306.25**	**306.76**

Note (i): Refer note 19 and 22 for Right-of-Use land pledged as security.

Particulars	As at 31 March 2023	As at 31 March 2022
Lease Liabilities		
Current	8.40	4.79
Non-Current	7.90	5.26
Total	**16.30**	**10.05**

c) Following are the changes in carrying value of right-of-use assets:

Particulars	Right-of-Use Land	Right-of-Use Buildings	Right-of-Use Plant and Equipment	Right-of-Use Office Equipment	Total Right-of-Use Assets
Balance as at 1 April 2022 (At cost)	**87.44**	**221.07**	**0.54**	**15.03**	**324.08**
Additions during the year	-	31.78	-	-	31.78
Assets disposed/ discarded during the year	-	(18.19)	-	-	(18.19)
Balance as at 31 March 2023 (At cost)	**87.44**	**234.66**	**0.54**	**15.03**	**337.67**
Accumulated depreciation as at 1 April 2022	**5.04**	**3.09**	**0.41**	**8.78**	**17.32**
Charge for the year #	1.61	10.53	0.13	3.92	16.19
Assets disposed/ discarded during the year	-	(2.09)	-	-	(2.09)
Accumulated depreciation as at 31 March 2023	**6.65**	**11.53**	**0.54**	**12.70**	**31.42**
Carrying amount as at 31 March 2023	**80.79**	**223.13**	**-**	**2.33**	**306.25**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note 3(b): Right-of-Use Assets (Contd.)

Particulars	Right-of-Use Land	Right-of-Use Buildings	Right-of-Use Plant and Equipment	Right-of-Use Office Equipment	Total Right-of-Use Assets
Balance as at 1 April 2021 (At cost)	**87.44**	**303.65**	**4.47**	**15.03**	**410.59**
Additions during the year	-	-	-	-	-
Assets disposed/ discarded during the year	-	(82.58)	(3.93)	-	(86.51)
Balance as at 31 March 2022 (At cost)	**87.44**	**221.07**	**0.54**	**15.03**	**324.08**
Accumulated depreciation as at 1 April 2021	**3.36**	**61.30**	**3.29**	**4.88**	**72.83**
Charge for the year #	1.68	18.54	1.05	3.90	25.17
Assets disposed/ discarded during the year	-	(76.75)	(3.93)	-	(80.68)
Accumulated depreciation as at 31 March 2022	**5.04**	**3.09**	**0.41**	**8.78**	**17.32**
Carrying amount as at 31 March 2022	**82.40**	**217.98**	**0.13**	**6.25**	**306.76**

Included under depreciation and amortisation expenses (refer note 34)

d) Following are the changes in carrying value of lease liabilities:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	10.05	41.90
Additions during the year	31.78	-
Finance costs during the year	2.46	2.39
Lease terminated during the year	(16.39)	(8.23)
Rent waiver on lease liabilities	-	(0.09)
Lease payments during the year	(11.60)	(25.92)
Closing balance	**16.30**	**10.05**

e) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation charge of right-of-use assets (refer note 34)	16.19	25.17
Interest expense (refer note 33)	2.46	2.39
Expenses relating to short-term leases and leases of low-value assets (refer note 35)	12.33	3.17
Closing balance	**30.98**	**30.73**

f) The Company had a total cash outflow of ₹11.60 Mn for leases for the year ended 31 March 2023 (31 March 2022: ₹25.92 Mn)

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note 3(b): Right-of-Use Assets (Contd.)

g) Extension and termination options

Extension and termination options are included in the Company's lease contracts. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. In majority of the lease contracts, the extension and termination options held are exercisable by mutual consent of both the lessor and the lessee and in few contracts, the option to terminate the lease is with lessee only. For determining the lease term land, plant & machinery, office space and office equipments, the following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Company has entered into a Long-term lease for an office space which contains further renewal options and only the company can terminate the lease giving 6 months notice. Considering the above factors, the termination option with the company and the expected period of use, the lease term has been determined as 60 years which is shorter than the contractual duration.

h) Residual value guarantees

There are no residual value guarantees in relation to any lease contracts.

i) The Company has entered into 36 months leave and license agreements for five office spaces at various locations. These agreements are pending for registration under the Registration Act, 1908.

Note 3(c): Capital work in progress

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	51.66	48.91
Addition during the year	212.01	118.86
Capitalisation/ adjustment during the year	(180.34)	(116.11)
Closing balance	**83.33**	**51.66**

Notes:

(a) Capital work in progress ageing schedule:

(i) As at 31 March 2023

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	81.13	0.95	0.42	0.83	83.33
Projects temporarily suspended	-	-	-	-	-
Total	**81.13**	**0.95**	**0.42**	**0.83**	**83.33**

(ii) As at 31 March 2022

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	37.03	13.00	1.50	0.13	51.66
Projects temporarily suspended	-	-	-	-	-
Total	**37.03**	**13.00**	**1.50**	**0.13**	**51.66**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note 3(c): Capital work in progress (Contd.)

(b) Capital work in Progress for which completion is overdue or has exceeded its costs compared to its original plan:

(i) As at 31 March 2023

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CRM Process Transformation	12.00	-	-	-	12.00
Automation Module Industry 4.0	21.46	-	-	-	21.46
Roof shed life line building	1.38	-	-	-	1.38
Boundary Wall	7.29	-	-	-	7.29
Daylight modification 6000T press	15.62	-	-	-	15.62
Desma Machine	10.61	-	-	-	10.61
Others	1.53	-	-	-	1.53
Total	**69.89**	**-**	**-**	**-**	**69.89**

(ii) As at 31 March 2022

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Toluene Storage Tank	1.46	-	-	-	1.46
Banbury RAM Cylinder	5.08	-	-	-	5.08
Boiler and Boiler feed water tank	11.42	-	-	-	11.42
Replacement of Autoclave 3m Diameter	8.93	-	-	-	8.93
Shop Floor Office for Fabrication Shop	0.13	-	-	-	0.13
Heating Oven	0.09	-	-	-	0.09
EOT Overhauling	0.08	-	-	-	0.08
Semi Goliath Crane 5T	8.19	-	-	-	8.19
Hardox Preheating Oven	2.97	-	-	-	2.97
Total	**38.35**	**-**	**-**	**-**	**38.35**

Notes to the Standalone Financial Statements as at and for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 3(d) Intangible assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2022	Additions during the year	Disposals/ adjustments during the year	As at 31 March 2023	As at 1 April 2022	For the year	Disposals/ adjustments during the year	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Intangible Assets										
Computer Software	29.70	-	-	29.70	26.58	1.22	-	27.80	1.90	3.12
Total	**29.70**	**-**	**-**	**29.70**	**26.58**	**1.22**	**-**	**27.80**	**1.90**	**3.12**

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2021	Additions during the year	Disposals/ adjustments during the year	As at 31 March 2022	As at 1 April 2021	For the year	Disposals/ adjustments during the year	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Intangible Assets										
Computer Software	28.05	1.65	-	29.70	24.62	1.96	-	26.58	3.12	3.43
Total	**28.05**	**1.65**	**-**	**29.70**	**24.62**	**1.96**	**-**	**26.58**	**3.12**	**3.43**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 4 Investment in subsidiaries and joint venture

Particulars	As at 31 March 2023	As at 31 March 2022
A. Investments in Equity Instruments		
Unquoted		
(i) Investment in subsidiaries		
Tega Industries, Inc.	9.52	9.52
2,000 (31 March 2022: 2,000) fully paid common shares of USD 100 each		
Tega Industries Australia Pty. Ltd.	2.31	2.31
85,000 (31 March 2022: 85,000) fully paid ordinary shares of AUD 1 each		
Tega Investments Limited	-	2.32
Nil (31 March 2022: 50,000) fully paid ordinary shares of USD 1 each		
Tega Industries Canada Inc	1.96	1.96
50,000 (31 March 2022: 50,000) fully paid common shares of CAD 1 each		
Tega Do Brasil Servicos Technicos Ltda*	-	-
450,497 (31 March 2022: 450,497) fully paid common shares of BRL 1 each		
Tega Holdings Pte Limited	4,504.18	4,504.18
100,280 (31 March 2022: 100,280) fully paid ordinary shares of SGD 1 each (refer note below)		
McNally Sayaji Engineering Limited (Refer note 47)	656.13	-
65,669,077 (31 March 2022: Nil) fully paid equity shares of ₹10 each		
(ii) Investment in Joint Venture		
Hosch Equipment (India) Limited		
112,500 (31 March 2022: 112,500) fully paid equity shares of ₹10 each	150.07	150.07
Total	**5,324.17**	**4,670.37**

* fully impaired

Aggregate amount of unquoted investments	5,324.17	4,670.37
Aggregate amount of impairment in the value of investments	10.17	10.17

Note:

(i) During the year ended 31 March 2022, 595,250 numbers of 3% Optionally Convertible Redeemable Preference Shares of USD 100 each invested in Tega Holdings Pte Limited, a wholly owned subsidiary of the company was converted into 87,930 number of ordinary shares.

(ii) Refer note 50(j) for investments made during the year.

(iii) During the year ended 31 March 2023, the Company carried out an impairment assessment in view of the subsidiary net-worth being less than the carrying amount of the investment.

The recoverable value of investments held in Tega Holdings Pte Limited, a wholly owned subsidiary of the Company is, inter alia, dependent on the operational and financial performance of Tega Industries Africa Proprietary Limited, Tega Industries Chile SpA and Losugen Pty Ltd. The recoverable amount is computed using discounted cash flow model with cash flow projections for the next financial year based on management estimates and forecasts for next four years. Cash Flows beyond these periods are extrapolated using estimated growth rates.

The projections are based on both past performance and the expectations of future performance and assumptions therein. The Company estimates discount rates using post-tax rates that reflect the current market rates adjusted to company specific risk relating to the relevant segments and countries in which they operate. The weighted average post-tax discount rates used for discounting the cash flows projections is in the range of 11.00%- 18.60% (31 March 2022: 11.00%-16.80%). Beyond the specifically forecasted period, a growth rate of 3.00% (31 March 2022: 2.50%- 3.00 %.) is used to extrapolate the cash flow projections. This rate does not exceed the average long-term growth rate for the relevant markets.

The Company has also conducted sensitivity analysis on the impairment tests including sensitivity in respect of key assumptions being growth rate, discount rates etc. The management believes that no reasonably possible change in any of the key assumptions used in the assessment would cause the carrying value of investments to exceed its recoverable value.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 5 Other financial assets - non current

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good (Unless otherwise stated)		
Security deposits	8.67	7.89
Derivative assets	59.59	65.13
Other bank balances		
In deposit account	0.04	-
Total	**68.30**	**73.02**

Note: 6 Current tax assets (net) - non current

Particulars	As at 31 March 2023	As at 31 March 2022
Advance Tax [net of provision for income tax of ₹1,601.22 Mn (31 March 2022: ₹1,601.22 Mn)]	119.77	119.77
Total	**119.77**	**119.77**

Note: 7 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Prepaid expenses	5.91	0.77
Capital advances	16.52	18.23
Total	**22.43**	**19.00**

Note: 8 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials [Includes Goods in transit ₹8.72 Mn (31 March 2022: ₹61.95 Mn)]	909.40	1,085.14
Work-in-progress	125.09	157.94
Finished goods	337.46	338.23
Stores and spares [Includes Goods in transit ₹0.84 Mn (31 March 2022: ₹3.45 Mn)]	112.91	98.20
Total	**1,484.86**	**1,679.51**

Notes: -

i) The Company has expensed inventory of ₹32.64 Mn (31 March 2022: ₹18.46 Mn) for writing down the value of inventories towards slow moving, non-moving and obsolete inventory.

ii) The mode of valuation of inventories has been stated in note 2.9.

iii) Inventories amounting to ₹1,484.86 Mn (31 March 2022: ₹1,679.51 Mn) have been pledged to secure borrowings of the company (refer note 19 and note 22).

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 9 Investments - current

Particulars	As at 31 March 2023	As at 31 March 2022
I. Measured at FVTPL		
Investments in Mutual Funds		
Quoted		
ICICI Prudential Fixed Maturity Plan Series 85-1156 days - Direct Plan - Growth	-	63.22
NIL units (31 March 2022: 5,000,000 units)		
IDFC Fixed term Plan Series 177 - 1160 days - Direct Plan - Growth	-	88.82
NIL units (31 March 2022: 7,000,000 units)		
Mirae Asset Fixed Maturity Plan Series III-1122 days - Direct Plan - Growth	-	37.62
NIL units (31 March 2022: 3,000,000 units)		
	-	**189.66**
Unquoted		
Aditya Birla Sun Life Corporate Bond Fund - Direct Plan - Growth	128.27	79.07
1,341,644 units (31 March 2022: 866,995 units)		
Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	-	72.43
NIL units (31 March 2022: 242,320 units)		
Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund - Direct Plan - Growth	52.74	-
5,038,568 units (31 March 2022: NIL units)		
Aditya Birla Sun Life Banking & PSU Debt Fund - Direct Plan - Growth	48.57	46.40
152,462 units (31 March 2022: 152,462 units)		
Axis Short Term Fund - Direct Plan - Growth	211.54	163.07
7,548,504 units (31 March 2022: 6,111,231 units)		
Axis Treasury Advantage Fund - Direct Plan - Growth	-	50.56
NIL units (31 March 2022: 19,522 units)		
Axis Crisil IBX SDL May 2027 Index Fund - Direct Plan - Growth	33.26	-
3,215,316 units (31 March 2022: NIL units)		
Axis Banking & PSU Debt Fund - Direct Plan - Growth	30.28	-
13,233 units (31 March 2022: NIL units)		
Bandhan Low Duration Fund - Direct Plan - Growth (Erstwhile IDFC Low Duration Fund - Direct Plan - Growth)	28.32	26.95
845,823 units (31 March 2022: 845,823 units)		
Bandhan Corporate Bond Fund - Direct Plan - Growth (Erstwhile IDFC Corporate Bond Fund - Direct Plan - Growth)	90.51	87.45
5,451,773 units (31 March 2022: 5,451,773 units)		
Bandhan Bond Fund - Short Term - Direct Plan - Growth (Erstwhile IDFC Bond Fund - Short Term - Direct Plan - Growth)	35.63	34.21
698,262 units (31 March 2022: 698,262 units)		
Bharat Bond FOF - April 2023 Fund - Direct Plan - Growth	31.44	-
2,572,814 units (31 March 2022: NIL units)		
DSP Low Duration Fund - Direct Plan - Growth	16.85	16.02
973,263 units (31 March 2022: 973,263 units)		
DSP Savings Fund - Direct Plan - Growth	-	0.13
NIL units (31 March 2022: 2,924 units)		
DSP Ultra Short Fund - Direct Plan - Growth	-	56.47
NIL units (31 March 2022: 19,062 units)		
DSP Banking & PSU Debt Fund - Direct Plan - Growth	35.71	34.25
1,715,129 units (31 March 2022: 1,715,129 units)		
HDFC Corporate Bond Fund - Direct Plan - Growth	88.26	84.63

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 9 Investments - current (Contd.)

Particulars	As at 31 March 2023	As at 31 March 2022
3,195,709 units (31 March 2022: 3,195,709 units)		
ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	-	136.41
NIL units (31 March 2022: 5,705,071 units)		
ICICI Prudential Short Term Fund - Direct Plan - Growth	61.65	57.88
1,133,953 units (31 March 2022: 1,133,953 units)		
ICICI Prudential Savings Fund - Direct Plan - Growth	-	30.42
NIL units (31 March 2022: 69,502 units)		
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	35.04	-
1,346,092 units (31 March 2022: NIL units)		
Kotak Corporate Bond Fund - Direct Plan - Growth	140.85	101.18
42,991 units (31 March 2022: 32,296 units)		
Kotak Savings Fund - Direct Plan - Growth	-	63.99
NIL units (31 March 2022: 1,776,117 units)		
Kotak Banking and PSU Debt Fund - Direct Plan - Growth@	61.18	58.39
1,075,722 units (31 March 2022: 1,075,722 units)		
Kotak Bond Short Term Plan - Direct Plan - Growth@	60.91	58.32
1,276,236 units (31 March 2022: 1,276,236 units)		
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund - Direct Plan - Growth	73.54	-
7,092,638 units (31 March 2022: NIL units)		
Mirae Asset Dynamic Bond Fund - Direct Plan - Growth	10.00	-
672,163 units (31 March 2022: NIL units)		
Mirae Asset Nifty SDL Jun 2027 Index Fund - Direct Plan - Growth	88.30	-
8,526,590 units (31 March 2022: NIL units)		
Nippon India Banking & PSU Debt Fund - Direct Plan - Growth	208.19	141.69
11,556,011 units (31 March 2022: 8,211,606 units)		
Nippon India Money Market Fund - Direct Plan - Growth	-	21.10
NIL units (31 March 2022: 6,296 units)		
SBI Banking and PSU Fund - Direct Plan - Growth@	138.73	133.38
49,992 units (31 March 2022: 49,992 units)		
SBI Corporate Bond Fund - Direct Plan - Growth	35.00	-
2,626,294 units (31 March 2022: NIL units)		
UTI Banking & PSU Debt Fund - Direct Plan - Growth	35.04	-
1,867,741 units (31 March 2022: NIL units)		
UTI Crisil SDL Maturity June 2027 Index Fund - Direct Plan - Growth	58.31	-
5,739,008 units (31 March 2022: NIL units)		
II. Measured at Amortised Cost		
Unquoted		
Investments in Perpetual Bond		
ICICI Bank Limited - 9.90% - Series DDE 18AT (with call option on 28 December 2023) (face value ₹1 million)	51.93	-
	1,890.05	**1,554.40**
Total	**1,890.05**	**1,744.06**

@ Marked under lien in favour of lenders for stand-by letter of credit given by the Company to secure the financial assistance extended to subsidiary company as at 31 March 2023 and 31 March 2022

Aggregate amount of quoted investments	-	189.66
Aggregate market value of quoted investments	-	189.66
Aggregate amount of unquoted investments	1,890.05	1,554.40

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 10(a) Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Unsecured, considered good	2,086.29	1,951.93
(b) Credit impaired	85.31	39.48
	2,171.60	**1,991.41**
Less: Allowance for credit losses	(117.07)	(51.56)
Net trade receivables	**2,054.53**	**1,939.85**

Notes:

(a) Provision for expected credit loss

In determination of the allowance for credit losses on receivables, the Company has used the practical expedient by computing the expected credit losses based on provision matrix, which has taken into account historical credit loss experience and adjusted for forward looking information. Company also analyses all its receivables periodically for recoverability assessment and wherever they have analysed that the receivable may be credit impaired on account of non recoverability, loss allowance on such receivables have been provided in full.

Details of allowances for expected credit loss are provided hereunder :-

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
At the beginning of the year	51.56	41.63
Provision created during the year (a)	62.37	9.93
Adjustments	3.14	-
Closing at the end of the year	**117.07**	**51.56**
Bad debts and advances written off (b)	3.34	7.11
Total charges to standalone statement of profit and loss (a+b)	65.71	17.04

(b) Trade receivables ageing schedule:

(i) As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Undisputed - considered good	1,198.21	656.05	176.81	44.71	10.51	-	2,086.29
(b) Undisputed - credit impaired	-	0.07	4.69	5.32	61.62	13.61	85.31
(c) Disputed - considered good	-	-	-	-	-	-	-
(d) Disputed - credit impaired	-	-	-	-	-	-	-
Total	**1,198.21**	**656.12**	**181.50**	**50.03**	**72.13**	**13.61**	**2,171.60**
Less: Allowance for credit impaired	-	0.07	4.69	5.32	61.62	13.61	85.31
Net trade receivables before credit losses	**1,198.21**	**656.05**	**176.81**	**44.71**	**10.51**	**-**	**2,086.29**
Expected loss rate	1.79%	1.05%	1.18%	2.72%	1.25%	-	
Less: Allowance for credit losses	21.43	6.89	2.09	1.22	0.13	-	31.76
Net trade receivables	**1,176.78**	**649.16**	**174.72**	**43.49**	**10.38**	**-**	**2,054.53**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 10(a) Trade receivables (Contd.)

(ii) As at 31 March 2022

Particulars	Outstanding from following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Undisputed - considered good	830.71	901.45	89.37	105.49	22.27	2.64	1,951.93
(b) Undisputed - credit impaired	-	-	0.45	21.71	4.18	13.14	39.48
(c) Disputed - considered good	-	-	-	-	-	-	-
(d) Disputed - credit impaired	-	-	-	-	-	-	-
Total	**830.71**	**901.45**	**89.82**	**127.20**	**26.45**	**15.78**	**1,991.41**
Less: Allowance for credit impaired	-	-	0.45	21.71	4.18	13.14	39.48
Net trade receivables before credit losses	**830.71**	**901.45**	**89.37**	**105.49**	**22.27**	**2.64**	**1,951.93**
Expected loss rate	0.52%	0.68%	0.88%	0.65%	0.81%	-	
Less: Allowance for credit losses	4.33	6.09	0.79	0.69	0.18	-	12.08
Net trade receivables	**826.38**	**895.36**	**88.58**	**104.80**	**22.09**	**2.64**	**1,939.85**

(c) There are no outstanding receivables due from directors or other officers of the Company.

(d) Trade receivables amounting to ₹2,054.53 Mn (31 March 2022: ₹1,939.85 Mn) have been pledged to secure borrowings of the company. (refer note 19 and note 22).

(e) Refer note 37 for receivables from related parties.

(f) There is one customer other than a subsidiary contributing more than 10% of the total outstanding receivables as at 31 March 2023 (31 March 2022: None)

Note: 10(b) Contract assets

Particulars	As at 31 March 2023	As at 31 March 2022
Contract assets	35.31	144.95
Total	**35.31**	**144.95**

<u>Notes</u>:

(a) Contract assets amounting to ₹35.31 Mn (31 March 2022: ₹144.95 Mn) have been pledged to secure borrowings of the company (refer note 19 and note 22).

(b) Refer note 37 for receivables from related parties.

(c) Significant changes in contract assets:

Contract assets have decreased as the Company has provided fewer services ahead of the agreed payment schedules for fixed-price contracts.

Note: 11 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Cash on hand	0.41	1.15
Balances with banks		
In current accounts	41.70	28.24
Total	**42.11**	**29.39**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 12 Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Other bank balances		
In deposit account *	7.33	7.06
Total	**7.33**	**7.06**

*Lodged as security against bank guarantee NIL (31 March 2022: ₹0.74 Mn)

Note: 13(a) Loans - non current

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loans to subsidiaries	193.10	-
Total	**193.10**	**-**

Notes:

(i) Loans outstanding from subsidiaries as on 31 March 2023:

Particulars	Debts outstanding as at 31 March 2023	Maximum balance outstanding during the year
Loans to subsidiaries		
(1) Tega Holdings Pte Limited	193.10	193.10
(interest rate 3 months SOFR+240 points; tenure 36 months)		
(2) Tega Equipments Private Limited *	-	655.69

*Tega Equipments Private Limited has got merged into McNally Sayaji Engineering Limited on 29 March 2023 (refer note 47).

(ii) Refer note 50(j) for loan given during the year.

Note: 13(b) Loans - current

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loan to employees	0.58	0.32
Total	**0.58**	**0.32**

Notes:

(a) There are no outstanding loans due from directors or other officers of the Company.

(b) There are no loans and advances in the nature of loans granted to promoters, directors, KMPs, and the related parties (as defined under Companies Act, 2013) or other parties (including employees) either severely or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment during the current or previous year. Loans granted to employees are unsecured in nature and are interest free. In respect of these loans, the schedule of repayment of principal amount has been stipulated and the employees are repaying the principal amount as stipulated in a regular manner. The terms and conditions under which these loans were granted are not prejudicial to the interest of the Company.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 14 Other financial assets - current

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Security deposits	39.80	36.23
Interest receivable	0.73	6.83
Derivative asset	48.20	26.31
Other receivables*	-	66.91
Accruals under duty drawback	2.48	1.91
Total	**91.21**	**138.19**

* Represents amount recoverable from selling shareholders on account of initial public offer expenses incurred by the Company on behalf of the selling shareholders. As on 31 March 2022 the said amount was lying in the Cash Escrow Account opened for the purpose of the initial public offer, which has been recovered in current year.

Note: 15 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Accruals under other export incentives	21.24	85.23
Balance with government authorities	96.40	109.47
Advance to suppliers	59.17	54.11
Prepaid expenses	16.00	16.15
Employee advances	13.59	2.09
Total	**206.40**	**267.05**

Note: 16 Equity share capital

(a) Authorised share capital

Particulars	Number of shares	Amount
As at 1 April 2021	70,000,000	700.00
Changes during the year	-	-
As at 31 March 2022	**70,000,000**	**700.00**
Changes during the year	-	-
As at 31 March 2023	**70,000,000**	**700.00**

(b) Issued, Subscribed and fully Paid -up Shares

Particulars	Number of shares	Amount
As at 1 April 2021	57,600,868	576.01
Changes during the year	8,692,281	86.92
As at 31 March 2022	**66,293,149**	**662.93**
Changes during the year		
Exercise of options - proceeds received (refer note 46)	60,963	0.61
As at 31 March 2023	**66,354,112**	**663.54**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 16 Equity share capital (Contd.)

(c) Equity shares held by holding company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No.	% holding	No.	% holding
Equity Shares:				
Nihal Fiscal Services Private Limited	36,553,153	55.09%	36,553,153	55.14%

(d) Details of the shareholders holding more than 5% of equity shares of the Company

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No.	% holding	No.	% holding
Equity shares:				
Nihal Fiscal Services Private Limited, the Holding Company	36,553,153	55.09%	36,553,153	55.14%
Mr. Madan Mohan Mohanka	5,348,502	8.06%	5,348,502	8.07%
Mr. Manish Mohanka	7,278,925	10.97%	7,278,925	10.98%

(e) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having par value of ₹10/-. Each equity shareholder is entitled to vote in the same proportion as the equity capital paid (whether fully paid or partly paid) held by the shareholder bears to the total paid up equity capital of the company. Each equity shareholder is entitled to dividend in proportion of the amount paid up as and when the company declares and pays dividend after obtaining shareholders' approval. Dividends are paid in Indian Rupees. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(f) Shares reserved for issue under options

Pursuant to approved employee stock option scheme 2011, the Company has granted 498,628 nos of employees stock options of which 60,963 (31 March 2022: NIL) of the options have been exercised (also refer note 46).

(g) Shares held by the promoters and promoter group

Name of the Promoters	As at 31 March 2023		
	Number of Shares	% of Total Shares	% change during the period
Equity shares:			
Promoters			
Mr. Madan Mohan Mohanka	5,348,502	8.06%	(0.01%)
Mr. Mehul Mohanka	2,003,315	3.02%	(0.00%^)
Mr. Manish Mohanka	7,278,925	10.97%	(0.01%)
Nihal Fiscal Services Private Limited, the Holding Company	36,553,153	55.09%	(0.05%)
Promoter Group			
Marudhar Food and Credit Limited	1,300,000	1.96%	(0.00%^)

^Amount is below the rounding off norm adopted by the Company

Note:

The change in shareholding is on account of fresh issue of equity shares due to exercise of options.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 16 Equity share capital (Contd.)

Name of the Promoters	As at 31 March 2022		
	Number of Shares	% of Total Shares	% change during the period
Equity shares:			
Promoters			
Mr. Madan Mohan Mohanka	5,348,502	8.07%	(10.41%)
Mr. Mehul Mohanka	2,003,315	3.02%	3.02%
Mr. Manish Mohanka	7,278,925	10.98%	(2.81%)
Mehul Mohanka (HUF)	-	-	(0.03%)
Nihal Fiscal Services Private Limited, the Holding Company	36,553,153	55.14%	(8.32%)
Promoter Group			
Marudhar Food and Credit Limited	1,300,000	1.96%	(0.30%)

(h) No equity shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

Note: 17 Preference share capital

(a) Authorised share capital

Compulsorily Convertible Participatory Preference shares

Particulars	Number of shares	Amount
As at 1 April 2021	10,000,000	100.00
Changes during the year	-	-
As at 31 March 2022	**10,000,000**	**100.00**
Changes during the year	-	-
As at 31 March 2023	**10,000,000**	**100.00**

Redeemable Preference shares

Particulars	Number of shares	Amount
As at 1 April 2021	25,000,000	250.00
Changes during the year	-	-
As at 31 March 2022	**25,000,000**	**250.00**
Changes during the year	-	-
As at 31 March 2023	**25,000,000**	**250.00**

(b) Issued, Subscribed and fully Paid -up Shares

Compulsorily Convertible Participatory Preference shares

Particulars	Number of shares	Amount
As at 1 April 2021	8,692,281	86.92
Changes during the year	(8,692,281)	(86.92)
As at 31 March 2022	**-**	**-**
Changes during the year	-	-
As at 31 March 2023	**-**	**-**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 17 Preference share capital (Contd.)

(c) Preference shares are yet to be issued and are included above for disclosure purpose only. Classification of the preference shares as equity or liability will be determined at the time they are issued.

(d) No preference shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

Note: 18 Other equity

Particulars	Refer following items	As at 31 March 2023	As at 31 March 2022
Securities premium	(i)	903.79	902.10
General reserve	(ii)	337.98	337.98
Retained earnings	(iii)	8,404.38	7,269.89
Share options outstanding account	(iv)	0.42	0.48
Total		**9,646.57**	**8,510.45**

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Securities premium		
Balance at the beginning of the year	902.10	902.10
Exercise of options - proceeds received	1.63	-
Transfer within equity - exercise of options	0.06	-
Balance at the end of the year	**903.79**	**902.10**
(ii) General reserve		
Balance at the beginning and end of the year	**337.98**	**337.98**
(iii) Retained earnings		
Balance at the beginning of the year	7,269.89	6,309.68
Profit for the year	1,138.20	959.39
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(3.71)	0.82
Balance at the end of the year	**8,404.38**	**7,269.89**
(iv) Share options outstanding account		
Balance at the beginning of the year	0.48	0.48
Transfer within equity - exercise of options	(0.06)	-
Balance at the end of the year	**0.42**	**0.48**
Total	**9,646.57**	**8,510.45**

Nature and purpose of other reserves

(i) Securities premium

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

(ii) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 18 Other equity (Contd.)

(iii) Retained earnings

Retained Earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

(iv) Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under the Company's Employee stock option plan (refer note 46).

Note: 19 Borrowings - non current

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Foreign currency term loan* [Refer (a) and (b) below]	603.95	773.08
Less: Current maturities of long term debt [Refer note 22]	(221.86)	(216.01)
	382.09	**557.07**
Secured		
Vehicle loans from banks and financial institutions [Refer (c) below]	10.35	4.42
Less: Current maturity of long-term-debt [Refer note 22]	(2.60)	(4.42)
	7.75	**-**
Total	**389.84**	**557.07**

(a) Details of secured term loan facilities from bank are as follows: -

Terms of repayment	As at 31 March 2023 *	As at 31 March 2022 *	Currency	Maturity Date	Interest rate
Repayable in 20 unequal quarterly instalments starting from 28 June 2018 in the following manner:(a) first 4 instalments of 2.50% each (b) next 6 instalments of 4.00% each (c) next 2 instalments of 6.00% each (d) next 4 instalments of 8.00% each (e) next 2 instalments of 5.00% each (f) next 2 instalments of 6.00% each.	-	41.69	USD	28-Mar-23	3 month USD LIBOR plus 300 basis points
Repayable in 28 unequal quarterly instalments starting from 28 June 2018 in the following manner:(a) first 4 instalments of 0.50% each (b) next 4 instalments of 1.00% each (c) next 6 instalments of 2.00% each (d) next 4 instalments of 4.00% each (e) next 6 instalments of 6.00% each (f) next 4 instalments of 7.50% each.	110.93	140.22	USD	28-Mar-25	3 month USD LIBOR plus 325 basis points
Repayable in 20 unequal quarterly instalments starting from 22 October 2019 in the following manner:(a) first 4 instalments of 2.50% each (b) next 6 instalments of 4.00% each (c) next 2 instalments of 6.00% each (d) next 4 instalments of 8.00% each (e) next 2 instalments of 5.00% each (f) next 2 instalments of 6.00% each.	156.12	250.12	USD	22-Jul-24	3 month USD LIBOR plus 290 basis points

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 19 Borrowings - non current (Contd.)

Terms of repayment	As at 31 March 2023 *	As at 31 March 2022 *	Currency	Maturity Date	Interest rate
Repayable in 28 unequal quarterly instalments starting from 22 October 2019 in the following manner:(a) first 4 instalments of 0.50% each (b) next 4 instalments of 1.00% each (c) next 6 instalments of 2.00% each (d) next 4 instalments of 4.00% each (e) next 6 instalments of 6.00% each (f) next 4 instalments of 7.50% each.	336.90	341.05	USD	22-Jul-26	3 month USD LIBOR plus 315 basis points

* based on closing rates

(b) The terms loans of ₹603.95 Mn (31 March 2022: ₹773.08 Mn) are secured by first charge on pari passu basis with the existing lender wherever applicable on property, plant and equipment (both moveable and immovable) and right-of-use land of the Company and second charge on the current assets to be shared on pari passu basis with the other working capital.

(c) Vehicle loans of ₹10.35 Mn (31 March 2022: ₹4.42 Mn) is secured by hypothecation of vehicle purchased and are repayable in forty eight (31 March 2022: thirty six) monthly equated instalments commencing from the subsequent month in which the loan is taken carrying fixed interest of 7.97% per annum (31 March 2022: 10.75% per annum).

Note: 20 Other financial liabilities - non current

Particulars	As at 31 March 2023	As at 31 March 2022
Derivative liabilities	24.25	43.86
Total	**24.25**	**43.86**

Note: 21 Deferred tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
The balances comprises temporary differences attributable to: -		
Deferred tax liabilities		
Property, plant and equipment and intangible assets	20.64	16.19
Fair value of investments	32.37	41.22
Right-of-Use Assets	3.46	2.13
Others	5.50	9.75
Total	**61.97**	**69.29**
Deferred tax assets		
Allowance for doubtful debts and advances	29.47	12.98
Amounts allowable for tax purpose on payment basis	27.88	29.88
Lease liabilities	4.10	2.54
Total	**61.45**	**45.40**
Deferred tax liabilities (net)	**0.52**	**23.89**

Refer note 36 for tax expense

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 22 Borrowings - current

Particulars	As at 31 March 2023	As at 31 March 2022
Secured [Refer below]		
(a) Rupee loan from banks	860.15	587.04
(b) Foreign Currency loan from banks	106.89	325.36
(c) Current maturities of long-term debt		
Term loan from banks	221.86	216.01
Vehicle loan from banks and financial institutions	2.60	4.42
Total	**1,191.50**	**1,132.83**

Nature of Security:

All the above facilities mentioned in (a) and (b) are secured by first charge over entire current assets (both present and future) of the Company on pari-passu basis with other banks and second charge on property, plant and equipment (both moveable and immovable) and right-of-use land of the Company on pari-passu basis with other Banks. Interest rate ranges from 3.03% to 13.50% (31 March 2022: 0.19% to 10.10%).

Note: 23 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding dues of micro and small enterprises (Refer below)	60.02	79.67
(b) Total outstanding dues of creditors other than micro and small enterprises		
(i) Acceptances	28.23	17.19
(ii) Others	520.72	585.27
Total	**608.97**	**682.13**

Notes:

(a) Amount due to micro and small enterprises as defined in the "The micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosure relating to micro and small enterprises is as below:

Particulars	As at 31 March 2023	As at 31 March 2022
(i) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year.		
Principal Amount* :	33.16	63.03
Interest :	0.30	0.13
(ii) The amount of interest paid/ adjusted by the buyer in terms of Section 16 of the micro, Small and Medium Enterprise Development(MSMED) Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	1.33	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	0.92	2.28
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	26.86	22.07
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006;	4.90	2.34

*includes dues of micro and small enterprises included under financials liabilities

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 23 Trade payables (Contd.)

(b) Trade payables ageing schedule:

(i) As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Undisputed total outstanding dues of micro and small enterprises	-	11.47	31.13	3.81	2.83	10.78	60.02
(b) Undisputed total outstanding dues of creditors other than micro and small enterprises	188.51	119.81	235.29	1.50	1.41	2.43	548.95
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**188.51**	**131.28**	**266.42**	**5.31**	**4.24**	**13.21**	**608.97**

(ii) As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Undisputed total outstanding dues of micro and small enterprises	-	31.65	33.96	2.83	-	11.23	79.67
(b) Undisputed total outstanding dues of creditors other than micro and small enterprises	156.72	226.01	211.17	1.41	5.56	1.59	602.46
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**156.72**	**257.66**	**245.13**	**4.24**	**5.56**	**12.82**	**682.13**

(c) Refer Note 37 for payables to related parties

Note: 24 Other financial liabilities - current

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	9.30	4.96
Derivative liabilities	2.05	16.87
Other payables		
Capital creditors	29.61	14.70
Security deposit	1.43	1.27
Employee related liabilities	89.25	72.60
Others*	-	66.91
Total	**131.64**	**177.31**

* represents as on 31 March 2022 amount payable against IPO expenses incurred by the Company, which has been paid subsequently in current year. Also refer note 14.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 25 Provisions - current

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Provision for employee benefits (Refer note 32.1)		
Provision for gratuity	36.87	30.80
Provision for compensated absences	48.95	39.85
(b) Others		
Provision for warranty [Refer note (A) below]	22.33	16.01
Total	**108.15**	**86.66**

Particulars	As at 31 March 2023	As at 31 March 2022
(A) Movement in Provision for warranty:		
Opening balance	16.01	36.25
Provision created during the year	12.68	11.34
Provision used during the year	(6.36)	(31.58)
Closing balance	**22.33**	**16.01**
- Short Term	22.33	16.01

Nature of provisions :

The Company has given warranties on certain products and services, undertaken to repair or replace the items that failed to perform satisfactorily during the warranty period. Provision made as on 31 March 2023 and 31 March 2022 represent the amount of the expected cost of meeting such obligation of rectification/ replacement.

Note: 26 Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for tax net of advance tax to the extent of ₹1,278.03 Mn (31 March 2022: ₹954.39 Mn)	79.71	20.23
Total	**79.71**	**20.23**

Note: 27 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advances received from customers	106.11	148.87
Deferment of revenue	48.68	65.05
Grant relating to export benefits	103.13	90.83
Other payables		
Liability towards corporate social responsibility* (refer note A below)	2.15	3.80
Statutory dues (Contribution to PF and ESIC, GST, Withholding Taxes, Entry Tax, etc.)	60.45	68.85
Total	**320.52**	**377.40**

* Refer Note 35(a)(i)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(A) Movement in Provision for corporate social responsibility:		
Opening balance	3.80	-
Liability towards corporate social responsibility	2.15	3.80
Transferred to special purpose account	(3.80)	-
Closing balance	**2.15**	**3.80**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 28 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	7,151.31	5,919.86
Total	**7,151.31**	**5,919.86**

The Company has recognised the following amounts relating to revenue in the standalone statement of profit and loss:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Sale of products	6,758.74	5,596.80
(ii) Sale of services	136.12	117.66
	6,894.86	**5,714.46**
(iii) Other operating revenue		
Sale of scrap	68.35	52.09
Commission income	20.46	16.35
Duty drawback and other export incentives	78.25	97.24
Service fees	89.39	39.72
Total	**7,151.31**	**5,919.86**

(i) Disaggregation of revenue from contracts with customers:

The Company derives revenue from the transfer of goods and services in the following geographical regions:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
North America	721.50	840.09
South America	737.40	606.44
EMER (Europe, Middle East and Russia)	1,311.85	982.34
Africa	2,047.05	1,767.57
Asia Pacific (South East Asia and Australia)	707.96	560.74
India	1,369.10	957.28
Total	**6,894.86**	**5,714.46**

(ii) The Company has recognised the following revenue-related contract assets and liabilities:

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Contract assets	10(b)	35.31	144.95
Total contract assets		**35.31**	**144.95**
Contract liabilities - deferment of revenue	27	48.68	65.05
Contract liabilities - advances received from customers	27	106.11	148.87
Total contract liabilities		**154.79**	**213.92**

(iii) Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue recognised that was included in the contract liabilities balance at the beginning of the period:		
Sale contracts	**195.80**	**66.54**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 28 Revenue from operations (Contd.)

(iv) The following table shows reconciliation of revenue recognised with contract price:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract Price	6,880.62	5,743.78
Adjustments for:		
Refund Liabilities - Claims/ Liquidating damages	(2.13)	(3.14)
Contract Liabilities - Unfulfilled obligations*	16.37	(26.18)
Total	**6,894.86**	**5,714.46**

* These unfulfilled obligations are expected to be settled within the next 12 months.

Note: 29 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Interest income		
on financial instruments at amortised cost	12.22	0.72
(b) Dividend income		
from joint venture	5.63	56.25
(c) Other non-operating income		
Net fair value gain/(loss) on investments classified at FVTPL	(2.23)	226.38
Net gain on sale of investments classified at FVTPL	95.00	5.31
Gain on sale of investments in subsidiary	13.51	-
Net gain on foreign currency transaction and translation	73.84	124.75
Mark to market gain on derivative instruments (net)	50.77	32.34
Miscellaneous receipts	0.92	4.87
Total	**249.66**	**450.62**

Note: 30 Cost of materials consumed

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock	1,085.14	590.35
Add: Purchases	3,008.73	3,221.33
Less: Closing stock	(909.40)	(1,085.14)
Total	**3,184.47**	**2,726.54**

Note: 31 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Closing Stock:		
Finished Goods	337.46	338.23
Work-in-Progress	125.09	157.94
	462.55	**496.17**
Less : Opening Stock:		
Finished Goods	338.23	309.79
Work-in-Progress	157.94	113.85
	496.17	**423.64**
(Increase)/ decrease in finished goods and work-in-progress	**33.62**	**(72.53)**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 32 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	582.89	469.88
Contribution to provident and other funds (Refer note 32.1)	43.16	38.23
Staff welfare expenses	42.94	31.73
Total	**668.99**	**539.84**

Note: 32.1 Employee benefits obligations

(i) Post-employment obligations

(a) Defined contribution plan

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
i) Contribution to Provident Fund *	21.85	19.20
ii) Contribution to Superannuation Fund *	11.70	10.23
	33.55	**29.43**

(*) recognised under 'Contribution to provident and other funds' in Note 32.

(b) Defined benefit plan- Funded Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per scheme, the Gratuity Trust fund managed by the Trust, makes payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary (half month's salary) depending upon the tenure of service subject to a revised maximum limit of amount payable under Payment of Gratuity Act. Liabilities with regard to the Gratuity plan are determined by actuarial valuation as set out in Note 2.15 based upon which, the Company makes contribution to the Gratuity fund.

(ii) Other long term employee benefit plans

The leave obligations cover the Company's liability for other long term benefits.

Compensated absences cover the Company's liability for sick and earned leave. As the Company does not have an unconditional right to defer the payment beyond 12 months the entire amount has been treated as current.

(iii) Balance sheet recognition

a) Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation (Gratuity) over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 1 April 2021	**62.17**	**(38.00)**	**24.17**
Current service cost	7.13	-	7.13
Interest expense/ (income)	4.29	(2.62)	1.67
Total amount recognised in statement of profit and loss	**11.42**	**(2.62)**	**8.80**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	0.52	0.52
Actuarial (gain)/ loss from change in demographic assumptions	-	-	-
Actuarial (gain)/ loss from change in financial assumptions	(2.24)	-	(2.24)

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 32.1 Employee benefits obligations (Contd.)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Actuarial (gain)/ loss from unexpected experience	0.62	-	0.62
Total amount recognised in other comprehensive income	**(1.62)**	**0.52**	**(1.10)**
Employer contributions/ premium paid	-	(1.07)	(1.07)
Benefit payments	(5.14)	5.14	-
As at 31 March 2022	**66.83**	**(36.03)**	**30.80**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 1 April 2022	**66.83**	**(36.03)**	**30.80**
Current service cost	7.39	-	7.39
Interest expense/ (income)	4.81	(2.59)	2.22
Total amount recognised in statement of profit and loss	**12.20**	**(2.59)**	**9.61**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	(0.25)	(0.25)
Actuarial (gain)/ loss from change in demographic assumptions	-	-	-
Actuarial (gain)/ loss from change in financial assumptions	-	-	-
Actuarial (gain)/ loss from unexpected experience	5.21	-	5.21
Total amount recognised in other comprehensive income	**5.21**	**(0.25)**	**4.96**
Employer contributions/ premium paid	-	(8.50)	(8.50)
Benefit payments	(4.62)	4.62	-
As at 31 March 2023	**79.62**	**(42.75)**	**36.87**

(iv) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount Rate	7.20%	7.20%
Rate of Salary Increase	8.50%	8.50%
Rate of Employee Turnover		
Upto 30 years	9.00%	9.00%
From 31 years to 44 years	4.00%	4.00%
More than 44 years	2.00%	2.00%
Mortality Rate During Employment	IALM 12-14 Ultimate	IALM 12-14 Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of assets management, historical results of the return on plan assets, and other relevant factors.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 32.1 Employee benefits obligations (Contd.)

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	% change compared to base due to sensitivity			
	As at 31 March 2023		As at 31 March 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	**11.52%**	**(9.72%)**	**11.91%**	**(10.00%)**
	9.18	(7.73)	7.96	(6.68)
Salary Growth Rate (- / + 1%)	**(9.05%)**	**10.17%**	**(9.41%)**	**10.61%**
	(7.20)	8.11	(6.29)	7.09
Attrition Rate (- / + 50%)	**1.66%**	**(1.32%)**	**2.03%**	**(1.59%)**
	1.33	(1.04)	1.36	(1.06)
Mortality Rate (- / + 10%)	**0.10%**	**(0.10%)**	**0.13%**	**(0.13%)**
	0.09	(0.07)	0.09	(0.08)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vi) The major categories of plan assets

Particulars	As at 31 March 2023	As at 31 March 2022
Category of Plan Assets		
Funds Managed by Insurer	92.44%	95.37%
Bank balance	7.56%	4.63%
Total	**100.00%**	**100.00%**

(vii) Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Risk:
The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in standalone financial statements).

Liquidity Risk:
This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non-availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk:
The present value of the defined benefit plan's calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk:
The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 32.1 Employee benefits obligations (Contd.)

Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of ₹2.00 Mn).

(viii) Defined benefit liability and employer contributions

The company expects to contribute ₹36.87 Mn to the funded retiring gratuity plan in the financial year 2023-24.

The weighted average duration of the defined benefit obligation is 11 years (31 March 2022: 12 years).

Note: 33 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expenses on		
Leases	2.46	2.39
Income tax	3.20	-
Bank borrowings and others	88.41	56.55
Other borrowing costs	3.46	2.43
Applicable loss on foreign currency transactions and translations	1.31	18.31
Total	**98.84**	**79.68**

Note: 34 Depreciation and amortisation expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment [refer note 3(a)]	165.79	180.23
Depreciation of Right-of-Use Assets [refer note 3(b)]	16.19	25.17
Amortisation of intangible assets [refer note 3(d)]	1.22	1.96
Total	**183.20**	**207.36**

Note: 35 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spare parts	92.98	67.17
Power and fuel	256.78	199.68
Rent	13.41	5.85
Repairs to buildings	18.49	14.10
Repairs to machinery	58.14	58.24
Repairs to others	42.71	41.29
Insurance expenses	14.76	15.99
Bank charges	6.67	6.95
Rates and taxes	14.91	11.03
Fabrication and other expenses	185.79	139.32
Travelling and conveyance	91.41	44.54
Commission to selling agents	22.74	14.36
Marketing fees	134.25	161.90
Packing and forwarding (net)	341.39	503.89
Product installation expenses	116.18	99.55
Postage, telephone and fax	5.97	6.15
Sales promotion expenses	5.56	4.92

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 35 Other expenses (Contd.)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Legal and professional fees	123.62	69.38
Expenditure on corporate social responsibility activities [refer (a) below]	18.04	15.33
Directors' sitting fees	0.80	0.78
Allowance for expected credit loss (including bad debts and advances written off) [refer note 10(a)]	65.71	17.04
Warranty expenses	12.68	11.34
Net (gain)/ loss on sale of property, plant and equipment including intangible assets (including loss on assets scrapped/ written off)	(0.19)	2.07
Derivatives at FVTPL		
Swap/ option (gain)/ loss on derivative settlement (net)	(6.96)	36.32
Provision for diminution in the value of investments	-	0.57
Payment to auditors [refer (b) below]	8.70	6.72
Miscellaneous expenses	91.30	97.39
Total	**1,735.84**	**1,651.87**

(a) Expenditure on corporate social responsibility activities

(i) Details of corporate social responsibility expenditure are set out below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Amount required to be spent as per Section 135 of the Act	17.97	14.96
Amount spent during the year on:		
(i) Construction/ acquisition of an asset@		
- Paid in cash*	12.39	9.20
- Yet to be paid in cash#	2.15	3.80
(ii) On purposes other than (i) above		
- Paid in cash$	3.50	2.02
- Yet to be paid in cash	-	0.31
Total	**18.04**	**15.33**

@ assets are not in the books of the Company

includes ₹2.15 Mn (31 March 2022: ₹3.80 Mn) accruals towards unspent obligations in relation to ongoing projects which has been, subsequent to year end, transferred to separate unspent CSR account within the timeline in compliance with section 135(6) of the Companies Act, 2013.

* Includes NIL (31 March 2022: ₹5.00 Mn) contributed towards West Bengal State Disaster Management Authority Fund to combat COVID-19 pandemic.

$ Includes ₹0.12 Mn (31 March 2022: ₹0.45 Mn) spent in administrative overheads.

(ii) Details of corporate social responsibility expenditure under Section 135(5) of the Act in respect of other than ongoing projects:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance unspent	-	-
Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	-	-
Amount required to be spent during the year	10.85	6.51
Amount spent during the year	10.92	6.88
Closing balance unspent	**-***	**-***

*The Company does not propose to carry forward excess amount spent during the year aggregating to ₹0.07 Mn (31 March 2022: ₹0.37 Mn) for set off in succeeding financial years.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 35 Other expenses (Contd.)

(iii) Details of corporate social responsibility expenditure under Section 135(6) of the Act in respect of ongoing projects:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance unspent		
- with the Company	-	-
- in separate CSR unspent account	3.80	-
Amount required to be spent during the year	7.00	8.00
Amount spent during the year		
- from the Company's bank account	(4.85)	(4.20)
- from separate CSR unspent account	(3.80)	-
Closing balance unspent	**2.15**	**3.80**
- with the Company[$]	**2.15**	**3.80**
- in separate CSR unspent account	-	-

[$]which has been, subsequent to year end, transferred to separate unspent CSR account within the timeline in compliance with section 135(6) of the Companies Act, 2013.

(b) Payment to auditors (include Auditors remuneration paid/ payable for the year):

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
As Auditors		
i) audit fees	5.00	5.00
ii) limited review	2.48	0.83
iii) tax audit fees	0.60	0.60
iv) certification fees	0.23	0.20
v) reimbursement of expenses	0.39	0.09
	8.70	**6.72**

The Company has paid NIL (31 March 2022: ₹18.44 Mn) as fees including reimbursement of expenses for the initial public offer related audit deliverables. The same has not been included above since it is recoverable from the selling shareholders.

Note: 36 Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

a) Movement in deferred tax liability/ (assets)

As at 31 March 2023

Particulars	Opening	Charged/ (credited) to Profit and Loss Account	Charged/ (credited) to Other Comprehensive Income	Closing
Property, plant and equipment and intangible assets	16.19	4.45	-	20.64
Fair value of investments	41.22	(8.85)	-	32.37
Right-of-Use Assets	2.13	1.33	-	3.46
Others	9.75	(4.25)	-	5.50
Allowances for doubtful debts and advances	(12.98)	(16.49)	-	(29.47)
Amounts allowable for tax purpose on payment basis	(29.88)	3.25	(1.25)	(27.88)
Lease liabilities	(2.54)	(1.56)	-	(4.10)
Total	**23.89**	**(22.12)**	**(1.25)**	**0.52**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 36 Income tax expense (Contd.)

As at 31 March 2022

Particulars	Opening	Charged/ (credited) to Profit and Loss Account	Charged/ (credited) to Other Comprehensive Income	Closing
Property, plant and equipment and intangible assets	21.85	(5.66)	-	16.19
Fair value of investments	26.81	14.41	-	41.22
Right-of-Use Assets	8.84	(6.71)	-	2.13
Others	-	9.75	-	9.75
Allowances for doubtful debts and advances	(10.48)	(2.50)	-	(12.98)
Amounts allowable for tax purpose on payment basis	(35.16)	5.00	0.28	(29.88)
Lease liabilities	(10.55)	8.01	-	(2.54)
Total	**1.31**	**22.30**	**0.28**	**23.89**

b) Income Tax Expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
Current tax on profits for the year	379.93	256.03
Total current tax expense	**379.93**	**256.03**
Deferred tax		
Decrease/ (increase) in deferred tax assets	(14.80)	10.51
(Decrease)/ increase in deferred tax liabilities	(7.32)	11.79
Total deferred tax expense/ (benefit)	**(22.12)**	**22.30**
Total tax expense	**357.81**	**278.33**

c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	1,496.01	1,237.72
Tax at the Indian tax rate of 25.17% (31 March 2022: 25.17%)	**376.52**	**311.51**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible in tax	7.58	5.07
Fair Value adjustments on certain investments on which deferred tax not created	(9.41)	(38.22)
Difference in tax rate	(14.35)	-
Others	(2.53)	(0.03)
Total tax expense	**357.81**	**278.33**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 37 Related Party Transactions

Related party disclosure pursuant to Ind AS 24 prescribed under the act

Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Nihal Fiscal Services Private Limited
Subsidiaries	Tega Industries, Inc.
	Tega Industries Australia Pty. Ltd.
	Tega Industries Canada Inc.
	Tega Investments Limited (till 14 November 2022)
	Tega Do Brasil Servicos Technicos Ltda
	Tega Holdings Pte Limited
	Tega Equipments Private Limited (from 2 December 2022 till 29 March 2023)
	McNally Sayaji Engineering Limited (subsidiary of Tega Equipments Private Limited from 24 February 2023 to 29 March 2023 and direct subsidiary from 29 March 2023)
Subsidiaries of Subsidiary	Tega Investments South Africa Proprietary Limited
	Tega Industries Africa Proprietary Limited
	Tega Holdings Pty Ltd
	Losugen Pty Ltd
	Tega Industries Chile SpA
	MBE Coal & Mineral Technologies Private Limited (from 24 February 2023 to 29 March 2023)
Fellow Subsidiaries	Maple Orgtech (India) Limited
	MM Aqua Technologies Limited
Joint Venture	Hosch Equipment (India) Limited
Key Management Personnel (KMP)	Madan Mohan Mohanka - Chairman and Whole-time Director
	Mehul Mohanka - Managing Director
	Manju Mohanka - Director (upto 3 August 2021)
	Syed Yaver Imam - Whole Time Director
	Hemant Madhusudan Nerurkar - Director (upto 31 March 2022)
	Rudolph Michael Edge - Director (upto 31 March 2022)
	Dhiraj Poddar - Director (upto 10 November 2021)
	Jagdishwar Prasad Sinha - Independent Director (from 1 May 2021)
	Madhu Dubhashi - Independent Director (from 1 May 2021)
	Ashwani Maheshwari - Independent Director (from 1 April 2022)
	Manoj Kumar Agarwal - Chief Financial Officer (till 31 January 2023) and Company Secretary (from 23 December 2021 to 6 August 2022)
	Sudipta Bhowal - Company Secretary (upto 18 December 2021)
	Manjuree Rai - Company Secretary (from 7 August 2022)
Relatives of KMP	Manju Mohanka (from 4 August 2021)
	Manish Mohanka
Post Employment Benefit Plan	Tega India Ltd Employees Gratuity Fund
	Tega India & Associate Companies Super Annuation Fund
	Tega Industries (SEZ) Ltd Gratuity Trust
	Tega Industries (SEZ) Ltd Super Annuation Fund
Entities in which KMP/ Relatives of KMP can exercise significant influence	TPW Engineering Limited

Note: Related parties have been identified by the Management.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 37 Related Party Transactions (Contd.)

Related party disclosure pursuant to Ind AS 24 prescribed under the act

Related Party Transaction for the year ended 31 March 2023:

Particulars	Subsidiaries	Joint Venture	Fellow Subsidiaries	Post Employment Benefit Plan	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP can exercise significant influence	Total
Business Support Service Income@	72.68	9.27	2.20	-	-	-	-	84.15
Purchase of Goods	-	1.72	-	-	-	-	-	1.72
Sale of Goods & Service	2,156.26	15.36	0.03	-	-	-	-	2,171.65
Installation Income	3.45	-	-	-	-	-	-	3.45
Reimbursement of Expenses	103.01	-	0.49	-	-	-	-	103.50
Recovery of Expenses	10.98	-	3.15	-	-	-	-	14.13
Marketing Fee (Expenses)	134.25	-	-	-	-	-	-	134.25
Interest Income	9.29	-	-	-	-	-	-	9.29
Dividend Received	-	5.63	-	-	-	-	-	5.63
Sales Commission Earned	-	20.46	-	-	-	-	-	20.46
Rent/ Service Charges/ Hire Charges received	-	3.86	-	-	-	-	-	3.86
Rent/ Service Charges/ Hire Charges paid	-	-	-	-	-	1.43	5.71	7.14
Contribution to post employment benefit plan	-	-	-	21.73	-	-	-	21.73
Security Deposits given/ (recovered) (net)	-	-	-	-	-	-	(2.81)	(2.81)
Loan given	182.55	-	-	-	-	-	-	182.55
Corporate Guarantee	1,000.00	-	-	-	-	-	-	1,000.00

@ includes ₹1.40 Mn on account of guarantee (stand-by letter of credit) commission recovered from a subsidiary

Related Party Transaction for the year ended 31 March 2022:

Particulars	Subsidiaries	Joint Venture	Fellow Subsidiaries	Post Employment Benefit Plan	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP can exercise significant influence	Total
Business Support Service Income	25.77	9.46	1.25	-	-	-	-	36.48
Business Support Expense	-	-	0.48	-	-	-	-	0.48
Purchase of Goods	-	2.84	-	-	-	-	-	2.84
Purchase of Fixed Assets	0.09	-	-	-	-	-	0.46	0.55
Sale of Goods & Service	2,184.25	12.01	0.19	-	-	-	-	2,196.45
Reimbursement of Expenses	111.89	0.29	0.19	-	-	-	-	112.37
Recovery of Expenses#	29.94	-	-	-	-	-	0.01	29.95
Marketing Fee (Expenses)	161.90	-	-	-	-	-	-	161.90
Dividend Received	-	56.25	-	-	-	-	-	56.25
Sales Commission Earned	-	16.35	-	-	-	-	-	16.35
Rent/ Service Charges/ Hire Charges paid	-	-	0.41	-	0.07	1.65	18.66	20.79
Contribution to post employment benefit plan	-	-	-	10.83	-	-	-	10.83
Security Deposits given/ (recovered) (net)	-	0.03	-	-	-	-	-	0.03

includes ₹1.33 Mn on account of guarantee (stand-by letter of credit) commission recovered from a subsidiary

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 37 Related Party Transactions (Contd.)

Balances outstanding as at 31 March 2023:

Particulars	Subsidiaries	Joint Venture	Fellow Subsidiaries	Post Employment Benefit Plan	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP can exercise significant influence	Total
Trade Receivables	547.03	2.25	1.37	-	-	-	-	550.65
Contract Assets	35.31	-	-	-	-	-	-	35.31
Security Deposit	-	-	-	-	-	0.23	0.57	0.80
Advances received from customers	22.80	-	-	-	-	-	-	22.80
Loans$	193.10	-	-	-	-	-	-	193.10
Trade Payables	98.02	-	0.26	-	-	-	0.55	98.83
Advance to Suppliers	3.14	-	-	-	-	-	-	3.14
Financial Liabilities	-	0.96	-	-	-	-	-	0.96
Other Payables	-	-	-	1.11	-	-	-	1.11
Investments in equity shares*	5,184.27	150.07	-	-	-	-	-	5,334.34
Standby Letter of Credit#	210.05	-	-	-	-	-	-	210.05
Corporate Guarantee	1,000.00	-	-	-	-	-	-	1,000.00
Provisions	-	-	-	36.87	-	-	-	36.87

$ includes ₹10.55 Mn on account of foreign exchange gain.

* Excluding the impact of impairment loss in the value of investment in a subsidiary ₹10.17 Mn

Renewed during the current financial year.

Balances outstanding as at 31 March 2022:

Particulars	Subsidiaries	Joint Venture	Fellow Subsidiaries	Post Employment Benefit Plan	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP can exercise significant influence	Total
Trade Receivables	648.26	0.95	1.48	-	-	-	-	650.69
Contract Assets	144.95	-	-	-	-	-	-	144.95
Security Deposit	-	-	-	-	-	0.24	3.38	3.62
Trade Payables	142.82	-	0.08	-	-	-	-	142.90
Financial Liabilities	-	0.96	-	-	-	-	-	0.96
Other Payables	-	-	-	2.36	-	-	-	2.36
Other Current Assets	-	-	-	-	-	0.03	-	0.03
Provisions	-	-	-	30.80	-	-	-	30.80
Investment in Equity Shares*	4,530.47	150.07	-	-	-	-	-	4,680.54
Standby Letter of Credit	222.17	-	-	-	-	-	-	222.17

* Excluding the impact of impairment loss in the value of investment in a subsidiary ₹10.17 Mn

Other Terms and Conditions of transactions with Related Parties

The related party transactions are made in the ordinary course of business. Outstanding balances at the year end are unsecured. Disclosure pursuant to Section 186(4) of the Companies Act 2013, regarding loans given are mentioned above; disclosures for investment made and guarantee given are mentioned in the respective notes of investment in subsidiaries and joint venture (refer note 4), and guarantees (refer note 43B).

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 37 Related Party Transactions (Contd.)

Remuneration to KMP

During the year, the Company recognised an amount of ₹171.44 Mn (31 March 2022: ₹108.75 Mn) as remuneration to key managerial personnel. The details of such remuneration is as below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Short term employee benefits	135.40	75.14
Post employment benefits	6.61	4.61
Other long term employee benefits	3.95	2.19
Total employee benefits expense	**145.96**	**81.94**
Perquisite	1.24	1.95
Sitting fees	0.80	0.78
Commission/ incentive to director's	9.25	11.18
Retainership fees	14.19	12.90
Total other expenses	**25.48**	**26.81**

Note: 38 Fair value measurements

Financial instruments by category

Particulars	As at 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments				
- Mutual funds and perpetual bonds	1,838.12	51.93	1,744.06	-
Loans	-	193.68	-	0.32
Trade receivables	-	2,054.53	-	1,939.85
Cash and cash equivalents	-	42.11	-	29.39
Other bank balances	-	7.33	-	7.06
Other financial assets	-	51.72	-	119.77
Derivative assets	107.79	-	91.44	-
Total financial assets	**1,945.91**	**2,401.30**	**1,835.50**	**2,096.39**
Financial liabilities				
Borrowings	-	1,581.34	-	1,689.90
Derivative liabilities	26.30	-	60.73	-
Trade payables	-	608.97	-	682.13
Other financial liabilities	-	40.34	-	87.84
Total financial liabilities	**26.30**	**2,230.65**	**60.73**	**2,459.87**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 38 Fair value measurements (Contd.)

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at 31 March 2023				
Financial assets				
Investments				
- Mutual funds	1,838.12	-	-	1,838.12
Derivative financial assets	-	107.79	-	107.79
Total financial assets	**1,838.12**	**107.79**	**-**	**1,945.91**
Financial liabilities				
Derivative financial liabilities	-	26.30	-	26.30
Total financial liabilities	**-**	**26.30**	**-**	**26.30**

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at 31 March 2022				
Financial assets				
Investments				
- Mutual funds	1,554.40	189.66	-	1,744.06
Derivative financial assets	-	91.44	-	91.44
Total financial assets	**1,554.40**	**281.10**	**-**	**1,835.50**
Financial liabilities				
Derivative financial liabilities	-	60.73	-	60.73
Total financial liabilities	**-**	**60.73**	**-**	**60.73**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. This includes mutual funds that are actively traded at NAVs.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives, fixed maturity mutual funds) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is generally the case for unlisted equity securities.

There are no transfers between levels 1, 2 and 3 during the year.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 38 Fair value measurements (Contd.)

(ii) Valuation technique used to determine fair value

(a) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(b) Investments (Mutual funds) carried at fair value are generally based on available NAVs.

(c) Fair value of borrowings is estimated by discounting expected future cash flows. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

(d) The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.

(e) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented below are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) Disclosures related to preference shares categorized through level 3

a) The following table presents the changes in level 3 items for the periods ended 31 March 2023 and 31 March 2022:

Particulars	Amount
Preference shares as at 1 April 2021	**4,351.88**
Gains recognised in profit or loss	151.87
Converted into Equity Shares	(4,503.75)
As at 31 March 2022	**-**
Changes during the year	-
As at 31 March 2023	**-**

(iv Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief financial officer (CFO)/ Deputy General Manager (DGM) - finance and accounts. Discussions of valuation processes and results are held between the CFO/ DGM and the valuation team at least once every year, in line with the company's reporting periods.

The main level 3 inputs for preference shares used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money.

- Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

(v) Fair value of financial assets and liabilities measured at amortised cost:

Except as detailed in the following table, the directors consider the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximates their fair values.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowings	10.35	10.48	4.42	4.40
Total financial liabilities	**10.35**	**10.48**	**4.42**	**4.40**

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 39 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Management
Credit risk	Cash and cash equivalents, trade receivables and other financial assets measured at amortised cost.	Diversification of bank deposits and investments. Entering into transactions with customers of repute/ customers having sound financial position.
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities.
Market risk – foreign exchange	Future commercial transactions and recognised financial assets & liabilities not denominated in Indian rupee (₹).	Entering into forward contracts, options and interest rate swaps.
Market risk – interest rate	Long-term borrowings at variable rates.	Entering into derivative contracts such as interest rate swaps and currency swaps.
Market risk – security price risk	Investments in mutual funds and perpetual bonds.	Portfolio diversification.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) including deposits with banks, investments and other financial instruments. The Company periodically monitors the recoverability and credit risks of its other financial assets including security deposits and other receivables.

i) Trade receivables

Customer credit risk is managed by the management subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored.

At each reporting date the Company measures loss allowance for certain class of financial assets based on historical trend industry practice and the business environment in which the Company operates. The assumptions and estimates applied for determining credit loss are reviewed periodically.

ii) Financial instruments and cash deposits

Credit risk from balances with banks and investments is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts of trade receivables, investments, balances with bank and other financial assets.

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 39 Financial risk management (Contd.)

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities 31 March 2023	Carrying Value	Contractual Cash Flows	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Non-derivatives						
Borrowings	1,581.34	1,581.34	1,191.50	326.32	63.52	-
Lease liabilities	16.30	36.28	8.78	7.18	0.40	19.92
Other financial liabilities	31.04	31.04	31.04	-	-	-
Trade payables	608.97	608.97	608.97	-	-	-
Interest payable on above borrowings**	9.30	53.03	29.67	22.19	1.17	-
Total non-derivative financial liabilities	**2,246.95**	**2,310.66**	**1,869.96**	**355.69**	**65.09**	**19.92**
Derivatives (net settled)						
Foreign exchange forward/ option/ swap contracts	26.30	26.30	2.51	7.22	16.57	-
Total derivative liabilities	**26.30**	**26.30**	**2.51**	**7.22**	**16.57**	**-**

** Based on closing rates

Contractual maturities of financial liabilities 31 March 2022	Carrying Value	Contractual Cash Flows	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Non-derivatives						
Borrowings	1,689.90	1,689.90	1,132.83	397.91	159.16	-
Lease liabilities	10.05	29.63	4.90	4.23	0.38	20.12
Other financial liabilities	82.88	82.88	82.88	-	-	-
Trade payables	682.13	682.13	682.13	-	-	-
Interest payable on above borrowings**	4.96	85.34	38.63	39.27	7.44	-
Total non-derivative financial liabilities	**2,469.92**	**2,569.88**	**1,941.37**	**441.41**	**166.98**	**20.12**
Derivatives (net settled)						
Foreign exchange forward/ option/ swap contracts	60.73	60.73	16.87	19.12	24.74	-
Total derivative liabilities	**60.73**	**60.73**	**16.87**	**19.12**	**24.74**	**-**

** Based on closing rates

(ii) As of 31 March 2023, the maximum potential liability under financial guarantees (referred in note 43B) amounted to ₹1,210.05 Mn (31 March 2022: ₹222.17 Mn). Financial guarantees are assumed to be due immediately on invocation.

(C) Market risk

(i) Foreign currency risk

The Company deals with foreign currency bank accounts, trade receivables, loans, borrowings, trade payables and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company primarily uses derivatives to hedge its risk against foreign currency balances of borrowings, trade payables and trade receivable and contract assets. Such exposures are managed within approved policy parameters utilising foreign exchange forward contracts and options. Further, the Company also has variable interest rate loan in foreign currency. To manage its risk against interest rate movements the Company has taken an interest rate swap. The Company also enter into derivative contracts to hedge forecast sales and purchase transactions using forward contracts.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 39 Financial risk management (Contd.)

Foreign currency risk exposure

The Company's exposure to foreign currency risk for major currencies at the end of the reporting period expressed in ₹ (foreign currency amount multiplied by closing rate), are as follows:

Particulars	As at 31 March 2023							
	CLP	AUD	CAD	EUR	SGD	USD	GBP	GHS
Financial assets								
Trade receivables[$]	-	102.36	9.52	245.21	-	1,428.16	-	-
Loans	-	-	-	-	-	193.10	-	-
Cash and Cash equivalents	1.32	0.01	0.02	0.06	-	3.81	0.03	0.00^
Offset by derivatives:								
Foreign exchange forward contracts	-	(115.14)	(63.90)	(133.86)	-	(1,642.67)	-	-
Net exposure to foreign currency risk (assets)	**1.32**	**(12.77)**	**(54.36)**	**111.41**	**-**	**(17.60)**	**0.03**	**0.00^**
Financial liabilities								
Trade payables	(0.28)	-	-	(38.25)	(59.98)	(93.64)	-	-
Borrowings	-	-	-	(106.89)	-	(603.95)	-	-
Other financial liabilities	-	-	-	(0.58)	-	(6.89)	-	-
Offset by derivatives:								
Foreign exchange forward contracts/ Foreign Currency option contracts	-	-	-	-	-	603.95	-	-
Net exposure to foreign currency risk (liabilities)	**(0.28)**	**-**	**-**	**(145.72)**	**(59.98)**	**(100.53)**	**-**	**-**
Net exposure	**1.04**	**(12.77)**	**(54.36)**	**(34.31)**	**(59.98)**	**(118.13)**	**0.03**	**0.00^**

^Amount is below the rounding off norm adopted by the Company

Particulars	As at 31 March 2023							
	CLP	AUD	CAD	EUR	SGD	USD	GBP	GHS
Financial assets								
Trade receivables[$]	-	163.26	131.52	287.81	0.05	1,100.38	-	-
Cash and Cash equivalents	1.22	0.00^	0.02	0.13	-	0.30	0.03	0.70
Offset by derivatives:								
Foreign exchange forward contracts	-	(193.38)	(232.18)	(124.63)	-	(1,125.87)	-	-
Net exposure to foreign currency risk (assets)	**1.22**	**(30.12)**	**(100.66)**	**163.31**	**0.05**	**(25.19)**	**0.03**	**0.70**
Financial liabilities								
Trade payables	(0.26)	-	-	(94.33)	(127.26)	(23.22)	-	-
Borrowings	-	-	-	(261.11)	-	(837.33)	-	-
Other financial liabilities	-	-	-	(0.24)	-	(3.57)	-	-
Offset by derivatives:								
Foreign exchange forward contracts/ Foreign Currency option contracts	-	-	-	136.61	-	773.08	-	-
Net exposure to foreign currency risk (liabilities)	**(0.26)**	**-**	**-**	**(219.07)**	**(127.26)**	**(91.04)**	**-**	**-**
Net exposure	**0.96**	**(30.12)**	**(100.66)**	**(55.76)**	**(127.21)**	**(116.23)**	**0.03**	**0.70**

^Amount is below the rounding off norm adopted by the Company

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 39 Financial risk management (Contd.)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit and equity before tax							
	CLP	AUD	CAD	EUR	SGD	USD	GBP	GHS
As at 31 March 2023								
₹ appreciates by 5%*	(0.05)	0.64	2.72	1.72	3.00	5.91	(0.00)	0.00^
₹ depreciates by 5%*	0.05	(0.64)	(2.72)	(1.72)	(3.00)	(5.91)	0.00	0.00^
As at 31 March 2022								
₹ appreciates by 5%*	(0.05)	1.51	5.03	2.79	6.36	5.81	(0.00)^	(0.04)
₹ depreciates by 5%*	0.05	(1.51)	(5.03)	(2.79)	(6.36)	(5.81)	0.00^	0.04

* Holding all other variables constant

^Amount is below the rounding off norm adopted by the Company

$ The company also has exposure for contract assets amounting to ₹35.33 Mn (in CAD - ₹15.63 Mn and in USD - ₹19.69 Mn) [31 March 2022: ₹149.28 Mn (in CAD - ₹100.37 Mn and in USD - ₹48.91 Mn)]

(ii) Price risk

(a) Exposure

Security price risk is the risk that the fair value of a financial instrument will fluctuate due to change in market traded prices. The company invests its surplus funds primarily in liquid schemes of mutual funds (debt instruments) which are categorised as low risk products from liquidity and interest rate perspectives. The carrying amount of the Company's investments are designated as at fair value through profit or loss at the end of the reporting period [refer note 9].

(b) Sensitivity

Company has invested in growth model of these securities as at the year end. The sensitivity analysis below is presented with reference to changes in NAV of these securities:-

Particulars	Impact on profit before tax	
	As at 31 March 2023	As at 31 March 2022
NAV - Increases by 1% *	18.38	17.44
NAV - Decreases by 1% *	(18.38)	(17.44)

* Holding all other variables constant

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings#	1,570.99	1,655.48
Total	**1,570.99**	**1,655.48**

Long term borrowings amounting to ₹603.95 Mn (31 March 2022: ₹773.08 Mn) is covered through interest rate swaps.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 39 Financial risk management (Contd.)

(b) Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax	
	As at 31 March 2023	As at 31 March 2022
Interest expense rates – increase by 50 basis points (50 bps)*	(7.85)	(8.28)
Interest expense rates – decrease by 50 basis points (50 bps)*	7.85	8.28

* Holding all other variables constant

(c) Interbank Offered Rates (IBOR) Reform

The following table contains details of all financial instruments that are referenced to IBOR which have not transitioned to an alternative interest rate benchmark (ARR):

Particulars	IBOR exposure	Carrying value as at 31 March 2023		Carrying value as at 31 March 2022		Alternative Interest Rate Benchmark
		(₹ in Mn)	(USD in Mn)	(₹ in Mn)	(USD in Mn)	
Non-Derivative instruments:						Secured Overnight Funding Rate (SOFR)
Foreign currency term loans	USD 3M LIBOR	603.95	7.35	773.08	10.20	
Derivative instruments:						
MTM of derivative assets exposed to USD LIBOR	USD 3M LIBOR	21.87	7.35	1.33	10.20	

Note: 40 Earnings per share

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	Computation of earnings per equity share:		
A	Net profit attributable to equity shareholders of the Company	1,138.20	959.39
B	**Weighted average number of equity shares outstanding during the year other than which are dilutive**	66,302,669	59,495,549
	Weighted average number of equity shares outstanding during the year which are dilutive		
C	Effect of equity shares which are dilutive	-	701,096
D	Effect of compulsorily convertible participatory preference shares which are dilutive	-	6,096,504
E	Effect of potential ordinary shares on employee stock options outstanding	322,271	315,281
F=(B+C+D+E)	**Weighted average number of equity shares outstanding during the year (dilutive)**	**66,624,940**	**66,608,430**
	Earnings per equity share		
	(Face Value ₹10/- per share)		
A/B	Earnings per share - Basic (₹)	17.17	16.13
A/F	Earnings per share - Diluted (₹)	17.08	14.40

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 41 Capital management

(a) Risk management

The Company's objectives when managing capital are to:

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividends paid and proposed

Particulars	As at 31 March 2023	As at 31 March 2022
Preference shares		
(i) Dividend declared and paid during the year		
Final dividend paid during the year	-	0.00^
Equity shares		
(i) Proposed dividends not recognised at the end of the reporting period		
The Directors have recommended the payment of ₹2 per equity share of ₹10 each for the year ended 31 March 2023 (31 March 2022: NIL). This proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting	**132.71**	-

^Amount is below the rounding off norm adopted by the Company

(c) Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the year ended 31 March 2023 and 31 March 2022:

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	42.11	29.39
Non-current borrowings	(389.84)	(557.07)
Current borrowings	(967.04)	(912.40)
Current maturities of long term borrowings	(224.46)	(220.43)
Lease liabilities	(16.30)	(10.05)
Net Derivative Assets/ (Liabilities) (Swap and Option)	70.69	40.53
Interest accrued on long term borrowings	(6.89)	(3.57)
Interest accrued on short term borrowings*	(1.93)	5.19
Total	**(1,493.66)**	**(1,628.41)**

* Net-off interest receivable on account of subvention of interest of ₹0.48 Mn (31 March 2022: ₹6.58 Mn)

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 41 Capital management (Contd.)

Particulars	Other assets cash and cash equivalents	Liabilities from financing activities				Total
		Non-current borrowings	Current borrowings	Lease Liabilities	Net Derivative Assets/ (Liabilities) (Swap and Option)	
Net debt as at 1 April 2022*	**29.39**	**(781.07)**	**(907.21)**	**(10.05)**	**40.53**	**(1,628.41)**
Cash flows	10.45	190.30	(44.12)	-	-	156.63
Principal repayment of lease	-	-	-	9.14	-	9.14
Interest expense	-	(44.95)	(46.92)	(2.46)	-	(94.33)
Interest paid	-	41.63	46.38	2.46	-	90.47
Subvention interest received	-	-	(6.58)	-	-	(6.58)
Payment on derivative settlement (net)	-	-	-	-	(6.96)	(6.96)
Non-cash movements:						
Unrealised foreign exchange	2.27	(27.10)	(10.52)	-	-	(35.35)
Other adjustments for lease	-	-	-	(15.39)	-	(15.39)
Derivative gain (net)	-	-	-	-	37.12	37.12
Net debt as at 31 March 2023*	**42.11**	**(621.19)**	**(968.97)**	**(16.30)**	**70.69**	**(1,493.66)**

*balances include interest accrued on borrowings

Particulars	Other assets cash and cash equivalents	Liabilities from financing activities				Total
		Non-current borrowings	Current borrowings	Lease Liabilities	Net Derivative Assets/ (Liabilities) (Swap and Option)	
Net debt as at 1 April 2021*	**6.38**	**(919.46)**	**(626.94)**	**(41.90)**	**(13.20)**	**(1,595.12)**
Cash flows	22.95	155.78	(291.12)	-	-	(112.39)
Principal repayment of lease	-	-	-	23.53	-	23.53
Interest expense	-	(29.75)	(29.23)	(2.39)	-	(61.37)
Interest paid	-	30.34	35.36	2.39	-	68.09
Payment on derivative settlement (net)	-	-	-	-	36.32	36.32
Non-cash movements:						
Unrealised foreign exchange	0.06	(17.98)	4.72	-	-	(13.20)
Other adjustments for lease	-	-	-	8.32	-	8.32
Derivative gain (net)	-	-	-	-	17.41	17.41
Net debt as at 31 March 2022*	**29.39**	**(781.07)**	**(907.21)**	**(10.05)**	**40.53**	**(1,628.41)**

*balances include interest accrued on borrowings

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 42 Segment Information

The Company is engaged in the business of manufacturing and distribution of specialized 'critical to operate' and recurring consumable products for the global mineral beneficiation, mining and bulk solids handling industry. In accordance with Ind AS 108 "Operating Segments", the Company has presented the segment information on the basis of its consolidated financial statements.

Note: 43A Contingent liabilities (to the extent not provided for)

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Contingent liabilities - Claims against the company not acknowledged as debt		
Disputed Excise Duty	14.75	14.75
Disputed Service Tax	3.08	3.08
Disputed Income Tax	64.99	64.54
Disputed Sales Tax	6.56	6.56
(ii) Other money for which the Company is contingently liable		
Pending finalisation of legal/ arbitration proceedings, the extent of eventual liability, against a customer's claims (not admitted by the Company) for alleged unsatisfactory product performance as may arise, is currently not ascertainable and no provision in this regard has been considered necessary by the Management.	-	**4.05**

In respect of the contingent liabilities mentioned in (i) above, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any.

Note: 43B Guarantees and Commitments

	Particulars	As at 31 March 2023	As at 31 March 2022
(i)	**Guarantees**		
	1) Stand-by letter of credit given by the Company to secure the financial assistance extended to subsidiary of a subsidiary company#.		
	Limit USD 3.55 Mn* (31 March 2022: USD 3.55 Mn*)	291.29	268.68
	Facility utilised at year end USD 2.56 Mn* (31 March 2022: USD 2.93 Mn*)	210.05	222.17
	*based on closing rates		
	2) Corporate Guarantee given by the Company to secure the financial assistance extended to subsidiary company.		
	Limit	1,200.00	-
	Facility utilised at year end	1,000.00	-
(ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for.	37.23	26.55

exclusive charge of stand-by letter of credit over certain mutual funds given on lien. Refer note 9.

In respect of matters mentioned in Note (i) above, the cash outflows, if any, could generally occur during the validity period of the respective guarantees. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note: 43C

The Company has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated 20 March 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. While further clarification on applicability and operation of the Order is awaited from the Provident Fund authorities, based on estimates by the management, the impact of the Order is not expected to be material on the standalone financial statements. The management will continue to assess the impact of further developments relating to retrospective application of the Supreme Court's judgement considering the additional guidance as and when issued by the statutory authorities.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 44 Details of research and development expenditure recognised as an expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employee benefits expense	47.53	39.65
Travelling expenses	1.89	2.59
Product development	0.81	0.26
Patent cost	0.80	0.25
Repair & maintenance - other	-	0.20
Telephone and cell phone	0.01	0.03
Depreciation	-	0.32
Total	**51.04**	**43.30**

Note 45: Ratios Elements and its analysis

(i) Ratios

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	% change
(a) Current Ratio (in times)	2.37	2.40	**-1.25%**
(b) Debt-Equity Ratio (in times)	0.15	0.18	**-16.67%**
(c) Debt Service Coverage Ratio (in times)	4.71	5.04	**-6.55%**
(d) Return on Equity Ratio (%)	11.04%	10.46%	**5.54%**
(e) Inventory Turnover Ratio (in times)*	2.17	1.58	37.34%
(f) Trade Receivables Turnover Ratio (in times)	3.36	2.95	13.90%
(g) Trade Payables Turnover Ratio (in times)	7.61	7.00	8.71%
(h) Net Capital Turnover Ratio (in times)	2.05	1.65	24.24%
(i) Net Profit Ratio (%)	15.92%	16.21%	-1.79%
(j) Return on Capital Employed (%)	13.41%	12.10%	10.83%
(k) Return on Investment (%)	12.10%	10.72%	12.87%

* The variation in inventory turnover ratio is due to lower closing stock as at 31 March 2023.

(ii) Elements of ratios

Ratios	Numerator	Denominator
(a) Current Ratio	Current Assets	Current Liabilities
(b) Debt-Equity Ratio	Total Debt = Current borrowings + Non-Current borrowings	Total Equity
(c) Debt Service Coverage Ratio	Profit for the year + Finance costs + Depreciation and amortisation expenses	Interest and Lease Payments + Principal Repayments
(d) Return on Equity Ratio	Profit for the year - Preference Dividend (if any)	Total Equity
(e) Inventory Turnover Ratio	Cost of materials consumed + Changes in inventories of finished goods and work-in-progress	Closing Inventory
(f) Trade Receivables Turnover Ratio	Revenue from Sale of Products and Sale of Services	Closing Trade Receivables
(g) Trade Payables Turnover Ratio	Purchases + Other Expenses-(Bank charges + Directors' sitting fees + Allowance for expected credit loss + Warranty Expenses + Rates and taxes + Derivatives at FVTPL + Expenditure on corporate social responsibility activities + Net loss on sale of property, plant and equipment + Provision for diminution in value of investment)	Closing Trade Payables

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 44 Details of research and development expenditure recognised as an expense (Contd.)

Ratios	Numerator	Denominator
(h) Net Capital Turnover Ratio	Revenue from Sale of Products and Sale of Services	Working Capital (Current Assets - Current Liabilities)
(i) Net Profit Ratio	Profit for the year	Revenue from Operations
(j) Return on Capital employed	Profit before tax + Finance costs	Capital Employed = Total Equity + Total Debt + Deferred Tax Liabilities
(k) Return on Investment	Profit before tax + Finance costs	Closing Total Assets

Note: 46 Share-based payments

(a) The share-based payment plan is an employee option plan. The options are equity settled options.

(b) Set out below is the summary of options

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Average exercise price/ share in ₹	No. of options	Average exercise price/ share in ₹	No. of options
Opening balance	38.91	357,251	38.91	357,251
Granted during the year	-	-	-	-
Exercised during the year*	36.66	60,963	-	-
Forfeited during the year	-	-	-	-
Closing balance	**39.38**	**296,288**	**38.91**	**357,251**
Vested and exercisable	**39.38**	**296,288**	**38.91**	**357,251**

(c) Share options outstanding at the end of the year have the following exercise period and exercise prices:

Grant	Grant Date	Exercise period	Exercise Price/ Share in ₹	Share Options as on 31 March 2023	Share Options as on 31 March 2022
Grant I	04-Mar-11	2 years from the date of listing	30.77	213,669	255,632
Grant II	04-Mar-11	2 years from the date of listing	30.77	27,371	38,584
Grant III	16-Nov-12	2 years from the date of listing	76.92	27,196	27,196
Grant IV	02-Jul-13	2 years from the date of listing	76.92	18,707	18,707
Grant V	28-Jan-15	2 years from the date of listing	76.92	9,345	17,132

* The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2023 was ₹517.31 (31 March 2022: NIL)

(d) No options expired during the year ended 31 March 2023 and 31 March 2022.

(e) Contractual life of options

Grant	Grant Date	Expiry Date	Exercise Price/ Share in ₹	Share Options as on 31 March 2023	Share Options as on 31 March 2022
Grant I	04-Mar-11	13-Dec-23	30.77	213,669	255,632
Grant II	04-Mar-11	13-Dec-23	30.77	27,371	38,584
Grant III	16-Nov-12	13-Dec-23	76.92	27,196	27,196
Grant IV	02-Jul-13	13-Dec-23	76.92	18,707	18,707
Grant V	28-Jan-15	13-Dec-23	76.92	9,345	17,132
Weighted average remaining contractual life of options outstanding at end of period (in years)				0.70	1.70

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 46 Share-based payments (Contd.)

(f) Fair value of options granted

No grants were issued during the year.

(g) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were 31 March 2023: NIL (31 March 2022: NIL).

(h) The existing Employee Stock Option Scheme 2011 has been aligned with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 and the same was approved in Board Resolution dated 11 February 2022 and shareholder's resolution vide postal ballot dated 3 April 2022 . The Company has received in-principle approval from the stock exchange for the said scheme. During the current year 60,963 equity shares has been exercised.

Note 47

Pursuant to an order pronounced by the Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT") on 24 February 2023, the Company through its wholly-owned subsidiary, Tega Equipments Private Limited ("TEPL"), completed the acquisition of McNally Sayaji Engineering Limited ("MSEL") under the Corporate Insolvency Resolution Process ("CIRP") of the Insolvency and Bankruptcy Code 2016 ("Code"). Vide the same order, Hon'ble NCLT of Kolkata also approved the merger of TEPL with MSEL and consequently MSEL has become a direct wholly-owned subsidiary of the Company.

The Company has given a loan amounting to ₹655.69 Mn to TEPL for acquisition of MSEL. Subsequently, TEPL got merged into MSEL on 29 March 2023 and the aforesaid loan was converted into investments in MSEL.

Note: 48 Reconciliation of quarterly bank returns

The Company has filed quarterly returns/ statements with the Banks in lieu of the sanctioned working capital facilities which are in agreement with the books of accounts other than those as set out below:

For the year ended 31 March 2023

Quarter	Particulars	Name of the bank	Amount as per books of account	Amount as reported in the quarterly returns/ statements	Amount of difference	Reason for difference
30 June 2022	Trade receivables and contract assets	Working Capital Lenders*	1,927.72	1,863.26	(64.46)	**Refer note below**

Quarterly return/ statement for the quarter ended 31 March 2023 is yet to be filed by the Company.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 48 Reconciliation of quarterly bank returns (Contd.)

For the year ended 31 March 2022

Quarter	Particulars	Name of the bank	Amount as per books of account	Amount as reported in the quarterly returns/ statements	Amount of difference	Reason for difference
31 March 2022	Inventories	Working Capital Lenders*	1,679.51	1,648.22	(31.29)	Refer note below
31 March 2022	Trade receivables and contract assets	Working Capital Lenders*	2,136.36	2,158.55	22.19	
31 March 2022	Trade payable for goods	Working Capital Lenders*	472.16	474.05	1.89	
31 December 2021	Inventories	Working Capital Lenders*	1,844.93	1,828.57	(16.36)	
31 December 2021	Trade receivables and contract assets	Working Capital Lenders*	2,279.50	2,274.86	(4.64)	
31 December 2021	Trade payable for goods	Working Capital Lenders*	792.84	783.63	(9.21)	
30 September 2021	Inventories	Working Capital Lenders*	1,583.39	1,413.67	(169.72)	
30 September 2021	Trade receivables and contract assets	Working Capital Lenders*	1,847.33	1,825.76	(21.57)	
30 September 2021	Trade payable for goods	Working Capital Lenders*	741.33	505.16	(236.17)	
30 June 2021	Inventories	Working Capital Lenders*	1,390.29	1,113.86	(276.43)	
30 June 2021	Trade receivables and contract assets	Working Capital Lenders*	1,612.43	1,763.69	151.26	
30 June 2021	Trade payable for goods	Working Capital Lenders*	750.76	657.22	(93.54)	

* ICICI Bank Limited, Standard Chartered Bank, Axis Bank Limited, RBL Bank Limited, CITI Bank N.A, and Syndicate Bank are represented as Working Capital Lenders.

Note for discrepancies :

The Bank returns were prepared and filed before the completion of all financial statement closure activities including Ind AS related adjustments/ reclassifications, as applicable, which led to these differences between the final books of accounts and the bank return which were based on provisional books of accounts.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 49 Additional disclosures relating to investments in subsidiaries and joint venture

Set out below are the list of subsidiaries and a joint venture of the Company as at 31 March 2023 and 31 March 2022. These investments are carried at cost less impairment, if any. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Particulars	Principal place of Business/ Country of Incorporation	Ownership Interest in percentage	
		As at 31 March 2023	As at 31 March 2022
Subsidiaries			
Tega Industries, Inc.	USA	100%	100%
Tega Industries Australia Pty. Ltd.	Australia	100%	100%
Tega Industries Canada Inc.	Canada	100%	100%
Tega Investments Limited*	The Bahamas	-	100%
Tega Do Brasil Servicos Technicos Ltda	Brazil	99.99%	99.99%
Tega Holdings Pte Limited	Singapore	100%	100%
Tega Equipments Private Limited@	India	-	-
McNally Sayaji Engineering Limited#	India	100%	-
Subsidiaries of a Subsidiary			
Tega Holdings Pty Ltd	Australia	100%	100%
Losugen Pty Ltd	Australia	100%	100%
Tega Industries Chile SpA	Chile	100%	100%
Edoctum S.A.	Chile	99.89%	99.89%
Edoctum Peru S.A.C.	Peru	100%	100%
Tega Investments South Africa Proprietary Limited	South Africa	100%	100%
Tega Industries Africa Proprietary Limited	South Africa	100%	100%
MBE Coal & Mineral Technologies Private Limited$	India	-	-
Joint Venture			
Hosch Equipment (India) Limited	India	50%	50%

*till 14 November 2022

@from 2 December 2022 till 29 March 2023

#subsidiary of Tega Equipments Private Limited from 24 February 2023 to 29 March 2023 and direct subsidiary from 29 March 2023

$from 24 February 2023 to 29 March 2023

Note 50: Additional regulatory information

(a) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on 13 November 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(b) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(c) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(d) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(e) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(f) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(g) The Company has complied with the number of layers as prescribed in section 2(89) of the Companies Act read with Companies (Restriction on number of layers) Rules, 2017.

(h) The Company has not revalued its Property, plant and equipment (including Right-of-Use Assets) or intangible assets or both during the current or previous year.

Notes to the Standalone Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note 50: Additional regulatory information (Contd.)

(i) The Company has raised funds on short term and long term basis from banks and financial institutions, and have been applied for the purpose for which they were obtained.

(j) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether, directly or indirectly lend or invest in other persons/ entities identified in any manner whatsoever by or on behalf of the Company ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than loans amounting to ₹193.10 Mn given during the year to Tega Holdings Pte Limited, a subsidiary Company of the Company in the ordinary course of business for onward funding to Tega Industries Chile SpA, a step-down subsidiary of the Company towards purchase of capital assets and loan amounting to ₹655.69 Mn to Tega Equipment Private Limited ("TEPL"), a subsidiary Company of the Company in the ordinary course of business for acquisition of McNally Sayaji Engineering Limited ("MSEL") which is subsequently converted into investments on merger of TEPL with MSEL pursuant to a Corporate Insolvency Resolution process implemented under the Insolvency and Bankruptcy Code 2016.

(k) The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(l) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous year.

Note: 51

During the year ended 31 March 2022, the Company has completed its initial public offer (IPO) of 13,669,478 equity shares of face value of ₹10 each at an issue price of ₹453 per share, comprising of offer for sale of 13,669,478 shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 13 December 2021.

The Company has incurred ₹324.59 million (plus applicable taxes) as IPO related expenses upto 31 March 2022 and the entire expenses are allocated to the selling share holders in the proportion of their respective share holding considered in the IPO as per the offer agreement between the Company and the selling shareholders.

Note: 52

Mr. Manoj Kumar Agarwal, erstwhile Chief Financial Officer (CFO), had tendered his resignation, effective from the closure of business hours on 31 January 2023. The Company is in the process of appointing a CFO. In the interim, Mr. Kaushal Sureka, Deputy General Manager - Finance & Accounts, was appointed to take charge of the Finance Function by the Board of Directors, vide resolution dated 31 January 2023. Accordingly, pursuant to the resolution approved by the Board at their meeting held on 30 May 2023, the Financial Statements are signed by Mr. Kaushal Sureka, Deputy General Manager - Finance & Accounts of the Company, along with other directors so authorised, to sign the financial statements on behalf of the Board of Directors.

Signature to Note 1 to 52 above.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
Place: Kolkata
Date: 30 May 2023

For and on Behalf of Board of Directors

Madan Mohan Mohanka
Chairman
DIN: 00049388
Place: Kolkata
Date: 30 May 2023

Mehul Mohanka
Managing Director
DIN: 00052134
Place: Kolkata
Date: 30 May 2023

Manjuree Rai
Company Secretary
Place: Kolkata
Date: 30 May 2023

Kaushal Sureka
DGM - Finance and Accounts
Place: Kolkata
Date: 30 May 2023

Consolidated Financial Statements

Independent Auditor's Report

To
The Members of
Tega Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Tega Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture (refer Note 44 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2023, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters section below other than the unaudited financial information as certified by the management and referred to in sub-paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. The following emphasis of matter paragraph has been included in the independent auditor's report dated May 29, 2023 issued by the independent firm of chartered accountants on the audit of the Special Purpose Consolidated Financial Information of McNally Sayaji Engineering Limited which has been reported as under:

   "b) Accounting treatment for the effects of the Resolution Plan

   We draw your attention to Note 45 I to the Special Purpose Consolidated Financial Information regarding the implementation of resolution plan and scheme of arrangement and amalgamation as approved by the Hon'ble NCLT, Kolkata Bench on 24th February, 2023 for relief, concessions and approvals sought thereon. Our report is not modified in respect of this matter."

   Note 45 I referred above corresponds to Note 48(b) to the Consolidated Financial Statements.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying value of goodwill relating to acquisitions [Refer Note 2.5 to the Consolidated Financial Statements -"Intangible Assets", Refer Note 2A (ii) to the Consolidated Financial Statements- "Critical Estimates and Judgements- Impairment of Goodwill", Refer Note 5 to the Consolidated Financial Statements- "Goodwill"] As at March 31, 2023, the consolidated financial statements includes goodwill of ₹624.78 million pertaining to acquisition of two subsidiaries in Australia and South Africa in earlier years. The Group carries the Goodwill at cost less accumulated impairment loss, if any. In accordance with the requirements of Indian Accounting Standard 36 'Impairment of Assets', Goodwill is tested annually for impairment. The management has allocated the said goodwill to a Cash Generating Unit (CGU), and tested the same for impairment by estimating the recoverable value of the CGU using Discounted Cash Flow (DCF) model with the involvement of an independent valuation expert. Based on such testing, the recoverable amount of the CGU is higher than its carrying amount and accordingly no provision for impairment is considered necessary by the management. We considered this as a key audit matter because of the significant carrying value of the goodwill and estimation uncertainty in assumptions used in assessing future cashflows, such as discount rate, rate of growth over the estimation period and terminal growth rate which are affected by future market and economic conditions and, hence, are inherently uncertain.	Our audit procedures included the following: a) Understanding and evaluating the design and testing the operating effectiveness of internal controls over the impairment assessment; b) Evaluating the Group's accounting policy in respect of impairment assessment of goodwill; c) Perusing the report issued by the external valuation experts engaged by the management and conducting enquiries with them to understand the assumptions considered by them; d) Evaluating the independence, competence and capability of the valuation experts engaged by the management; e) Assessing the cash flow projections and assumptions used in the DCF model and evaluating the mathematical accuracy; f) Together with auditor's valuation experts, testing the appropriateness of the DCF model and key assumptions therein and performing sensitivity analysis over key assumptions to corroborate the recoverable amount of the CGU; g) Assessing adequacy and appropriateness of the presentation and disclosures in the consolidated financial statements. Based on the above procedures performed, the management's impairment assessment of the goodwill was considered to be reasonable.
Appropriateness of Purchase Price Allocation (PPA) in case of acquisition of McNally Sayaji Engineering Limited (MSEL) [Refer Note 2.8 to the Consolidated Financial Statements -"Business Combinations", Refer Note 2A (ix) to the Consolidated Financial Statements- "Critical Estimates and Judgements- Allocation of consideration over the fair value of assets and liabilities acquired in a Business Combination" and Note 48 to the Consolidated Financial Statements " Business Combination"] On February 24, 2023, the Group acquired the business of MSEL, pursuant to a resolution plan approved under the Insolvency and Bankruptcy Code, 2016. The Group determined the acquisition to be a business combination in accordance with Ind AS 103 'Business Combinations' ('Ind AS 103'), which requires the identifiable assets and liabilities to be recognised at fair value at the date of acquisition and the excess of fair value of identifiable assets and liabilities over the consideration paid to be recognised directly in equity as Capital Reserve.	Our audit procedures included the following: a) We understood from the management, assessed and tested the design and operating effectiveness of the Group's key controls over the accounting of business combinations. b) We read the resolution plan approved under the Insolvency and Bankruptcy Code, 2016 and other documents related to acquisition in order to obtain an understanding of the transaction in connection with Ind AS 103 compliance and to verify the consideration paid. c) We evaluated the competence, capabilities and objectivity of the management's expert, obtained an understanding of the work of the expert, read the report issued by them and evaluated the appropriateness of the expert's work and the assumptions considered by them. d) We obtained the audited financial information of MSEL as at the acquisition date which was audited by other auditors. e) We inquired with the other auditors on completeness, accuracy and valuation of the PPA adjustments and understood the implementation of the approved resolution plan.

Key audit matter	How our audit addressed the key audit matter
The Group's Management had appointed an independent professional valuer (management's expert) to identify the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in accordance with Ind AS 38 'Intangible Assets') and liabilities assumed, and to determine fair value of the net assets for the purpose of allocation of the purchase price to the various assets and liabilities ("Purchase Price Allocation" or "PPA"). Consequently, the Group has recognised a Capital Reserve of Rs. 1,269.83 million directly in 'Other Equity' in accordance with the principles of Ind AS 103. The PPA involved use of significant assumptions and estimates by the Management and the management's expert in determination of the fair values of the identifiable assets acquired and liabilities assumed in the transaction. Thus, we considered this area to be a key audit matter.	f) We assessed the Group's determination of the fair value of the remaining assets and liabilities having regard to the completeness of assets and liabilities identified and the reasonableness of any underlying assumptions in their respective valuations. g) We involved valuation experts ("auditor's expert") to review the PPA including the work done by management's expert to assess reasonableness of the underlying key assumptions used in determining the fair values of the identifiable assets and liabilities as at the acquisition date. h) We checked arithmetical accuracy of the management's computation of Capital Reserve. i) We also assessed and corroborated the adequacy and appropriateness of the disclosures made in the consolidated financial statements. Based on our procedures performed above, we considered the management's assessment of PPA in case of acquisition of MSEL to be reasonable.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in The Management Discussion and Analysis Report, Director's Report, Corporate Governance Report and Business Responsibility and Sustainability Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

   In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint venture or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

15. We did not audit the financial statements /financial information of thirteen subsidiaries included in the Consolidated Financial Statements, whose financial information reflect total assets of ₹13,641.58 million and net assets of ₹9,095.72 million as at March 31, 2023, total revenue of ₹7,461.94 million, total net profit after tax of ₹558.20

million, total comprehensive income (comprising of profit and other comprehensive income) of ₹559.88 million and net cash flows amounting to ₹49.53 million for the year ended on that date, as considered in the Consolidated Financial Statements. These financial information/financial statements have been audited by other auditors whose reports have been furnished to us by the other auditors/ Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

16. We did not audit the financial information of one subsidiary whose financial information reflect total revenue of ₹7.30 million and total net loss after tax of ₹4.90 million for the period from February 25, 2023 to March 29, 2023, as considered in the Consolidated Financial Statements. This financial information is unaudited and have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements, insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

    Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

    d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Holding Company and its joint venture taken on record by the Board of Directors of the Holding Company and its joint venture and the reports of the statutory auditors of its subsidiaries, incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and its joint venture and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

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

        i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint venture – Refer Note 45A and 44(c) to the Consolidated Financial Statements.

        ii. The Group and its Joint Venture were not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group has made provision as at March 31, 2023, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts. The Joint Venture did not have any derivative contracts as at March 31, 2023. (Refer Note 6 to the Consolidate Financial Statements.)

        iii. During the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its joint venture incorporated in India.

iv. (a) The respective Managements of the Holding Company, its subsidiaries and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or joint venture to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries or joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 51(J) to the Consolidated Financial Statements);

(b) The respective Managements of the Holding Company, its subsidiaries and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries or joint venture from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 51(k) to the Consolidated Financial Statements);

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us for Holding Company and its joint venture and those performed by the auditors of the subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, nothing has come to our or the other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company and its subsidiaries which are companies incorporated in India, have not declared or paid any dividend during the year. The dividend paid during the year by its joint venture, incorporated in India, is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of accounts to have the feature of audit trail, edit log and related matters in the accounting software used by the Group and its joint venture, is applicable to the Group and its joint venture only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

19. The Holding Company, its subsidiaries and its Joint Venture which are companies incorporated in India, have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
UDIN: 23058507BGYAYI2360

Kolkata
May 30, 2023

Annexure A to the Independent Auditor's Report

Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of Tega Industries Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2023.

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of Tega Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiary companies and its joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its joint venture, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to Consolidated Financial Statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition,

use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of this matter.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
UDIN: 23058507BGYAYI2360

Kolkata
May 30, 2023

Annexure B to the Independent Auditors' Report

Referred to in paragraph 17 of the Independent Auditors' Report of even date to the members of Tega Industries Limited on the Consolidated Financial Statements as of and for the year ended March 31,2023.

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

Sl. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditor's report	Paragraph number in the respective CARO reports
1	Tega Industries Limited	L25199WB1976PLC030532	Holding Company	May 30, 2023	(i)(c), (ii)(b) and vii(a)
2	Hosch Equipment (India) Limited	U25192WB1991PLC052259	Joint Venture	May 16, 2023	(i)(c), vii (a)
3	McNally Sayaji Engineering Limited	L28999WB1943PLC133247	Subsidiary Company	May 29, 2023	(i)(c), ii(b), vii(a), xvii
4	Tega Equipments Private Limited	U74110WB2019PTC233280	Subsidiary Company	May 22, 2023	xvii

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
UDIN: 23058507BGYAYI2360

Kolkata
May 30, 2023

Consolidated Balance Sheet as at 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	3,055.19	1,711.30
Right-of-Use Assets	3(b)	1,728.98	571.91
Capital work in progress	3(c)	120.25	101.71
Investment property	4	36.02	40.76
Goodwill	5	624.78	644.89
Other intangible assets	3(d)	37.04	14.14
Investments accounted for using the equity method	44(c)	278.67	241.25
Financial assets			
(i) Other financial assets	6	104.68	83.45
Current tax assets (net)	7	119.77	119.77
Deferred tax assets (net)	8	162.45	232.61
Other non-current assets	9	150.79	56.39
Total non-current assets		**6,418.62**	**3,818.18**
Current assets			
Inventories	10	2,895.93	2,521.36
Financial assets			
(i) Investments	11	1,890.05	1,744.06
(ii) Trade receivables	12	4,031.31	2,765.23
(iii) Cash and cash equivalents	13	457.21	394.97
(iv) Other bank balances	14	35.77	7.06
(v) Loans	15	0.58	0.32
(vi) Other financial assets	16	107.42	139.69
Current tax assets (net)	17	39.03	12.00
Other current assets	18	465.11	389.26
Total current assets		**9,922.41**	**7,973.95**
Total assets		**16,341.03**	**11,792.13**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19A	663.54	662.93
Other equity	19C	9,826.38	6,697.42
Equity attributable to the owners of the company		**10,489.92**	**7,360.35**
Equity attributable to the owners of the non controlling interest		0.00^	0.00^
Total equity		**10,489.92**	**7,360.35**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	1,415.70	613.65
(ii) Lease liabilities	3(b)	417.71	250.97
(iii) Other financial liabilities	21	24.25	43.86
Provisions	22	23.85	-
Deferred tax liabilities (net)	23	47.62	90.43
Total non-current liabilities		**1,929.13**	**998.91**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	1,678.85	1,535.78
(ii) Lease liabilities	3(b)	96.46	51.25
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	25	61.26	79.67
(b) Total outstanding dues of creditors other than micro and small enterprises	25	1,058.04	887.68
(iv) Other financial liabilities	26	204.51	233.71
Provisions	27	179.35	141.82
Current tax liabilities (net)	28	90.71	43.26
Other current liabilities	29	552.80	459.70
Total current liabilities		**3,921.98**	**3,432.87**
Total liabilities		**5,851.11**	**4,431.78**
Total equity and liabilities		**16,341.03**	**11,792.13**

^Amount is below the rounding off norm adopted by the Group

This is the Consolidated Balance Sheet referred to in our report of even date.

The accompanying notes are an integral part of this Consolidated Financial Statements

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507

Place: Kolkata
Date: 30 May 2023

For and on Behalf of Board of Directors

Madan Mohan Mohanka
Chairman
DIN: 00049388

Place: Kolkata
Date: 30 May 2023

Mehul Mohanka
Managing Director
DIN: 00052134

Place: Kolkata
Date: 30 May 2023

Manjuree Rai
Company Secretary

Place: Kolkata
Date: 30 May 2023

Kaushal Sureka
DGM - Finance and Accounts

Place: Kolkata
Date: 30 May 2023

Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	30	12,139.72	9,517.56
Other income	31	206.84	241.98
Total income		**12,346.56**	**9,759.54**
Expenses			
Cost of materials consumed	32	5,290.97	4,036.27
Changes in inventories of finished goods and work-in-progress	33	(14.76)	(10.06)
Employee benefits expense	34	1,627.01	1,434.21
Finance costs	35	181.20	162.04
Depreciation and amortisation expenses	36	411.97	386.96
Other expenses	37	2,532.36	2,228.56
Total expenses		**10,028.75**	**8,237.98**
Profit before share of net profit of joint venture accounted for using equity method and tax		**2,317.81**	**1,521.56**
Share of net profit of joint venture accounted for using the equity method	44(c)	**43.18**	**28.15**
Profit before tax		**2,360.99**	**1,549.71**
Income tax expense			
- Current tax	38	487.85	362.30
- Deferred tax	38	32.84	18.42
Total tax expense		**520.69**	**380.72**
Total Profit for the year (A)		**1,840.30**	**1,168.99**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement gain/ (loss) on post employment defined benefit plans		(2.74)	1.10
(b) Income tax charge related to above		0.67	(0.28)
(c) Share of other comprehensive income of joint venture accounted using the equity method		(0.10)	0.14
Items that will be reclassified to profit or loss			
(a) Exchange differences on translation of foreign operations		20.57	53.18
Other comprehensive income for the year, net of tax (B)		**18.40**	**54.14**
Total comprehensive income for the year (A+B)		**1,858.70**	**1,223.13**
Profit is attributable to:			
Owners of Tega Industries Limited		1,840.30	1,168.99
Non- Controlling interests		0.00^	0.00^
		1,840.30	**1,168.99**
Other Comprehensive income is attributable to:			
Owners of Tega Industries Limited		18.40	54.14
Non- Controlling interests		0.00^	0.00^
		18.40	**54.14**
Total Comprehensive income is attributable to:			
Owners of Tega Industries Limited		1,858.70	1,223.13
Non- Controlling interests		0.00^	0.00^
		1,858.70	**1,223.13**
Earnings Per equity share: [Nominal Value Per Share ₹10/-]			
Basic	43	27.76	19.65
Diluted	43	27.62	17.55

^Amount is below the rounding off norm adopted by the Group

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

The accompanying notes are an integral part of this Consolidated Financial Statements.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

For and on Behalf of Board of Directors

Amitesh Dutta
Partner
Membership Number: 058507
Place: Kolkata
Date: 30 May 2023

Madan Mohan Mohanka
Chairman
DIN: 00049388
Place: Kolkata
Date: 30 May 2023

Mehul Mohanka
Managing Director
DIN: 00052134
Place: Kolkata
Date: 30 May 2023

Manjuree Rai
Company Secretary

Place: Kolkata
Date: 30 May 2023

Kaushal Sureka
DGM - Finance and Accounts

Place: Kolkata
Date: 30 May 2023

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
As at 1 April 2021	19A	**576.01**
Changes during the year		86.92
As at 31 March 2022	19A	**662.93**
Changes during the year		
Exercise of options - proceeds received		0.61
As at 31 March 2023	19A	**663.54**

B. Preference share capital

Particulars	Notes	Amount
As at 1 April 2021	19B	**86.92**
Changes during the year		(86.92)
As at 31 March 2022	19B	**-**
Changes during the year		-
As at 31 March 2023	19B	**-**

C. Other equity

Particulars	Notes	Reserve & surplus				Other reserves	Share options outstanding account	Total other equity	Non-controlling interests	Total
		Securities premium	General reserve	Retained earning	Capital Reserve	Foreign Currency Translation Reserve				
Balance as at 1 April 2022	19C	**902.10**	**337.98**	**5,380.77**	**-**	**76.09**	**0.48**	**6,697.42**	**0.00^**	**6,697.42**
Profit for the year		-	-	1,840.30	-	-	-	1,840.30	0.00^	1,840.30
Other Comprehensive income [net of tax]		-	-	(2.17)	-	20.57	-	18.40	0.00^	18.40
Additions relating to Acquisition		-	-	-	1,269.83	-	-	1,269.83	-	1,269.83
Transfers within equity - exercise of options		0.06	-	-	-	-	(0.06)	-	-	-
Share issue expenses		-	-	(1.20)	-	-	-	(1.20)	-	(1.20)
Exercise of options - proceeds received		1.63	-	-	-	-	-	1.63	0.00^	1.63
Balance as at 31 March 2023		**903.79**	**337.98**	**7,217.70**	**1,269.83**	**96.66**	**0.42**	**9,826.38**	**-**	**9,826.38**

Particulars	Notes	Reserve & surplus				Other reserves	Share options outstanding account	Total other equity	Non-controlling interests	Total
		Securities premium	General reserve	Retained earning	Capital Reserve	Foreign Currency Translation Reserve				
Balance as at 1 April 2021	19C	**902.10**	**337.98**	**4,210.82**	**-**	**22.91**	**0.48**	**5,474.29**	**0.00^**	**5,474.29**
Profit for the year		-	-	1,168.99	-	-	-	1,168.99	0.00^	1,168.99
Other Comprehensive income [net of tax]		-	-	0.96	-	53.18	-	54.14	0.00^	54.14
Balance as at 31 March 2022		**902.10**	**337.98**	**5,380.77**	**-**	**76.09**	**0.48**	**6,697.42**	**0.00^**	**6,697.42**

^Amount is below the rounding off norm adopted by the Group

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

The accompanying notes are an integral part of this Consolidated Financial Statements

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
Place: Kolkata
Date: 30 May 2023

For and on Behalf of Board of Directors

Madan Mohan Mohanka
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DIN: 00052134
Place: Kolkata
Date: 30 May 2023

Manjuree Rai
Company Secretary

Kaushal Sureka
DGM - Finance and Accounts

Place: Kolkata
Date: 30 May 2023

Place: Kolkata
Date: 30 May 2023

Consolidated Statement of Cash Flows for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from Operating Activities		
Profit before tax	2,360.99	1,549.71
Adjustments for:		
Depreciation and amortisation expenses	411.97	386.96
Finance costs	171.02	100.86
Interest income	(9.58)	(3.12)
Allowance for expected credit loss (including bad debts and advances written off)	128.87	47.06
Claims/ liquidating damages	-	3.14
Net fair value (gain)/ loss on investments classified at FVTPL	2.23	(74.51)
Net (gain) on sale of investments classified at FVTPL	(95.00)	(5.31)
Mark to market (gain) on deriavtive instrument (net)	(42.25)	(27.04)
Derivative Settlement (net)	(6.96)	36.32
(Gain) on sale of property, plant and equipment including other intangible assets (net of loss on assets scrapped/ written off)	(0.60)	(0.71)
Share of profit of joint venture accounted for using the equity method	(43.18)	(28.15)
Provision for warranty Expenses	14.58	11.34
Provision for slow moving/ non- moving and obsolete inventory	72.27	27.38
Other non cash items	(0.26)	(2.54)
Effect of unrealised exchange differences (net)	26.00	9.80
Operating profit before working capital changes	**2,990.10**	**2,031.19**
Changes in Working Capital:		
(Increase)/ decrease in Non Current/ Current financial and other assets	(674.65)	(721.99)
(Increase)/ decrease in inventories	119.90	(943.66)
Increase/ (decrease) in Non Current/ Current financial and other liabilities/ provisions	(192.94)	202.15
Cash Generated from Operations	**2,242.41**	**567.69**
Income taxes paid (net of refunds)	(456.90)	(430.56)
Net cash generated from operating activities	**1,785.51**	**137.13**
B. Cash flow from Investing Activities		
Purchase of capital assets	(922.11)	(409.99)
Sale of capital assets	13.61	7.24
Acquisition of a subsidiary	(1,397.76)	-
Payment for purchase of investments	(2,022.94)	(392.48)
Proceeds from sale of investments	1,966.66	472.00
Deposits with bank placed	(170.20)	(2.00)
Deposits with bank matured	170.20	8.52
Interest received	18.47	4.06
Dividend received from joint venture	5.63	56.25
Net cash (used in) investing activities	**(2,338.44)**	**(256.40)**

Consolidated Statement of Cash Flows for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
C. Cash flow from Financing Activities		
Proceeds from issue of equity shares	2.24	-
Proceeds from long term borrowings	1,011.38	-
Repayment of long term borrowings	(249.86)	(204.92)
Proceeds from/ (repayment of) short term borrowings (net)	108.91	453.52
Derivative settlement (net)	6.96	(36.32)
Finance cost paid	(132.27)	(84.45)
Finance cost paid on account of lease liabilities	(33.01)	(23.16)
Repayment of lease liabilities	(84.00)	(73.82)
Dividends paid	-	0.00^
Net cash generated from financing activities	**630.35**	**30.85**
Net Increase/(decrease) in cash and cash equivalents	**77.42**	**(88.42)**
Cash and cash equivalents at the beginning of the year (Refer Note 13)	394.97	478.70
Exchange differences on translation of foreign currency cash and cash equivalents	(15.18)	4.69
Cash and cash equivalents at the end of the year	**457.21**	**394.97**

^Amount is below the rounding off norm adopted by the Group

Notes:

1. The above Consolidated Statement of Cash flows has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".
2. During the year non-cash transaction from Investing and Financing Activities with respect to acquisition of Right-of-Use Assets with corresponding adjustments to Lease Liabilities ₹253.75 Mn (31 March 2022: ₹74.97 Mn)

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

The accompanying notes are an integral part of this Consolidated Financial Statements

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
Place: Kolkata
Date: 30 May 2023

For and on Behalf of Board of Directors

Madan Mohan Mohanka
Chairman
DIN: 00049388
Place: Kolkata
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Managing Director
DIN: 00052134
Place: Kolkata
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Manjuree Rai
Company Secretary

Place: Kolkata
Date: 30 May 2023

Kaushal Sureka
DGM - Finance and Accounts

Place: Kolkata
Date: 30 May 2023

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

1. Group Information

Tega Industries Limited ('the holding company') and its subsidiaries (together the Group) incorporated in India with its registered office at Godrej Waterside, Tower-II, Office No. 807, 8th Floor, Block DP-5, Salt Lake Sector V, Bidhannagar, Kolkata – 700 091 West Bengal, India and is engaged in the business of manufacturing and distribution of specialized 'critical to operate' and recurring consumable products for the global mineral beneficiation, mining, bulk solids handling industry. The group is also engaged in manufacturing and marketing of crushing, screening, grinding, material handling and mineral processing equipments with integrated customer support and after sales service.

The Holding Company's equity shares are listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE).

The financial statements as at 31 March 2023 present the financial position of the Group.

The Consolidated Financial Statements for the year ended 31 March 2023 were approved and authorised for issue on 30 May 2023.

2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

(i) Compliance with Ind AS

These consolidated financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the act.

(ii) Historical Cost Convention

The consolidated financial statements have been prepared as going concern on accrual basis and under the historical cost convention except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);

- defined benefit plans – plan assets measured at fair value; and

- share-based payments.

(iii) Current versus Non Current Classification

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Indian Accounting Standards (Ind AS) and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

(iv) New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

2.2 Use of Estimates

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Estimates are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

2.3 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Interest in Joint Ventures accounted for using equity method.

Under Ind AS 111, Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The group only has investment in joint venture.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the consolidated statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from joint venture is recognised as a reduction in the carrying amount of investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee are changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2.6 below.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(iii) Changes in ownership interests

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit and loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit and loss where appropriate.

2.4 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit and loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of profit and loss.

On transition to Ind AS, the Group has elected to continue with the carrying value of its property plant and equipment measured at the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

Depreciation

i) Depreciation is calculated using a straight line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as specified by Schedule II to the Act, wherever applicable. The estimated useful lives of the property, plant and equipment have been presented below:

Class of assets	Estimated useful life (in years)
Buildings	30 - 60 years
Plant and Equipment*	3 - 15 years
Furniture and Fixtures	10 years
Vehicles	5-10 years
Office equipment	5 years
Electrical installation	10 years

*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Group believes that the useful lives as given above best represent the year over which Group expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Act.

ii) Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

The assets' residual values and useful lives are reviewed by the management, and adjusted if appropriate, at the end of each reporting period.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

2.5 Intangible assets

(i) Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses if any. Gains and Losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(ii) Intangible assets (Computer Software) are stated at cost of acquisition net of accumulated amortisation and accumulated impairment losses, if any. Costs associated with maintaining software programs are recognised as an expense as incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of profit and loss.

On transition to Ind AS, the Group has elected to continue with the carrying value of its intangible assets measured at the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation

The group amortises computer software and brand using the straight line method over the following periods:

Class of assets	Estimated useful life (in years)
Software	3 Years
Brand	5 Years

Research and Development Expenditure

Research expenditure and development expenditure that do not meet the criteria's mentioned below are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Property, plant and equipment used in Research and Development are capitalised.

Development costs are recognised as intangible assets when the following criteria are met:

1. it is technically feasible to complete the intangible asset so that it will be available for use
2. management intends to complete the intangible asset and use or sell it
3. there is an ability to use or sell the intangible asset
4. it can be demonstrated how the intangible asset will generate probable future economic benefits
5. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
6. the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

2.6 Impairment

At each balance sheet date, the Group reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the consolidated statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the consolidated statement of profit and loss immediately.

2.7 Investment Properties

Property that is held for long term rental yields or for capital appreciation or both, and is not occupied by the group, is classified as Investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All repair and maintenance cost are expensed when incurred. When part of Investment property is replaced, the carrying amount of the replaced part is derecognised.

On transition to Ind AS, the group has elected to continue with the carrying value of its investment properties measured at the previous GAAP and use that carrying value as the deemed cost of investment properties.

2.8 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in consolidated statement of profit and loss or other comprehensive income, as appropriate.

2.9 Financial Instruments

The financial assets are classified in the following categories:

1. financial assets measured at amortised cost,

2. financial assets measured at fair value through profit or loss (FVTPL), and

3. financial assets measured at fair value through other comprehensive income (FVOCI).

The classification of financial assets depends on the Group's business model for managing financial assets and the contractual terms of the cash flow. For assets measured at fair value, gains and losses will either be recorded in consolidated statement of profit and loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Regular purchases and sales of financial assets are recognised on trade-date, being the date on which the group commits to purchase or sale the financial asset.

At initial recognition, the Group measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Investment In debt instruments

Subsequent measurement of debt instruments depends on the Group's model of managing the assets and cash flow characteristics of the asset. There are three measurement categories in which the Group classifies its debt instruments.

Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the consolidated statement of profit and loss.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in consolidated statement of profit and loss.

Financial assets measured at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit and loss is recognised in the consolidated statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Investments in units of mutual funds are subsequently measured at FVTPL and the changes in fair value are recognised in Consolidated statement of Profit and Loss.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

De-recognition of financial asset
A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets
The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Cash and Cash Equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, demand deposits with banks, other short term highly liquid investments, if any, with original maturities of three months or less that are readily convertible to known amount of cash and subject to an insignificant change in value.

Trade receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Financial Liabilities

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in consolidated statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability (or a part of financial liability) is de-recognised from Group's Consolidated Balance Sheet when obligation specified in the contract is discharged or cancelled or expired.

Derivative Instruments

Derivatives are only used for economic hedging purposes and not as speculative investments. The Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts, interest rate swaps and options. The derivative contracts to hedge risks are not designated as hedges .

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Net mark to market gains/ losses on derivatives taken by the Group are recorded in other income/ expenses respectively.

2.10 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Group or the counterparty.

2.11 Government Grants

(i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

(ii) Government grants relating to income are deferred and recognised in the consolidated statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

2.12 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labours and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted-average cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Revenue Recognition

Revenue shall be recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Sale of goods

Sales are recognised when control of the products has been transferred to the buyer, being when the products are dispatched/ delivered to the customer depending on the contract terms. This occurs when the products have been shipped or delivered to the specific location as the case may be, the risk of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from contract with customers is primarily recorded at a point in time. In few contracts the Group's performance does not create an asset with alternative use to the group and the group has concluded that it has an enforceable right to payment for performance completed to date. In the said cases, the group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time. The group uses the input method to recognise revenue.

The group has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

No element of financing is deemed present as the sales are generally made with a credit term upto 180 days which is consistent with market practice.

Revenue is recognised based on the price specified in the contract.

Sale of services

Revenue from service contracts are recognised in the accounting period in which services are rendered.

Some contracts include multiple deliverables, such as sale of product and certain related services. However, the services are simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on the expected cost plus margin. If contracts include the installation of product, revenue for the product is recognized at a point in time when the product is delivered, the legal title has passed and the customer has accepted the product.

A receivable is recognised when the goods are dispatched or delivered, depending on the contract terms, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract asset is recognised in respect of those performance obligations where the control of the goods has been transferred to the buyer, and only delivery of the goods is pending. In these cases the consideration is due after the shipping obligation is complete, accordingly these are classified as contract assets as the consideration is conditional on something other than the passage of time.

The group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The group generally provides for warranties which are assurance-type warranties under Ind AS 115, and are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

2.14 Other Income

Interest:

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the consolidated statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend:

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in consolidated statement of profit and loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

2.15 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they are incurred.

2.16 Foreign Currencies Translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These consolidated financial statements of the Group are presented in Indian rupees (₹), which is the functional currency of the parent and the presentation currency for the financial statements.

Transaction and balances

Transactions in foreign currencies are translated into the functional currency at exchange rates prevailing on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in Consolidated Statement of Profit and Loss.

Monetary assets and liabilities related to such foreign currency transactions at the end of the year are translated at year end exchange rates and are generally recognised in the consolidated statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Foreign Operations

The result and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. Assets and liabilities are translated at the closing rate at the date of the Consolidated Balance Sheet.
2. Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
3. All resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate in effect at the balance sheet date.

2.17 Employee Benefits

a) Short-term Employee Benefits:

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

b) Defined contribution plans

Provident Fund

This is a defined contribution plan for certain employees and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to the consolidated statement of profit and loss in the period in which the related employee services are rendered. The group has no further obligations for future Provident Fund benefits other than its monthly contributions.

Superannuation Fund

This is a defined contribution plan. The Group contributes a certain percentage of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees. The Group has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

c) Defined benefit plans

Gratuity

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Provident Fund

With respect to one of the subsidiaries, certain employees of the group receive provident fund benefits, which are administered by the independent Provident Fund Trust. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the group make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The group has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the group's obligation to meet the shortfall, there is a defined benefit plan. Actuarial valuation of the group's liability under such scheme is carried out under the Projected Unit Credit method at the year end and the charge/ gain, if any, is recognised in the Consolidated Statement of Profit and Loss.

d) Other Long-term Employee Benefits:

Compensated absences

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the period end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the period end.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the period end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end period. Actuarial loss/ gains are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

e) Share based payments

Share-based compensation benefits are provided to employees via the Tega Industries Limited Employee Stock Option Scheme namely ESOP Scheme 2011. Employees of the holding company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Employee Stock Options Outstanding Account in equity, over the period in which the performance and/or service conditions are fulfilled, in Employee Benefit Expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.18 Current and Deferred Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Holding Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in consolidated statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.19 Provision and Contingent Liabilities

The Group recognises a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. However, provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or there is a present obligation, reliable estimate of the amount of which cannot be made. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Provision for warranty

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

2.20 Non-current assets (or disposal Groups) held for sale and discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of profit and loss.

Non-current assets classified as held for sale and the assets of a disposal Group classified as held for sale are presented separately from the other assets in the Consolidated Balance Sheet. The liabilities of a disposal Group classified as held for sale are presented separately from other liabilities in the Consolidated Balance Sheet.

Non-current assets (or disposal Groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

2.21 Earnings per Share

Basic earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The executive committee of the parent assesses the financial performance and the position of the Group and they are the chief operating decision maker of the Group.

2.23 Rounding off

All amounts in the financial statement have been rounded off to the nearest million with two decimal places as per the requirement of Schedule III to the Act, unless otherwise indicated.

2.24 Exceptional Item

Exceptional item is an item of income or expense within the consolidated statement of profit and loss, which is of such size, nature and incidence that its disclosure is relevant to explain the performance of the Group for the period. The nature and amount of such item is disclosed separately in the consolidated statement of profit and loss.

2.25 Leases

The Group as lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentive received, any initial direct costs and restoration costs.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the Statement of profit and loss.

Lease liability is measured at the present value of the following lease payments.

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Tega Industries Limited, which does not have recent third party financing
- makes adjustments specific to the lease, e.g. term, country, currency and security

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company entities use that rate as a starting point to determine the incremental borrowing rate.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to consolidated statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in the consolidated statement of profit and loss.

Payment made towards leases for which non-cancellable term is 12 months or lesser (short-term leases) and low value leases are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the consolidated statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

2.26 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

2A Critical estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

(i) Estimation of defined benefit obligation - Note 34.1

The estimate requires the Group to make assumptions regarding variables such as discount rate and salary growth rate. Change in these key assumptions can have significant impact on the defined benefit obligation.

(ii) Impairment of Goodwill - Note 5

Goodwill is tested for impairment at least on annual basis or more frequently when events or change in circumstances indicate that it might be impaired. The recoverable amount of the Cash Generating Unit (CGU) is determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projection based on financial budgets approved by management covering a five year period. The Group uses various assumptions inter-alia growth in the revenue, earnings before Interest, tax depreciation and amortisation (EBITDA), long term growth rates, discount rates to reflect the risk involved.

(iii) Deferred Taxes - Note 2.18, Note 8 and Note 38

The Group reviews the carrying amount of deferred tax assets at the end of the each reporting period.

(iv) Impairment of Property, Plant and Equipment - Note 2.6, Note 3(a) and Note 3(d)

The Group estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value which involves estimates and judgements.

(v) Useful lives of property, plant and equipment and intangible assets - Note 2.4, Note 3(a) and Note 3(d)

The Group reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. Uncertainties in these estimates relates to technical and economic obsolescence that may change the useful life of property, plant and equipment and intangible assets. This reassessment may result in change in depreciation and amortisation expense in future periods.

(vi) Fair value measurements of financial instruments - Note 39

This includes financial assets and liabilities, measured using inputs other than quoted prices that are observable for assets and liability, either directly as prices or indirectly derived from prices which involves estimates and judgements.

(vii) Expected credit loss for Trade receivables

Refer note 2.9, Note 12 and Note 40(A)(i) for details of critical estimates in expected credit loss for financial instruments carried at amortised cost.

(viii) Critical judgement in determining the lease term

The Group determines the lease term on the basis of termination and renewal options in various lease contracts where the Group applies its judgements. Refer note 3(b) for details.

(ix) Allocation of consideration over the fair value of assets and liabilities acquired in a business combination - Note 2.8 and Note 48

Assets and liabilities acquired pursuant to business combination are stated at the fair values determined as of the date of acquisition. The carrying values of assets acquired are determined based on estimate of a valuation carried out by independent professional valuers appointed by the Group. The values have been assessed based on the technical estimates of useful lives of tangible assets and benefits expected from the use of intangible assets. Other assets and liabilities were recorded at values that were expected to be realised or settled respectively.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Notes to the Consolidated Financial Statements as at and for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 3(a) Property, plant and equipment

Particulars	Gross Block						Depreciation						Net Block	
	As at 1 April 2022	Additions relating to acquisition	Additions during the year	Disposals/ adjustments during the year	Exchange Differences	As at 31 March 2023	As at 1 April 2022	Additions relating to acquisition	For the year	Disposals/ adjustments during the year	Exchange Differences	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Tangible assets														
(a) Land	106.25	63.23	252.55	-	25.70	447.73	2.26	-	0.36	-	-	2.62	445.11	103.99
(b) Buildings	779.63	1,658.47	6.84	-	(15.85)	2,429.09	176.64	1,001.79	35.62	0.00	(4.98)	1,209.07	1,220.02	602.99
(c) Plant and equipment	2,311.20	1,682.64	498.50	33.99	30.41	4,488.76	1,484.83	1,599.34	221.67	30.98	8.74	3,283.60	1,205.16	826.37
(d) Furniture and fixtures	139.16	61.60	20.45	9.53	8.69	220.37	64.45	60.84	27.91	7.57	4.32	149.95	70.42	74.71
(e) Vehicles	99.48	5.00	29.09	23.15	0.86	111.28	49.48	4.81	14.17	15.37	0.03	53.12	58.16	50.00
(f) Office equipment	91.78	19.97	7.97	0.65	0.34	119.41	47.19	18.09	7.36	0.49	0.43	72.58	46.83	44.59
(g) Electrical installation	11.83	13.70	0.84	0.10	(0.00)	26.27	3.18	12.59	1.03	0.02	(0.00)	16.78	9.49	8.65
Total	**3,539.33**	**3,504.61**	**816.24**	**67.42**	**50.15**	**7,842.91**	**1,828.03**	**2,697.46**	**308.12**	**54.43**	**8.54**	**4,787.72**	**3,055.19**	**1,711.30**

Particulars	Gross Block					Depreciation					Net Block	
	As at 1 April 2021	Additions during the year	Disposals/ adjustments during the year	Exchange Differences	As at 31 March 2022	As at 1 April 2021	For the year	Disposals/ adjustments during the year	Exchange Differences	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Tangible assets												
(a) Land	103.65	-	-	2.60	106.25	1.59	0.67	-	-	2.26	103.99	102.06
(b) Buildings	743.02	29.01	-	7.60	779.63	143.08	31.28	-	2.28	176.64	602.99	599.94
(c) Plant and equipment	2,107.44	207.96	-	(4.20)	2,311.20	1,251.89	230.55	-	2.39	1,484.83	826.37	855.55
(d) Furniture and fixtures	95.19	45.68	0.82	(0.89)	139.16	51.01	14.46	0.60	(0.42)	64.45	74.71	44.18
(e) Vehicles	103.83	5.87	11.76	1.54	99.48	40.26	15.66	7.25	0.81	49.48	50.00	63.57
(f) Office equipment	70.58	27.18	6.72	0.74	91.78	44.14	7.55	4.92	0.42	47.19	44.59	26.44
(g) Electrical installation	3.01	8.82		0.00	11.83	2.79	0.40	-	(0.01)	3.18	8.65	0.22
Total	**3,226.72**	**324.52**	**19.30**	**7.39**	**3,539.33**	**1,534.76**	**300.57**	**12.77**	**5.47**	**1,828.03**	**1,711.30**	**1,691.96**

Note:

(i) Refer note 20 and 24 for Property, plant and equipment pledged as security

(ii) Contractual obligations

Refer to note 45B for disclosure of contractual commitments for the acquisition of property, plant and equipment

(iii) No proceedings have been initiated on or are pending against the holding company and its Joint Venture for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder

Notes to the Consolidated Financial Statements as at and for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

(iv) Title deeds of all the immovable properties owned by the holding company and it's subsidiaries are held in their respective names except for one subsidiary whose details are given below

Relevant line item	Class of Assets	Description of item of property	Gross Carrying Value (Rs.)	Title deeds held in the name of	Whether title deed holder is a promoter, director, relative of promoter, director/ or employee of promoter/director	Property held since which date (Financial Year)	Property held since which date (Financial Year)	Reason for not being held in the name of the company
Property Plant and Equipment	Freehold Land	Freehold land measuring 10.20 acres located at Kumardubi disclosed as fixed asset in the Consolidated Financial Statements.	68.97	Title deeds are in the name of erstwhile Holding Co	No	30th November,1988	30th November,1988	The title deeds are in the name of McNally Bird Engineering Company Limited which was renamed as McNally Bharat Engineering Company Limited with effect from 13th December, 1972. The product division of McNally Bharat Engineering Company Limited was demerged in terms of the approval of the Hon'ble Calcutta High Court on 28th July, 2009.
Property Plant and Equipment	Right to Use Assets	Leasehold land measuring 16.92 acres located at Kumardhubi disclosed as fixed asset in the Consolidated Financial Statements.	114.41	Title deeds are in the name of erstwhile Holding Co	No	13th December, 1972	13th December, 1972	The title deeds are in the name of McNally Bird Engineering Company Limited which was renamed as McNally Bharat Engineering Company Limited with effect from 13th December, 1972. The product division of McNally Bharat Engineering Company Limited was demerged in terms of the approval of the Hon'ble Calcutta High Court on 28th July, 2009.
Property Plant and Equipment	Right to Use Assets	Leasehold land measuring 5 acres located at Asansol disclosed as fixed asset in the Consolidated Financial Statements.	225.82	Title deeds are in the name of erstwhile Holding Co	No	13th December, 1972	13th December, 1972	The title deeds are in the name of McNally Bharat Engineering Company Limited. The product division of McNally Bharat Engineering Company Limited was demerged in terms of the approval of the Hon'ble Calcutta High Court on 28th July, 2009.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note 3(b): Right-of-Use Assets

a) The Group as a lessee

The Group's significant leasing arrangements include assets dedicated for use under long-term arrangements, lease of land, office space, equipment, vehicles and some IT equipment. Lease of Land have lease term of 60 years, leases of plant and equipment and office equipments have lease terms between 2 to 30 years, offices and guest houses generally have lease terms between 12 months to 60 years and vehicle generally have lease term between 3 years to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. The group also has certain leases of offices and guest houses with lease terms of 12 months or less. The group applies the 'short-term lease' recognition exemptions for these leases. For leases recognised under long term arrangements involving use of a dedicated asset, non-lease components are excluded based on the underlying contractual terms and conditions.

b) Amounts recognised in Consolidated Balance Sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2023	As at 31 March 2022
Right-of-use assets		
Land [Refer note (i) below]	1,026.42	82.40
Buildings	237.42	244.66
Plant and equipment	428.14	227.84
Office Equipment	5.13	7.80
Vehicle	31.87	9.21
Total	**1,728.98**	**571.91**

Note (i): Refer note 20 and 24 for Right-of-Use land pledged as security.

Particulars	As at 31 March 2023	As at 31 March 2022
Lease Liabilities		
Current	96.46	51.25
Non-Current	417.71	250.97
Total	**514.17**	**302.22**

c) Following are the changes in carrying value of Right-of-use assets

Particulars	Right-of-Use Land	Right-of-Use Buildings	Right-of-Use Plant and Equipment	Right-of-Use Office Equipment	Right-of-Use Vehicle	Total Right-of-Use Assets
Opening Balance as at 1 April 2022 (At cost)	**87.44**	**282.80**	**295.47**	**20.07**	**27.26**	**713.04**
Additions relating to acquisition	992.87	-	-	-	-	992.87
Additions during the year	-	31.89	219.69	2.83	29.05	283.46
Assets disposed / discarded during the year	-	(17.64)	(26.14)	-	(9.03)	(52.81)
Exchange Differences	-	(1.33)	47.35	(0.59)	1.22	46.65
Balance as at 31 March 2023 (At cost)	**1,080.31**	**295.72**	**536.37**	**22.31**	**48.50**	**1,983.21**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note 3(b): Right-of-Use Assets (Contd.)

Particulars	Right-of-Use Land	Right-of-Use Buildings	Right-of-Use Plant and Equipment	Right-of-Use Office Equipment	Right-of-Use Vehicle	Total Right-of-Use Assets
Accumulated depreciation as at 1 April 2022	**5.04**	**38.14**	**67.63**	**12.27**	**18.05**	**141.13**
Additions relating to acquisition	45.77	-	-	-	-	45.77
Charge for the year#	3.08	22.53	57.54	5.34	7.97	96.46
Assets disposed / discarded during the year	-	(1.54)	(26.14)	-	(9.03)	(36.71)
Exchange Differences	-	(0.83)	9.20	(0.43)	(0.36)	7.59
Accumulated depreciation as at 31 March 2023	**53.89**	**58.30**	**108.23**	**17.18**	**16.63**	**254.23**
Carrying amount as at 31 March 2023	**1,026.42**	**237.42**	**428.14**	**5.13**	**31.87**	**1,728.98**

Particulars	Right-of-Use Land	Right-of-Use Buildings	Right-of-Use Plant and Equipment	Right-of-Use Office Equipment	Right-of-Use Vehicle	Total Right-of-Use Assets
Opening Balance as at 1 April 2021 (At cost)	**87.44**	**347.58**	**279.09**	**19.79**	**19.81**	**753.71**
Additions during the year	-	22.49	44.11	-	8.37	74.97
Assets disposed/ discarded during the year	-	(89.14)	(17.85)	-	(1.41)	(108.40)
Exchange Differences	-	1.87	(9.88)	0.28	0.49	(7.24)
Balance as at 31 March 2022 (At cost)	**87.44**	**282.80**	**295.47**	**20.07**	**27.26**	**713.04**
Accumulated depreciation as at 1 April 2021	**3.36**	**92.26**	**48.75**	**7.08**	**11.25**	**162.70**
Charge for the year #	1.68	28.28	38.13	5.01	6.59	79.69
Assets disposed/ discarded during the year	-	(83.31)	(17.84)	-	-	(101.15)
Exchange Differences	-	0.91	(1.41)	0.18	0.21	(0.11)
Accumulated depreciation as at 31 March 2022	**5.04**	**38.14**	**67.63**	**12.27**	**18.05**	**141.13**
Carrying amount as at 31 March 2022	**82.40**	**244.66**	**227.84**	**7.80**	**9.21**	**571.91**

Included under Depreciation and Amortisation expense (Refer Note 36)

(d) Following are the changes in carrying value of lease liabilities

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Balance	**302.22**	**318.70**
Additions relating to acquisition	20.70	-
Additions during the year	253.75	74.97
Finance costs during the year	33.01	23.16
Lease terminated during the year	(16.37)	(9.70)
Rent waiver on lease liabilities	-	(0.09)
Lease payments during the year	(117.01)	(96.98)
Exchange Differences	37.87	(7.84)
Closing Balance	**514.17**	**302.22**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note 3(b): Right-of-Use Assets (Contd.)

(e) Amounts recognised in the Consolidated Statement of Profit and Loss

The Consolidated Statement of Profit and Loss shows the following amounts relating to leases:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a. Depreciation charge of right-of-use assets (Refer Note 36)	96.46	79.69
b. Interest expense (included in finance costs) (Refer Note 35)	33.01	23.16
c. Expenses relating to short-term leases (included in other expenses) (Refer Note 37)	32.56	25.95
Total	**162.03**	**128.80**

(f) The Group had a total cash outflow of ₹117.01 Mn for leases for the year ended 31 March 2023. (31 March 2022- ₹96.98 Mn)

(g) Extension and termination options

Extension and termination options are included in the Group's lease contracts. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. In majority of the lease contracts, the extension and termination options held are exercisable by mutual consent of both the lessor and the lessee and in few contracts, the option to terminate the lease is with lessee only.

For determining the lease term Land, Plant & Machinery, office Space and Office Equipments, the following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset

The holding company has entered into a long-term lease for an office space which contains further renewal options and only the holding company can terminate the lease giving 6 months notice. Considering the above factors, the termination option with the holding company and the expected period of use, the lease term has been determined as 60 years which is shorter than the contractual duration.

(h) Residual value guarantees

There are no residual value guarantees in relation to any lease contracts.

(i) The Holding Company has entered into a 36 months leave and license agreement for five office spaces at various locations. These agreement are pending for registration under the Registration Act, 1908.

Note 3(c): Capital work in progress

Particulars	a	b	c	d	e= (a+b+c+d)
	As at 1 April 2022	Addition	Capitalisation/ adjustments	Exchange differences	As at 31 March 2023
Capital work in progress	101.71	585.13	(568.66)	2.07	120.25

Particulars	a	b	c	d	e= (a+b+c+d)
	As at 1 April 2021	Addition	Capitalisation/ adjustments	Exchange differences	As at 31 March 2022
Capital work in progress	68.59	196.41	(162.58)	(0.71)	101.71

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note 3(c): Capital work in progress (Contd.)

Notes:

(a) Capital work in progress ageing schedule:

(i) As at 31 March 2023

Particulars	Amount in Capital work in progress for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project In process	118.05	0.95	0.42	0.83	120.25
Project temporarily suspended	-	-	-	-	-
Total	**118.05**	**0.95**	**0.42**	**0.83**	**120.25**

(ii) As at 31 March 2022

Particulars	Amount in Capital work in progress for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project In process	87.08	13.00	1.50	0.13	101.71
Project temporarily suspended	-	-	-	-	-
Total	**87.08**	**13.00**	**1.50**	**0.13**	**101.71**

(b) Capital work in progress for which completion is overdue or has exceeded its cost compared to its original plan:

(i) As at 31 March 2023

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
CRM Process Transformation	12.00	-	-	-	12.00
Automation Module Industry 4.0	21.46	-	-	-	21.46
Roof shed life line building	1.38	-	-	-	1.38
Boundary Wall	7.29	-	-	-	7.29
Daylight Modification 6000T Press	15.62	-	-	-	15.62
Desma Machine	10.61	-	-	-	10.61
Others	1.53	-	-	-	1.53
Total	**69.89**	**-**	**-**	**-**	**69.89**

(ii) As at 31 March 2022

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Toluene Storage Tank	1.46	-	-	-	1.46
Banbury RAM Cylinder	5.08	-	-	-	5.08
Boiler and Boiler feed water tank	11.42	-	-	-	11.42
Replacement of Autoclave 3m Diameter	8.93	-	-	-	8.93
Shop Floor Office for Fabrication Shop	0.13	-	-	-	0.13
Heating Oven	0.09	-	-	-	0.09
EOT Overhauling	0.08	-	-	-	0.08
Semi Goliath Crane 5T	8.19	-	-	-	8.19
Hardox Preheating Oven	2.97	-	-	-	2.97
Total	**38.35**	**-**	**-**	**-**	**38.35**

Notes to the Consolidated Financial Statements as at and for the year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note 3(d): Other intangible assets

Particulars	Gross Block						Amortisation						Net Block	
	As at 1 April 2022	Additions relating to acquisition	Additions during the year	Disposals/ adjustments during the year	Exchange Differences	As at 31 March 2023	As at 1 April 2022	Additions relating to acquisition	For the year	Disposals/ adjustments during the year	Exchange Differences	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Other intangible assets														
(a) Computer software	51.72	20.09	4.08	-	2.23	78.12	37.58	19.79	6.87	-	1.62	65.86	12.26	14.14
(b) Technical know -how	-	1.05	-	-	-	1.05	-	1.05	-	-	-	1.05	-	-
(c) Designs and drawings	-	225.00				225.00	-	225.00	-	-		225.00	-	-
(d) Brand	-	25.30	-	-	-	25.30	-	-	0.52	-	-	0.52	24.78	-
Total	**51.72**	**271.44**	**4.08**	**-**	**2.23**	**329.47**	**37.58**	**245.84**	**7.39**	**-**	**1.62**	**292.43**	**37.04**	**14.14**

Particulars	Gross Block					Amortisation					Net Block	
	As at 1 April 2021	Additions during the year	Disposals/ adjustments during the year	Exchange Differences	As at 31 March 2022	As at 1 April 2021	For the year	Disposals/ adjustments during the year	Exchange Differences	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Other intangible assets												
(a) Computer software	38.17	13.77	-	(0.22)	51.72	31.04	6.70	-	(0.16)	37.58	14.14	7.13
Total	**38.17**	**13.77**	**-**	**(0.22)**	**51.72**	**31.04**	**6.70**	**-**	**(0.16)**	**37.58**	**14.14**	**7.13**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 4 Investment property

Particulars	As at 31 March 2023	As at 31 March 2022
Land	36.02	40.76
Total	**36.02**	**40.76**

Movement in balances

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cost as at beginning of the year	40.76	38.49
Add/(less): Exchange difference during the year	(4.74)	2.27
Cost as at end of the year	**36.02**	**40.76**
Net carrying value as at beginning of the year	**40.76**	**38.49**
Net carrying value as at end of the year	**36.02**	**40.76**

Fair value of Group's Investment property

The Group has identified its unsecured freehold land at Farm number 110, portion 224, Klippoortjie, Gauteng, South Africa held under title deed number T38235/2009 as investment property. The fair valuation of the property is done by SAIV, (31 March 2022: SAIV) Independent valuer and appraiser for the Master of the Supreme Court (Pretoria) and has the appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. Details of the fair value of the group investment property as at 31 March 2023 and 31 March 2022 are given below:

Particulars	Fair Value as at 31 March 2023	Fair Value as at 31 March 2022
Land	36.02	40.76
Total	**36.02**	**40.76**

Fair Value measurement of Investment property is included in Level-3 hierarchy.

The Group has fair valued Investment Property for disclosure purpose, however the said investment property is related to one of its foreign subsidiary, hence requirement of valuation of Investment property by a registered valuer as defined under rule 2 of Companies (Registered Valuer and Valuation) Rules, 2017 not applicable.

Note: 5 Goodwill

Particulars	As at 31 March 2023	As at 31 March 2022
Goodwill on consolidation	624.78	644.89

Movement in balances

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cost as at beginning of the year	644.89	632.82
Add/ less: Exchange difference during the year on translation of Goodwill of foreign subsidiaries	(20.11)	12.07
Cost as at end of the year	**624.78**	**644.89**
Net carrying value as at beginning of the year	**644.89**	**632.82**
Net carrying value as at end of the year	**624.78**	**644.89**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 5 Goodwill (Contd.)

The goodwill is attributable to the manufacturing entities in Australia and South Africa. The carrying amount of goodwill for such entities are ₹618.70 Mn (31 March 2022: ₹638.01 Mn) and ₹6.08 Mn (31 March 2022: ₹6.88 Mn) respectively.

The Group has adopted 'value in use' method to determine the carrying value of cash generating unit. The calculations use cash flow projections based on management estimates for the next financial year, and projections are further made for a period of four years. Cash flow beyond these periods are extrapolated using the estimated growth rates. The key assumptions used by the management are revenue growth rate and discount rate.

The base assumptions considered for testing the goodwill impairment for both the cash generating units are as follows:

- The discounting rate (Post tax) has been taken at 13.70% (31 March 2022: 12.40%) for Australia and 18.60% (31 March 2022: 15.30%) for South Africa.
- The long term growth rate has been taken at 3.00% (31 March 2022: 2.50%) for Australia and 3.00% (31 March 2022: 3.00%) for South Africa.

Management has determined the values assigned to each of the above key assumptions as follows:

Revenue growth rate

Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development and current industry trends including long-term inflation forecasts for each territory.

Long-term growth rate

This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

Post-tax discount rates

Reflect specific risks relating to the relevant segments and the countries in which they operate.

Other key assumptions

Other key assumptions considered by the management are the costs which are largely dependent on the revenues, and accordingly any change in revenue projections will also impact the costs similarly.

As a result of the above test for impairment the recoverable amount of the CGUs exceeded the carrying value of the CGUs.

Goodwill in the Consolidated Financial Statements primarily consists of goodwill in manufacturing entity in Australia. The recoverable amount of manufacturing entity in Australia (CGU) would equal its carrying amount if the key assumptions were to change as follows:

Particulars	As at 31 March 2023		As at 31 March 2022	
	From	To	From	To
Long-term growth rate (%)	3.00%	(0.30%)	2.50%	0.68%
Post-tax discount rate (%)	13.70%	15.90%	12.40%	13.80%

Note: 6 Other financial assets - non current

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good (unless otherwise stated)		
Security Deposits	45.05	18.32
Other bank balances		
In deposit account	0.04	-
Derivative assets	59.59	65.13
Total	**104.68**	**83.45**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 7 Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance Income Tax (Net of Provision for Income Tax)	119.77	119.77
Total	**119.77**	**119.77**

Note: 8 Deferred tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
The balance comprises temporary differences attributable to:		
Deferred tax assets		
Allowance for doubtful debts and advances	241.89	41.52
Accumulated loss *	11.12	70.02
Amounts allowable for tax purpose on payment basis	27.89	12.15
Property, plant and equipment and intangible assets	-	9.76
Lease liabilities	127.63	76.70
Other temporary difference	80.99	92.11
Total	**489.52**	**302.26**
Deferred tax liabilities		
Property, plant and equipment and intangible assets	208.40	-
Right-of-Use Assets	118.67	69.65
Total	**327.07**	**69.65**
Deferred tax assets (net)	**162.45**	**232.61**

Refer note 38 for tax expenses

* absorption expected based on future taxable income

Significant Estimates

One of the subsidiary of the group has unabsorded depreciation and carry forward business losses available for set off under Income tax Act, 1961. However, in view of inability to assess future taxable income, the extent of deferred tax assets which may be adjusted in subsequent years is not ascertainable with virtual certainty at this stage, and accordingly the deferred tax asset has been recognised only to the extent of deferred tax liability.

Note: 9 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Capital advances	139.38	53.39
Prepaid expenses	8.83	3.00
Others	2.58	-
Total	**150.79**	**56.39**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 10 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials [including Goods in transit : ₹25.62 Mn (31 March 2022: ₹61.95 Mn)]	1,581.73	1,643.33
Work-in-progress	541.06	227.17
Finished goods	496.03	491.48
Stores and spares [including Goods in transit : ₹0.84 Mn (31 March 2022: ₹3.45 Mn)]	277.11	159.38
Total	**2,895.93**	**2,521.36**

Note:

(i) The Group has expensed inventory of ₹188.40 Mn (31 March 2022: ₹66.49 Mn) for writing down the value of inventories towards slow moving, non-moving and obsolete inventory.

(ii) The mode of valuation of inventories has been stated in Note 2.12.

(iii) Inventories have been pledged to secure borrowings of the group, wherever applicable. (Refer Note 20 and 24).

Note: 11 Investments - current

Particulars	As at 31 March 2023	As at 31 March 2022
I. Measured at FVTPL		
Investments in Mutual Funds		
Quoted		
ICICI Prudential Fixed Maturity Plan Series 85-1156 days - Direct Plan - Growth	-	63.22
NIL units (31 March 2021: 5,00,000 units)		
IDFC Fixed term Plan Series 177 - 1160 days - Direct Plan - Growth	-	88.82
NIL units (31 March 2022: 7,000,000 units)		
Mirae Asset Fixed Maturity Plan Series III-1122 days - Direct Plan - Growth	-	37.62
NIL units (31 March 2022: 3,000,000 units)		
	-	**189.66**
Unquoted		
Aditya Birla Sun Life Corporate Bond Fund - Direct Plan - Growth	128.27	79.07
1,341,644 units (31 March 2022: 866,995 units)		
Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth	-	72.43
NIL units (31 March 2022: 242,320 units)		
Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund - Direct Plan - Growth	52.74	-
5,038,568 units (31 March 2022: NIL units)		
Aditya Birla Sun Life Banking & PSU Debt Fund - Direct Plan - Growth	48.57	46.40
152,462 units (31 March 2022: 152,462 units)		
Axis Short Term Fund - Direct Plan - Growth	211.54	163.07
7,548,504 units (31 March 2022: 6,111,231 units)		
Axis Treasury Advantage Fund - Direct Plan - Growth	-	50.56
NIL units (31 March 2022: 19,522 units)		
Axis Crisil IBX SDL May 2027 Index Fund - Direct Plan - Growth	33.26	-
3,215,316 units (31 March 2022: NIL)		
Axis Banking & PSU Debt Fund - Direct Plan - Growth	30.28	-
13,233 units (31 March 2022: NIL)		
Bandhan Low Duration Fund - Direct Plan - Growth (Erstwhile IDFC Low Duration Fund - Direct Plan - Growth)	28.32	26.95
845,823 units (31 March 2022: 845,823 units)		

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 11 Investments - current (Contd.)

Particulars	As at 31 March 2023	As at 31 March 2022
Bandhan Corporate Bond Fund - Direct Plan - Growth (Erstwhile IDFC Corporate Bond Fund - Direct Plan - Growth)	90.51	87.45
5,451,773 units (31 March 2022: 5,451,773 units)		
Bandhan Bond Fund - Short Term - Direct Plan - Growth (Erstwhile IDFC Bond Fund - Short Term - Direct Plan - Growth)	35.63	34.21
698,262 units (31 March 2022: 698,262 units)		
Bharat Bond FOF - April 2023 Fund - Direct Plan - Growth	31.44	-
2,572,514 units (31 March 2022: NIL units)		
DSP Low Duration Fund - Direct Plan - Growth	16.85	16.02
973,263 units (31 March 2022: 973,263 units)		
DSP Saving Fund - Direct Plan - Growth	-	0.13
NIL units (31 March 2022: 2,924 units)		
DSP Ultra Short Fund - Direct Plan - Growth	-	56.47
NIL units (31 March 2022: 19,062 units)		
DSP Banking & PSU Debt Fund - Direct Plan - Growth	35.71	34.25
1,715,129 units (31 March 2022: 1,715,129 units)		
HDFC Corporate Bond Fund - Direct Plan - Growth	88.26	84.63
3,195,709 units (31 March 2022: 3,195,709 units)		
ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	-	136.41
NIL units (31 March 2022: 5,705,071 units)		
ICICI Prudential Short Term Fund - Direct Plan - Growth	61.65	57.88
1,133,953 units (31 March 2022: 1,133,953 units)		
ICICI Prudential Savings Fund - Direct Plan - Growth	-	30.42
NIL units (31 March 2022: 69,502 units)		
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	35.04	-
1,396,092 units (31 March 2022: NIL units)		
Kotak Corporate Bond Fund - Direct Plan - Growth	140.85	101.18
42,991 units (31 March 2022: 32,296 units)		
Kotak Savings Fund - Direct Plan - Growth	-	63.99
NIL units (31 March 2022: 1,776,117 units)		
Kotak Banking and PSU Debt Fund - Direct Plan - Growth@	61.18	58.39
1,075,722 units (31 March 2022: 1,075,722 units)		
Kotak Bond Short Term Plan - Direct Plan - Growth@	60.91	58.32
1,276,236 units (31 March 2022: 1,276,236 units)		
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund - Direct Plan - Growth	73.54	-
7,092,638 units (31 March 2022: NIL units)		
Mirae Asset Dynamic Bond Fund - Direct Plan - Growth	10.00	-
672,163 units (31 March 2022: NIL units)		
Mirae Asset Nifty SDL Jun 2027 Index Fund - Direct Plan - Growth	88.30	-
8,526,590 units (31 March 2022: NIL units)		
Nippon India Banking & PSU Debt Fund - Direct Plan - Growth	208.19	141.69
11,556,011 units (31 March 2022: 8,211,606 units)		
Nippon India Money Market Fund - Direct Plan - Growth	-	21.10
NIL units (31 March 2022: 6,296 units)		
SBI Banking and PSU Fund - Direct Plan - Growth@	138.73	133.38
49,992 units (31 March 2022: 49,992 units)		
SBI Corporate Bond Fund - Direct Plan - Growth	35.00	-

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 11 Investments - current (Contd.)

Particulars	As at 31 March 2023	As at 31 March 2022
2,626,294 units (31 March 2022: NIL units)		
UTI Banking & PSU Debt Fund - Direct Plan - Growth	35.04	-
1,867,741 units (31 March 2022: NIL units)		
UTI Crisil SDL Maturity June 2027 Index Fund - Direct Plan - Growth	58.31	-
5,739,008 units (31 March 2022: NIL units)		
II. Measured at amortised cost		
Unquoted		
Investments in Perpetual Bond		
ICICI Bank Limited - 9.90% - Series DDE 18AT (with call option on 28 December 2023) (face value ₹1 million)	51.93	-
	1,890.05	**1,554.40**
Total	**1,890.05**	**1,744.06**

@Marked under lien in favour of lenders for stand-by letter of credit given by the Holding Company to secure the financial assistance extended to subsidiary company as at 31 March 2023 and 31 March 2022

Aggregate amount of quoted investments	-	189.66
Aggregate market value of quoted investments	-	189.66
Aggregate amount of unquoted investments	1,890.05	1,554.40

Note: 12 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Unsecured, considered good	4,074.59	2,777.31
(b) Credit impaired	516.66	84.07
	4,591.25	**2,861.38**
Less: Allowance for credit losses	(559.94)	(96.15)
Net Trade receivables	**4,031.31**	**2,765.23**

Notes:

(a) Provision for expected credit loss

In determination of the allowance for credit losses on receivables, the Group has used the practical expedient by computing the expected credit losses based on provision matrix, which has taken into account historical credit loss experience and adjusted for forward looking information. The Group also analyses all its receivables periodically for recoverability assessment and wherever they have analysed that the receivable may be credit impaired on account of non recoverability, loss allowance on such receivables have been provided in full.

Details of allowances for expected credit loss are provided hereunder :

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
At the beginning of the year	96.15	113.93
Additions relating to acquisition	409.39	-
Provisions created/ (written back) during the year (net) (a)	55.35	(17.31)
Adjustments (Exchange Difference)	(0.95)	(0.47)
Closing at the end of the year	**559.94**	**96.15**

Bad debts and advances written off (b)	73.52	64.37
Total Charge to Consolidated Statement of Profit & Loss (a+b)	128.87	47.06

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 12 Trade receivables (Contd.)

(b) Trade receivables ageing schedule:

(i) As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 month	6 month - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed - considered good	2,623.11	1,077.28	222.20	106.90	23.00	2.50	4,054.99
(ii) Undisputed - credit impaired	-	3.32	21.45	34.01	99.98	293.00	451.76
(iii) Disputed - considered good	-	-	-	1.90	8.40	9.30	19.60
(iv) Disputed - credit impaired	-	-	-	-	0.50	64.40	64.90
Total	**2,623.11**	**1,080.60**	**243.65**	**142.81**	**131.88**	**369.20**	**4,591.25**
Less: Allowance for credit impaired	-	3.32	21.45	34.01	100.48	357.40	516.66
Net trade receivables before credit losses	**2,623.11**	**1,077.28**	**222.20**	**108.81**	**31.40**	**11.80**	**4,074.59**
Expected loss rate	0.82%	0.88%	1.58%	1.84%	0.61%	56.44%	
Less: Allowance for credit losses	21.43	9.50	3.50	2.00	0.19	6.66	43.28
Total	**2,601.68**	**1,067.78**	**218.70**	**106.81**	**31.21**	**5.14**	**4,031.31**

(ii) As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 month	6 month - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed - considered good	1,701.32	862.89	86.83	101.36	22.27	2.64	2,777.31
(ii) Undisputed - credit impaired	1.08	0.65	18.15	29.11	21.65	13.43	84.07
(iii) Disputed - considered good	-	-	-	-	-	-	-
(iv) Disputed - credit impaired	-	-	-	-	-	-	-
Total	**1,702.40**	**863.54**	**104.98**	**130.47**	**43.92**	**16.07**	**2,861.38**
Less: Allowance for credit impaired	1.08	0.65	18.15	29.11	21.65	13.43	84.07
Net trade receivables before credit losses	**1,701.32**	**862.89**	**86.83**	**101.36**	**22.27**	**2.64**	**2,777.31**
Expected loss rate	0.25%	0.71%	0.91%	0.68%	0.81%	-	
Less: Allowance for credit losses	4.33	6.09	0.79	0.69	0.18	-	12.08
Total	**1,696.99**	**856.80**	**86.04**	**100.67**	**22.09**	**2.64**	**2,765.23**

(c) There are no outstanding receivable due from directors or other officers of the Group.

(d) Trade Receivables have been pledged to secure borrowings of the group, wherever applicable. (Refer Note 20 and Note 24)

(e) Refer Note 46 for receivables from related parties.

(f) The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer.

Note: 13 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	0.89	1.72
Balances with banks		
In current accounts	416.17	366.28
In deposit account (less than three months maturity)	40.15	26.97
Total	**457.21**	**394.97**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 14 Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Other bank balances		
In deposit account *	35.77	7.06
Total	**35.77**	**7.06**

*Lodged as security against bank guarantee ₹28.40 Mn as at 31 March 2023 (31 March 2022: ₹0.74 Mn)

Note: 15 Loans - Current

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loans to employees	0.58	0.32
Total	**0.58**	**0.32**

Note:

(a) There are no outstanding loans due from directors or other officers of the Group.

(b) There are no loans and advances in the nature of loans granted to promoters, directors, KMPs, and the related parties (as defined under Companies Act, 2013) or other parties (including employees) either severely or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment during the current or previous year. Loans granted to employees are unsecured in nature and are interest free. In respect of these loans, the schedule of repayment of principal amount has been stipulated and the employees are repaying the principal amount as stipulated in a regular manner. The terms and conditions under which these loans were granted are not prejudicial to the interest of the Group.

Note: 16 Other financial assets - Current

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good (unless otherwise stated)		
Security deposits -considered good	56.01	36.38
Security deposits -considered doubtful	0.22	-
Less: Allowance for credit loss	(0.22)	-
Interest receivables	0.73	6.83
Derivative asset	48.20	26.31
Accruals under duty drawback	2.48	1.91
Other receivables- considered good*	-	68.26
Other receivables- considered doubtful	54.82	-
Less: Allowance for credit loss	(54.82)	-
Total	**107.42**	**139.69**

*Represents amount recoverable from selling shareholders of holding company on account of initial public offer expenses incurred by the holding company on behalf of the selling shareholders of holding company. As on 31 March 2022 the said amount was lying in the Cash Escrow Account opened for the purpose of the initial public offer, which has been recovered in current year.

Note: 17 Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance Income Tax (Net of Provision for Income Tax)	39.03	12.00
Total	**39.03**	**12.00**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 18 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good (unless otherwise stated)		
Interest Receivable	1.31	-
Accruals under other export incentives	21.24	85.23
Balances with government authorities*	181.10	146.88
Advance to suppliers		
Considered good	188.88	114.13
Considered doubtful	22.14	2.72
Less: Provision for doubtful advances	(22.14)	(2.72)
Prepaid expenses	45.91	32.74
Employee advances	26.67	10.28
Total	**465.11**	**389.26**

*Includes Input Tax Credit of ₹4.60 Mn as at 31 March 2023 blocked by Goods and Services Tax Department, West Bengal with respect to one subsidiary.

Note: 19A Equity share capital

(a) Authorised share capital

Particulars	Number of shares	Amount
As at 1 April 2021	**70,000,000**	**700.00**
Changes during the year	-	-
As at 31 March 2022	**70,000,000**	**700.00**
Changes during the year	-	-
As at 31 March 2023	**70,000,000**	**700.00**

(b) Issued, Subscribed and fully Paid -up Shares

Particulars	Number of shares	Amount
As at 1 April 2021	**57,600,868**	**576.01**
Changes during the year	8,692,281	**86.92**
As at 31 March 2022	**66,293,149**	**662.93**
Changes during the year		
Exercise of options - proceeds received (refer note 47)	60,963	**0.61**
As at 31 March 2023	**66,354,112**	**663.54**

(c) Equity shares held by the parent company of the Holding Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No.	% holding	No.	% holding
Equity shares:				
Nihal Fiscal Services Private Limited, the ultimate holding company	36,553,153	55.09%	36,553,153	55.14%

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 19A Equity share capital (Contd.)

(d) Details of the shareholders holding more than 5% of equity shares of the Holding Company

Name of the shareholders	As at 31 March 2023		As at 31 March 2022	
	No.	% holding	No.	% holding
Equity shares:				
Nihal Fiscal Services Private Limited, the ultimate holding company	36,553,153	55.09%	36,553,153	55.14%
Mr. Madan Mohan Mohanka	5,348,502	8.06%	5,348,502	8.07%
Mr. Manish Mohanka	7,278,925	10.97%	7,278,925	10.98%

(e) Rights, preferences and restrictions attached to equity shares

The Holding Company has one class of equity shares having par value of ₹10/-. Each equity shareholder is entitled to vote in the same proportion as the equity capital paid (whether fully paid or partly paid) held by the shareholder bears to the total paid up equity capital of the company. Each equity shareholder is entitled to dividend in proportion of the amount paid up as and when the Holding Company declares and pays dividend after obtaining shareholders' approval. Dividends are paid in Indian Rupees. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

(f) Shares reserved for issue under options

Pursuant to approved employee stock option scheme 2011, the Holding Company has granted 498,628 nos of employees stock options of which 60,963 (31 March 2022: NIL) of the options have been exercised (also refer note 47).

(g) Shares held by the promoters and promoter group

Promoter name	As at 31 March 2023		
	No. of shares	% of total shares	% change during the period
Equity shares:			
Promoters			
Mr. Madan Mohan Mohanka	5,348,502	8.06%	(0.01%)
Mr. Mehul Mohanka	2,003,315	3.02%	(0.00%^)
Mr. Manish Mohanka	7,278,925	10.97%	(0.01%)
Nihal Fiscal Services Private Limited, the Holding Company	36,553,153	55.09%	(0.05%)
Promoter Group			
Marudhar Food and Credit Limited	1,300,000	1.96%	(0.00%^)

^Amount is below the rounding off norm adopted by the Holding Company

Note:

The change in shareholding is on account of fresh issue of equity shares due to exercise of options.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 19A Equity share capital (Contd.)

Promoter name	As at 31 March 2022		
	No. of shares	% of total shares	% change during the period
Equity shares:			
Promoters			
Mr. Madan Mohan Mohanka	5,348,502	8.07%	(10.41%)
Mr. Mehul Mohanka	2,003,315	3.02%	3.02%
Mr. Manish Mohanka	7,278,925	10.98%	(2.81%)
Mehul Mohanka (HUF)	-	-	(0.03%)
Nihal Fiscal Services Private Limited, the Holding Company	36,553,153	55.14%	(8.32%)
Promoter Group			
Marudhar Food and Credit Limited	1,300,000	1.96%	(0.30%)

(h) No equity shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

Note: 19B Preference share capital

(a) Authorised share capital

Compulsorily Convertible Participatory Preference shares

Particulars	Number of shares	Amount
As at 1 April 2021	**10,000,000**	**100.00**
Changes during the year	-	-
As at 31 March 2022	**10,000,000**	**100.00**
Changes during the year	-	-
As at 31 March 2023	**10,000,000**	**100.00**

Redeemable Preference shares

Particulars	Number of shares	Amount
As at 1 April 2021	**25,000,000**	**250.00**
Changes during the year	-	-
As at 31 March 2022	**25,000,000**	**250.00**
Changes during the year	-	-
As at 31 March 2023	**25,000,000**	**250.00**

(b) Issued, Subscribed and fully Paid -up Shares

Compulsorily Convertible Participatory Preference shares

Particulars	Number of shares	Amount
As at 1 April 2021	**8,692,281**	**86.92**
Changes during the year	(8,692,281)	(86.92)
As at 31 March 2022	**-**	**-**
Changes during the year	-	-
As at 31 March 2023	**-**	**-**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 19B Preference share capital (Contd.)

(c) Preference are yet to be issued and are included above for disclosure purpose only. Classification of the preference share as equity or liability will be determined at the time they are issued.

(d) No preference shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash during the last five years. Further, none of the shares were bought back by the Holding Company during the last five years.

Note: 19C Other equity

Particulars	Refer below	As at 31 March 2023	As at 31 March 2022
Securities premium	(i)	903.79	902.10
Capital Reserve	(ii)	1,269.83	-
General reserve	(iii)	337.98	337.98
Retained earnings	(iv)	7,217.70	5,380.77
Foreign currency translation reserve	(v)	96.66	76.09
Share options outstanding account	(vi)	0.42	0.48
Total		**9,826.38**	**6,697.42**

Particulars		As at 31 March 2023	As at 31 March 2022
(i)	**Securities premium**		
	Balance at the beginning of the year	902.10	902.10
	Exercise of options - proceeds received	1.63	-
	Transfer within equity - exercise of options	0.06	-
	Balance at the end of the year	**903.79**	**902.10**
(ii)	**Capital Reserve**		
	Balance at the beginning of the year	-	-
	During the year creation due to acquisition	1,269.83	-
	Balance at the end of the year	**1,269.83**	**-**
(iii)	**General reserve**		
	Balance at the beginning and end of the year	**337.98**	**337.98**
(iv)	**Retained earnings**		
	Balance at the beginning of the year	5,380.77	4,210.82
	Profit for the year	1,840.30	1,168.99
	Items of other comprehensive income recognised directly in retained earnings		
	- Remeasurements of post-employment benefit obligation, net of tax	(2.17)	0.96
	Share issue expenses	(1.20)	-
	Balance at the end of the year	**7,217.70**	**5,380.77**
(v)	**Foreign currency translation reserve**		
	Balance at the beginning of the year	76.09	22.91
	Add: Adjustment for translation of Non Integral Foreign Operation	20.57	53.18
	Balance at the end of the year	**96.66**	**76.09**
(vi)	**Share options outstanding account**		
	Balance at the beginning of the year	0.48	0.48
	Transfer within equity - exercise of options	(0.06)	-
	Balance at the end of the year	**0.42**	**0.48**
Total		**9,826.38**	**6,697.42**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 19C Other equity (Contd.)

Nature and purpose of other reserves

(i) Securities premium reserve

Securities premium is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Capital reserve

The excess of fair value of net assets acquired over consideration paid in a business combination is recognised as Capital reserve on Consolidation. The reserve is not available for distribution.

(iii) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

(iv) Retained earnings

Retained Earnings are the profits that the Group has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

(v) Foreign currency translation reserve

Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries.

(vi) Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under the Group's Employee stock option plan. Refer note 47.

Note: 20 Borrowings - Non current

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Term Loans from banks* (Refer (a) & (b) below)	1,657.80	851.26
Less: Current Maturities of Long Term Debt (Refer Note 24)	(252.63)	(244.44)
Total (A)	**1,405.17**	**606.82**
Secured		
Vehicle loans from banks and financial instituions* (Refer (c) below)	13.79	5.88
Less: Current Maturities of Long Term Debt (Refer Note 24)	(3.26)	(5.16)
Total (B)	**10.53**	**0.72**
Total Secured Borrowings (C=A+B)	**1,415.70**	**607.54**
Unsecured		
Term Loans from banks* (Refer (d) below)	10.23	33.55
Less: Current Maturities of Long Term Debt (Refer Note 24)	(10.23)	(27.44)
Total Unsecured Borrowings (D)	**-**	**6.11**
Total (C+D)	**1,415.70**	**613.65**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 20 Borrowings - Non current (Contd.)

(a) Details of secured term loan facilities from banks are as follows:

Terms of Repayment	As at 31 March 2023 *	As at 31 March 2022 *	Currency	Maturity Date	Interest Rate
Repayable in 20 unequal quarterly installments starting from 28 June 2018 in the following manner:(a) first 4 installments of 2.50% each (b) next 6 installments of 4.00% each (c) next 2 installments of 6.00% each (d) next 4 installments of 8.00% each (e) next 2 installments of 5.00% each (f) next 2 installments of 6.00% each	-	41.69	USD	28-Mar-23	3 month USD LIBOR plus 300 basis points
Repayable in 28 unequal quarterly installments starting from 28 June 2018 in the following manner:(a) first 4 installments of 0.50% each (b) next 4 installments of 1.00% each (c) next 6 installments of 2.00% each (d) next 4 installments of 4.00% each (e) next 6 installments of 6.00% each (f) next 4 installments of 7.50% each	110.93	140.22	USD	28-Mar-25	3 month USD LIBOR plus 325 basis points
Repayable in 20 unequal quarterly installments starting from 22 October 2019 in the following manner:(a) first 4 installments of 2.50% each (b) next 6 installments of 4.00% each (c) next 2 installments of 6.00% each (d) next 4 installments of 8.00% each (e) next 2 installments of 5.00% each (f) next 2 installments of 6.00% each	156.12	250.12	USD	22-Jul-24	3 month USD LIBOR plus 290 basis points
Repayable in 28 unequal quarterly installments starting from 22 October 2019 in the following manner:(a) first 4 installments of 0.50% each (b) next 4 installments of 1.00% each (c) next 6 installments of 2.00% each (d) next 4 installments of 4.00% each (e) next 6 installments of 6.00% each (f) next 4 installments of 7.50% each	336.90	341.05	USD	22-Jul-26	3 month USD LIBOR plus 315 basis points
Repayable in 16 equal quarterly installments starting from 19 February 2021	53.85	78.18	USD	19-Nov-24	3 month USD LIBOR plus 240 basis points
Repayable in 24 quarterly installments, the first installment being due on March 29, 2025. The terms of repayment are as follows: (i) 4 equal quarterly installments of ₹20 Mn each, (ii) 15 equal quarterly installments of ₹40 Mn each, (iii) 4 equal quarterly installments of ₹60 Mn each, and (iv) 1 installments of ₹80 Mn.	1,000.00	-	INR	28-Mar-31	Repo Rate+ 1.90% p.a.

* based on closing rate

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 20 Borrowings - Non current (Contd.)

(b) The term loans of ₹603.95 Mn (31 March 2022: ₹773.08 Mn) are secured by first charge on pari-passu basis with the existing lender wherever applicable on property, plant and equipment (both moveable and immovable) and right-of-use land of the holding company and second charge on the current assets to be shared on pari-passu basis with the other working capital.

Term Loan of ₹53.85 Mn (31 March 2022: ₹78.18 Mn) is secured by Stand-By Letter of Credit given by the Holding Company to Axis Bank for loan disbursed to one of the Subsidiary of a subisdiary.

Term loan sanctioned from Axis Bank Ltd of ₹1200 Mn is secured by first pari passu charge on entire fixed assets of the Company and second pari passu charge on entire current assets of the Company. The Holding Company has also provided Corporate Guarantee for the same. However as on reportiong date only an amount ₹1000 Mn has been drawn.

(c) Vehicle loans of ₹10.35 Mn (31 March 2022 ₹4.42 Mn) is secured by hypothecation of vehicle purchased and are repayable in forty eight (31 March 2022: thirty six) monthly equated installments commencing from the subsequent month in which the loan is taken carrying fixed interest ranging from 7.97% per annum (31 March 2022: 10.75% per annum).

Vehicle loan of ₹3.44 Mn (31 March 2022 ₹1.46 Mn) is secured by hypothecation of vehicle purchased and is repayable in equal monthly installments of ₹0.05 Mn each during the period upto 30th May 2028.

(d) Details of unsecured term loan facilities from banks are as follows:

Terms of Repayment	As at 31 March 2023 *	As at 31 March 2022*	Currency	Maturity Date	Interest Rate
Repayable fully upto 31 December 2023 and is eligible for forgiveness of CAD 20,000, if the balance amount of CAD 40,000 is repaid by the said date	3.64	3.54	CAD	31-Dec-23	Interest Free
Repayable in 30 equated monthly installments starting from 15 January 2021	6.59	30.01	CLP	15-Jun-23	3.84% p.a.

* based on closing rate

Note: 21 Other financial liabilities - non current

Particulars	As at 31 March 2023	As at 31 March 2022
Derivative liabilities	24.25	43.86
Total	**24.25**	**43.86**

Note: 22 Provisions - non current

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Gratuity	23.37	-
Others	0.48	-
	23.85	**-**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 23 Deferred tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
The balances comprises temporary differences attributable to:		
Deferred tax liabilities		
Property, plant and equipment and Intangible assets	39.75	65.31
Undistributed earnings of Joint Venture	40.70	31.25
Fair valuation of investment	32.37	41.22
Right-of-Use Assets	5.78	4.64
Other temporary difference	6.59	11.02
Total	**125.19**	**153.44**
Deferred tax assets		
Allowance for doubtful debts and advances	29.84	15.74
Amounts allowable for tax purpose on payment basis	29.32	31.29
Lease liabilities	6.56	5.32
Other temporary difference	11.85	10.66
Total	**77.57**	**63.01**
Deferred tax liabilities (net)	**47.62**	**90.43**

Refer note 38 for tax expenses

Note: 24 Borrowings - current

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Loan from banks (Refer (a) below)	1,149.93	789.34
Foreign currency loans from banks (Refer (b) below)	262.80	469.40
Current Maturities of Long Term Debt		
Term loan from banks	262.86	271.88
Vehicle loans from banks and financial institutions	3.26	5.16
Total	**1,678.85**	**1,535.78**

Nature of Security:

(a) All the above facilities are secured by first charge over entire current assets (both present and future) of the Group on pari-passu basis with other banks and second charge on property, plant and equipment (both moveable and immovable) and right-of-use land of the Group on pari-passu basis with other Banks. Interest rate ranges from 5.00% to 18.12% (31 March 2022: 4.4% to 15.72%).

(b) Foreign currency loan from bank of ₹155.91 Mn (31 March 2022: ₹144.04 Mn) is secured by Stand-By Letter of Credit given by the Holding Company to Axis Bank for loan disbursed to one of the Subsidiary of subisdiary. Foreign currency loan from bank of ₹106.89 Mn (31 March 2022: ₹325.36 Mn) is secured by first charge over entire current assets (both present and future) of the Group on pari-passu basis with other banks and second charge on property, plant and equipment (both moveable and immovable) and right-of-use land of the Group on pari-passu basis with other Banks.

Interest rate ranges from 3.03% to 7.49 %(31 March 2022: 0.19% to 2.60%).

(c) With respect to one of the subsidiary McNally Sayaji Engineering Limited, working Capital facilities sanctioned from Axis Bank Limited on 18th March, 2023 are secured by first pari passu charge on entire current assets of the Company and second pari passu charge on the entire fixed assets of the Company. However as on reporting date the company has not drawn or utilised any amount from such facility.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 25 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding dues of micro and small enterprises	61.26	79.67
(b) Total outstanding dues of creditors other than micro and small enterprises		
(i) Acceptances	28.24	17.19
(ii) Others	1,029.80	870.49
Total	**1,119.30**	**967.35**

Notes:

(a) Trade payables ageing schedule:

(i) As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						
	Unbilled Due	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Undisputed total outstanding dues of micro and small enterprises	-	11.47	32.37	3.81	2.83	10.78	61.26
(a) Undisputed total outstanding dues of creditors other than micro and small enterprises	260.24	416.15	371.84	4.24	5.02	0.55	1,058.04
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**260.24**	**427.62**	**404.21**	**8.05**	**7.85**	**11.33**	**1,119.30**

(ii) As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Unbilled Due	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Undisputed total outstanding dues of micro and small enterprises	-	31.65	33.96	2.83	-	11.23	79.67
(b) Undisputed total outstanding dues of creditors other than micro and small enterprises	255.76	212.57	416.86	0.69	0.21	1.59	887.68
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**255.76**	**244.22**	**450.82**	**3.52**	**0.21**	**12.82**	**967.35**

b) Refer Note 46 for payables to related parties.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 26 Other financial liabilities- current

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	12.68	7.01
Derivative liabilities	20.98	25.53
Other payables		
Capital creditors	32.78	14.70
Security deposit	1.43	1.27
Employee related liabilities	136.64	118.29
Others*	-	66.91
Total	**204.51**	**233.71**

* represents as on 31 March 2022 amount payable against IPO expenses incurred by the Holding Company, which has been paid subsequently in current year. Also refer note 16.

Note: 27 Provisions - current

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Provision for employee benefits (Refer note 34.1)		
Provision for gratuity	43.00	30.80
Provision for compensated absences	108.21	95.01
(b) Others		
Provision for warranty [Refer note below]	28.02	16.01
Provision for others	0.12	-
Total	**179.35**	**141.82**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Movement in Provision for warranty:		
Opening Balance	16.01	36.25
Additions relating to acquisition	5.90	-
Provision created during the year	14.58	11.34
Provision used during the year	(8.47)	(31.58)
Closing Balance	**28.02**	**16.01**
-Short Term	28.02	16.01

Nature of provisions :

The Group has given warranties on certain products and services, undertaken to repair or replace the items that failed to perform satisfactorily during the warranty period. Provision made as on 31 March 2023 and 31 March 2022 represent the amount of the expected cost of meeting such obligation of rectification/ replacement.

Note: 28 Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for income tax (net of advances)	90.71	43.26
Total	**90.71**	**43.26**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 29 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advances received from customers	232.46	183.80
Deferment of revenue	48.68	65.05
Grant relating to export benefits	103.13	90.83
Other payables		
Liabilities towards Corporate Social Responsibility	2.15	3.80
Statutory dues (Contribution to PF and ESIC, GST, Withholding Taxes, Entry Tax, etc.)	166.38	116.22
Total	**552.80**	**459.70**

Note: 30 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	12,139.72	9,517.56
Total	**12,139.72**	**9,517.56**

The group has recognised the following amounts relating to revenue in the Consolidated Statement of Profit and Loss:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Sale of products	11,562.82	9,094.38
(ii) Sale of services	380.02	230.87
	11,942.84	**9,325.25**
(iii) Other operating revenue		
Sale of scrap	81.46	64.78
Commission income	20.46	16.35
Duty drawback and other export incentives	78.25	97.24
Service fees	16.71	13.94
Total	**12,139.72**	**9,517.56**

(i) Disaggregation of revenue from contracts with customers:

The Group derives revenue from the transfer of goods and services in the following geographical regions:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
North America	1,192.42	1,259.33
South America	3,371.61	2,541.92
EMER (Europe, Middle East and Russia)	1,565.87	1,196.36
Africa	2,808.87	2,388.01
Asia Pacific (South East Asia and Australia)	1,281.44	981.17
India	1,722.63	958.47
Total	**11,942.84**	**9,325.25**

(ii) The Group has recognised the following revenue related contract liabilities:

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Contract liabilities - Deferment of revenue	29	48.68	65.05
Contract liabilities - Advances received from customers	29	232.46	183.80
Total contract liabilities		**281.14**	**248.85**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 30 Revenue from operations (Contd.)

(iii) Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue recognised that was included in the contract liabilities balance at the beginning of the year:		
Sale contracts	**228.39**	**95.74**

(iv) The following table shows reconciliation of revenue recognised with contract price.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract Price	11,928.60	9,354.57
Adjustments for:		
Refund Liabilities - Claims/ Liquidating damages	(2.13)	(3.14)
Contract Liabilities - Unfulfilled obligations*	16.37	(26.18)
Total	**11,942.84**	**9,325.25**

* These unfulfilled obligations are expected to be settled within the next 12 months.

Note: 31 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) **Interest income**		
on financial instruments at amortised cost	9.58	3.12
on income tax refund	0.20	-
(b) **Other non-operating income**		
Net fair value gain/ (loss) on investments classified at FVTPL	(2.23)	74.51
Net gain on sale of investments classified at FVTPL	95.00	5.31
Mark to market profit on derivative instruments (net)	42.25	27.04
Gain on sale of property, plant and equipment (Net)	0.60	0.71
Government grant#	0.41	12.54
Net gain on foreign currency transaction and translations	49.45	95.51
Miscellaneous receipts	11.58	23.24
Total	**206.84**	**241.98**

#Government grant includes certain relief/ benefit provided by the government of various countries in which the group operates.These are provided for certain operating expenses e.g. salaries and wages etc. and in terms of certain interest free borrowings and forgivable loan.

Note: 32 Cost of materials consumed

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock	1,643.33	777.95
Addition relating to acquisition	197.20	-
Add: Purchases	5,032.17	4,901.65
Less: Closing stock	(1,581.73)	(1,643.33)
Total	**5,290.97**	**4,036.27**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 33 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the end of the year:		
Finished Goods	496.03	491.48
Work-in-Progress	541.06	227.17
	1,037.09	**718.65**
Less : Inventories at the beginning of the year:		
Finished Goods	491.48	469.47
Work-in-progress	227.17	230.69
Addition relating to acquisition	289.55	-
	1,008.20	**700.16**
(Increase) in finished goods and work-in-progress	(28.89)	(18.49)
Exchange Difference	14.13	8.43
(Increase) in finished goods and work-in-progress	**(14.76)**	**(10.06)**

Note: 34 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	1,451.74	1,289.17
Contribution to provident and other funds [Refer note 34.1]	79.29	68.79
Staff welfare expenses	95.98	76.25
Total	**1,627.01**	**1,434.21**

Note: 34.1 Employee benefits obligations

(i) Post-employment obligations

(a) Defined contribution plan

The Group makes Provident Fund, Superannuation Fund and Other Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

		Year ended 31 March 2023	Year ended 31 March 2022
i)	Contribution to Provident Fund *	22.95	19.20
ii)	Contribution to Superannuation Fund *	11.70	10.23
iii)	Contribution to Other Funds other than India*	34.93	30.56
		69.58	**59.99**

(*) recognised under 'Contribution to provident and other funds' in Note 34.

(b) Defined benefit plan - Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. As per scheme, the Gratuity Trust fund managed by the Trust, makes payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary (half month's salary) depending upon the tenure of service subject to a revised maximum limit of amount payable under Payment of Gratuity Act. Liabilities with regard to the Gratuity plan are determined by actuarial valuation as set out in Note 2.17 based upon which, the Group makes contribution to the Gratuity fund.

(ii) Other long term employee benefit plans

The leave obligations cover the Group's liability for other long term benefits.

Compensated absences cover the Group's liability for sick and earned leave. As the Group does not have an unconditional right to defer the payment beyond 12 months the entire amount has been treated as current.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 34.1 Employee benefits obligations (Contd.)

(iii) Balance Sheet Recognition

(a) Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation (Gratuity) over the years are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 1 April 2021	**62.17**	**(38.00)**	**24.17**
Current service cost	7.13	-	7.13
Interest expense/ (income)	4.29	(2.62)	1.67
Total amount recognised in statement of profit and loss	**11.42**	**(2.62)**	**8.80**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	0.52	0.52
Actuarial (gain)/ loss from change in financial assumptions	(2.24)	-	(2.24)
Actuarial (gain)/ loss from unexpected experience	0.62	-	0.62
Total amount recognised in other comprehensive (income)/ loss	**(1.62)**	**0.52**	**(1.10)**
Employer contributions/ premium paid	-	(1.07)	(1.07)
Benefit payments	(5.14)	5.14	-
As at 31 March 2022	**66.83**	**(36.03)**	**30.80**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 1 April 2022	**66.83**	**(36.03)**	**30.80**
Additions relating to acquisition	**48.60**	**(13.70)**	**34.90**
Current service cost	7.39	-	7.39
Interest expense/ (income)	5.11	(2.79)	2.32
Total amount recognised in statement of profit and loss	**12.50**	**(2.79)**	**9.71**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	(0.05)	(0.05)
Actuarial (gain)/ loss from change in financial assumptions	(2.70)	-	(2.70)
Actuarial (gain)/ loss from unexpected experience	5.11	-	5.11
Total amount recognised in other comprehensive (income)/ loss	**2.41**	**(0.05)**	**2.36**
Employer contributions/ premium paid	-	(11.40)	(11.40)
Benefit payments	(5.02)	5.02	-
As at 31 March 2023	**125.32**	**(58.95)**	**66.37**

(iv) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount Rate	7.20% to 7.40%	7.20%
Rate of Salary Increase	4.00% to 8.50%	8.50%
Rate of Employee Turnover		
Upto 30 years	7.00% to 9.00%	9.00%
From 31 years to 44 years	4.00% to 6.00%	4.00%
More than 44 years	1.00% to 3.00%	2.00%
Mortality Rate During Employment	IALM 12-14 Ultimate	IALM 12-14 Ultimate

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 34.1 Employee benefits obligations (Contd.)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of assets management, historical results of the return on plan assets, and other relevant factors.

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	% change compared to base due to sensitivity		% change compared to base due to sensitivity	
	As at 31 March 2023		As at 31 March 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	**8.44%**	**(8.96%)**	**11.91%**	**(10.00%)**
	10.58	(11.23)	7.96	(6.68)
Salary Growth Rate (- / + 1%)	**(8.71%)**	**6.94%**	**(9.41%)**	**10.61%**
	(10.91)	8.70	(6.29)	7.09
Attrition Rate (- / + 50%)	**1.20%**	**(1.31%)**	**2.03%**	**(1.59%)**
	1.51	(1.64)	1.36	(1.06)
Mortality Rate (- / + 10%)	**0.10%**	**(0.10%)**	**0.13%**	**(0.13%)**
	0.08	(0.08)	0.09	(0.08)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(vi) The major categories of plan assets

Particulars	As at 31 March 2023	As at 31 March 2022
Funds Managed by Insurer	92.44%	95.37%
Bank balance	7.56%	4.63%
Total *	**100.00%**	**100.00%**

* Excluding McNally Sayaji Engineering Limited (MSEL)

In case of MSEL, the defined benefit plans are funded with insurance companies of India and it does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

(vii) Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Risk:

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in consolidated financial statements).

Liquidity Risk:

This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 34.1 Employee benefits obligations (Contd.)

Salary Escalation Risk:

The present value of the defined benefit plans calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk:

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹2.00 Mn).

(viii) Defined benefit liability and employer contributions

The Group expects to contribute ₹43.57 Mn (31 March 2022: ₹30.80 Mn) to the funded retiring gratuity plan within the next twelve months.

The weighted average duration of the defined benefit obligation is 3.59 years to 11 years (31 March 2022: 12 years).

Note: 35 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on		
Leases	33.01	23.16
Bank borrowings and others	132.47	75.27
Other borrowing costs*	5.54	2.43
Applicable loss on foreign currency transactions and translations	10.18	61.18
Total	**181.20**	**162.04**

* Includes interest on income tax of ₹3.2 Mn (31 March 2022: NIL)

Note: 36 Depreciation and amortisation expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment [refer note 3(a)]	308.12	300.57
Depreciation on Right of Use Asset [refer note 3(b)]	96.46	79.69
Amortisation of other intangible assets [refer note 3(d)]	7.39	6.70
Total	**411.97**	**386.96**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 37 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spare parts	109.71	79.53
Power and fuel	351.49	270.33
Rent	39.83	28.63
Repairs to buildings	22.53	16.38
Repairs to machinery	94.59	86.97
Repairs to others	50.33	51.51
Insurance expenses	43.18	41.06
Bank charges	10.59	11.35
Rates and taxes	35.79	27.31
Fabrication and other expenses	224.53	152.64
Travelling and conveyance	252.94	130.34
Commission to selling agents	55.80	39.82
Marketing fees	0.86	0.49
Packing and forwarding (net)	419.30	619.52
Product installation expenses	136.15	114.56
Postage, telephone and fax	23.77	21.89
Sales promotion expenses	32.69	19.15
Legal and professional fees	199.08	143.78
Directors' sitting fees	0.80	0.78
Allowance for expected credit loss (including bad debts and advances written off) [refer note12]	128.87	47.06
Warranty expenses	14.58	11.34
Swap/ option (gain)/ Loss on derivative settlement (net)	(6.96)	36.32
Expenditure on corporate social responsibility activities	18.04	15.33
Net loss on sale of property, plant and equipment including intangible assets (including loss on assets scrapped/ written off)	4.67	-
Miscellaneous expenses	269.20	262.47
Total	**2,532.36**	**2,228.56**

Note: 38 Income tax expense

This note provides an analysis of the Group's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax positions.

(a) Movement in deferred tax liability/ (assets)

As at 31 March 2023

Particulars	Opening	Charged/ (credited) to		Closing
		Profit and Loss Account	Other Comprehensive Income	
Property, plant & equipment and Intangible asset	55.55	192.60	-	248.15
Right-of-Use Assets	74.29	50.16	-	124.45
Investments at fair value	41.22	(8.85)	-	32.37
Allowance for doubtful debts and advances	(57.26)	(214.46)	-	(271.72)
Amounts allowable for tax purpose on payment basis	(43.44)	(13.10)	(0.67)	(57.21)
Accumulated Loss	(70.02)	58.90	-	(11.12)
Lease Liabilities	(82.02)	(52.17)	-	(134.19)
Others*	(60.50)	14.94	-	(45.56)
Total	**(142.18)**	**28.02**	**(0.67)**	**(114.83)**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 38 Income tax expense (Contd.)

As at 31 March 2022

Particulars	Opening	Charged/ (credited) to		Closing
		Profit and Loss Account	Other Comprehensive Income	
Property, plant & equipment and Intangible asset	73.45	(17.90)	-	55.55
Right-of-Use Assets	77.27	(2.98)	-	74.29
Investments at fair value	26.81	14.41	-	41.22
Allowance for doubtful debts and advances	(54.13)	(3.13)	-	(57.26)
Amounts allowable for tax purpose on payment basis	(44.79)	1.07	0.28	(43.44)
Accumulated Loss	(125.82)	55.80	-	(70.02)
Lease Liabilities	(85.35)	3.33	-	(82.02)
Others*	(36.11)	(24.39)	-	(60.50)
Total	**(168.67)**	**26.21**	**0.28**	**(142.18)**

* Others majorly includes Deferred Tax (Assets) on Unrealised Profit on Inventory which is offset by Deferred Tax Liabilities created on Undistributed earnings of Joint Venture.

Deferred Tax Charge/ (Credit) for the period excludes exchange (gain)/ loss of ₹4.82 Mn [31 March 2022: ₹(7.79 Mn)] on account of re-statement of period end deferred tax assets and liabilities.

(b) Income Tax Expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
Current tax on profits for the year	512.57	360.54
Adjustments for current tax of prior years	(24.72)	1.76
Total current tax expense	**487.85**	**362.30**
Deferred tax		
Decrease/ (increase) in deferred tax assets	(205.89)	32.68
(Decrease)/ increase in deferred tax liabilities	233.91	(6.47)
Exchange difference on translation	4.82	(7.79)
Total deferred tax expense	**32.84**	**18.42**
Total tax expense	**520.69**	**380.72**

(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	2,360.99	1,549.71
Tax on above#	**564.85**	**390.03**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Difference in overseas tax rate	0.63	2.31
Items not deductible in tax	(6.88)	16.69
Items on which tax rate is different	(12.20)	5.19
Taxes for earlier years	(24.72)	1.76
Tax on undistributed profit of Joint Venture	9.43	7.04
Exempt income	-	(1.17)

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 38 Income tax expense (Contd.)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Tax benefit on losses for which deferred tax asset was not created	-	(11.89)
Previously Unrecognised tax losses used to reduce deferred tax expenses	-	(8.01)
Others	(10.42)	(21.23)
Total tax expense	**520.69**	**380.72**

#The statutory tax rate applicable to various entities in the group range from 17.00% - 30.00% (31 March 2022: 17.00% - 30.00%)

(d) The Holding Company had opted for the new tax regime under Section 115BAA of the Act, which provides a domestic company with an option to pay tax at a rate of 22.00% (effective rate of 25.17%). The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. Further it had remeasured deferred tax balances expected to reverse in future periods based on the revised applicable tax rate.

Note: 39 Fair value measurements

Financial instruments by category

Particulars	As at 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments				
- Mutual funds	1,838.12	51.93	1,744.06	-
Trade receivables	-	4,031.31	-	2,765.23
Cash and cash equivalents	-	457.21	-	394.97
Other bank balances	-	35.77	-	7.06
Loans	-	0.58	-	0.32
Other financial assets	-	104.31	-	131.70
Derivative assets	107.79	-	91.44	-
Total financial assets	**1,945.91**	**4,681.11**	**1,835.50**	**3,299.28**
Financial liabilities				
Borrowings	-	3,094.55	-	2,149.43
Derivative liabilities	45.23	-	69.39	-
Trade payables	-	1,119.30	-	967.35
Other financial liabilities	-	46.89	-	89.89
Total financial liabilities	**45.23**	**4,260.74**	**69.39**	**3,206.67**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 31 March 2023				
Financial assets				
Investments				
- Mutual funds	1,838.12	-	-	1,838.12
Derivative financial assets	-	107.79	-	107.79
Total financial assets	**1,838.12**	**107.79**	**-**	**1,945.91**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 39 Fair value measurements (Contd.)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative financial liabilities	-	45.23	-	45.23
Total financial liabilities	**-**	**45.23**	**-**	**45.23**

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at 31 March 2022				
Financial assets				
Investments				
- Mutual funds	1,554.40	189.66	-	1,744.06
Derivative financial assets	-	91.44	-	91.44
Total financial assets	**1,554.40**	**281.10**	**-**	**1,835.50**
Financial liabilities				
Derivative financial liabilities	-	69.39	-	69.39
Total financial liabilities	**-**	**69.39**	**-**	**69.39**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. This includes mutual funds that are actively traded at NAVs.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives, fixed maturity mutual funds) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is generally the case for unlisted equity securities.

There are no transfers between levels 1, 2 and 3 during the year.

(ii) Valuation technique used to determine fair value

(a) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(b) Investments (Mutual funds) carried at fair value are generally based on available NAVs.

(c) Fair value of borrowings is estimated by discounting expected future cash flows. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

(d) The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.

(e) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented below are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 39 Fair value measurements (Contd.)

(iii) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowings	24.02	24.15	39.43	39.41
Total financial liabilities	**24.02**	**24.15**	**39.43**	**39.41**

(iv) Transfer of financial assets

The Group transfers certain trade receivables under discounting arrangements with banks and financial institutions. Some of such arrangements do not qualify for de-recognition due to recourse arrangement being in place. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks and financial institutions.

The carrying value of trade receivables not de-recognised along with the associated liabilities is as below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying value of asset transferred	Carrying value associated liabilities	Carrying value of asset transferred	Carrying value associated liabilities
Trade receivables	172.82	172.82	180.51	180.51
Total	**172.82**	**172.82**	**180.51**	**180.51**

Note: 40 Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Management
Credit risk	Cash and cash equivalents, trade receivables and other financial assets measured at amortised cost.	Diversification of bank deposits and investments. Entering into transactions with customers of repute / customers having sound financial position.
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities.
Market risk – foreign exchange	Future commercial transactions and recognised financial assets and liabilities not denominated in Indian rupee (₹)	Entering into forward contracts, options and interest rate swaps.
Market risk – interest rate	Long-term borrowings at variable rates.	Entering into derivative contracts such as interest rate swaps and currency swaps.
Market risk – security price risk	Investments in mutual funds.	Portfolio diversification.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) including deposits with banks, investments and other financial instruments. The Group periodically monitors the recoverability and credit risks of its other financial assets including security deposits and other receivables.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 40 Financial risk management (Contd.)

i) Trade receivables

Customer credit risk is managed by the management subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored.

At each reporting date the Group measures loss allowance for certain class of financial assets based on historical trend industry practice and the business environment in which the Group operates.

ii) Financial instruments and cash deposits

Credit risk from balances with banks and investments is managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts of trade receivables, investments, balances with bank and other financial assets.

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows:

Contractual maturities of financial liabilities As at 31 March 2023	Carrying Value	Contractual Cash Flows	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Non-derivatives						
Borrowings	3,094.55	3,094.56	1,678.86	471.40	384.30	560.00
Lease liabilities	514.17	951.48	281.75	192.52	81.01	396.20
Other financial liabilities	34.21	34.21	34.21	-	-	-
Trade payables	1,119.30	1,119.30	1,119.30	-	-	-
Interest payable on above borrowings**	12.68	58.89	34.67	23.05	1.17	-
Total non-derivative financial liabilities	**4,774.91**	**5,258.44**	**3,148.79**	**686.97**	**466.48**	**956.20**
Derivatives (net settled)						
Foreign exchange forward/ option/ swap contracts	45.23	45.23	21.44	7.22	16.57	-
Total derivative liabilities	**45.23**	**45.23**	**21.44**	**7.22**	**16.57**	**-**

** Based on closing rates

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 40 Financial risk management (Contd.)

Contractual maturities of financial liabilities As at 31 March 2022	Carrying Value	Contractual Cash Flows	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Non-derivatives						
Borrowings	2,149.43	2,149.43	1,535.78	454.49	159.16	-
Lease liabilities	302.22	530.44	70.79	95.16	47.76	316.73
Other financial liabilities	82.88	82.88	82.88	-	-	-
Trade payables	967.35	967.35	967.35	-	-	-
Interest payable on above borrowings**	7.01	91.09	43.10	40.55	7.44	-
Total non-derivative financial liabilities	**3,508.88**	**3,821.19**	**2,699.90**	**590.20**	**214.36**	**316.73**
Derivatives (net settled)						
Foreign exchange forward/ option/ swap contracts	69.39	69.39	25.53	19.12	24.74	-
Total derivative liabilities	**69.39**	**69.39**	**25.53**	**19.12**	**24.74**	**-**

** Based on closing rates

(C) Market risk

(i) Foreign currency risk

The Group deals with foreign currency bank accounts, trade receivables, borrowings, trade payables and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Group primarily uses derivatives to hedge its risk against foreign currency balances of borrowings, trade payables, trade receivables. Such exposures are managed within approved policy parameters utilising foreign exchange forward contracts and options. Further, the Group also has variable interest rate loan in foreign currency. To manage its risk against interest rate movements the Group has taken an interest rate swap. The Group also enter into derivative contracts to hedge forecast sales and purchase transactions using forward contracts.

Foreign currency risk exposure

The Group's exposure to foreign currency risk for major currencies at the end of the reporting period expressed in ₹(foreign currency amount multiplied by closing rate), are as follows:-

Particulars	As at 31 March 2023							
	CLP	AUD	CAD	EUR	USD	GBP	BWP	GHS
Financial assets								
Trade receivables		12.61	-	249.70	1,516.96	-		-
Cash and Cash equivalents		0.55	0.02	1.05	76.86	-		-
Other advances	1.32	-	-	-	0.71	0.03	0.01	0.00^
Offset by derivatives:								
Foreign exchange forward contracts		-	(63.90)	-	(1,642.67)	-		-
Net exposure to foreign currency risk (assets)	**1.32**	**13.16**	**(63.88)**	**250.75**	**(48.14)**	**0.03**	**0.01**	**0.00^**
Financial liabilities								
Trade and other payables		-	-	(40.92)	(142.83)	-		(9.63)
Other financial liabilities		-	-	(0.58)	(12.75)	-		-
Borrowings		-	-	(106.89)	(813.72)	-		-

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 40 Financial risk management (Contd.)

Particulars	As at 31 March 2023							
	CLP	AUD	CAD	EUR	USD	GBP	BWP	GHS
Offset by derivatives:								
Foreign exchange forward contracts/ Foreign Currency option contracts		(115.14)	-	(133.86)	870.65	-		-
Net exposure to foreign currency risk (liabilities)	**-**	**(115.14)**	**-**	**(282.25)**	**(98.65)**	**-**		**(9.63)**
Net exposure	**1.32**	**(101.98)**	**(63.88)**	**(31.50)**	**(146.79)**	**0.03**	**0.01**	**(9.63)**

^Amount is below the rounding off norm adopted by the Group

Particulars	As at 31 March 2022							
	CLP	AUD	CAD	EUR	USD	GBP	BWP	GHS
Financial assets								
Trade receivables	-	-	-	296.58	1,029.15	-	-	-
Cash & Cash equivalents	-	1.63	0.02	0.68	84.03	0.03	-	0.70
Offset by derivatives:								
Foreign exchange forward contracts	-	(193.38)	(232.18)	(124.63)	(1,125.87)	-	-	-
Net exposure to foreign currency risk (assets)	**-**	**(191.75)**	**(232.16)**	**172.63**	**(12.69)**	**0.03**	**-**	**0.70**
Financial liabilities								
Trade and other payables	-	-	-	(89.89)	(92.89)	-	-	-
Other financial liabilities	-	-	-	(0.24)	(5.63)	-	-	-
Borrowings	-	-	-	(261.11)	(1,059.55)	-	-	-
Offset by derivatives:								
Foreign exchange forward contracts/ Foreign Currency option contracts	-	-	-	136.61	977.77	-	-	-
Net exposure to foreign currency risk (liabilities)	**-**	**-**	**-**	**(214.63)**	**(180.30)**	**-**	**-**	**-**
Net exposure	**-**	**(191.75)**	**(232.16)**	**(42.00)**	**(192.99)**	**0.03**	**-**	**0.70**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit before tax							
	CLP	AUD	CAD	EUR	USD	GBP	BWP	GHS
31 March 2023								
₹ appreciates by 5%*	(0.07)	5.10	3.19	1.58	7.34	(0.00)	(0.00)	0.48
₹ depreciates by 5%*	0.07	(5.10)	(3.19)	(1.58)	(7.34)	0.00	0.00	(0.48)
31 March 2022								
₹ appreciates by 5%*	-	9.59	11.61	2.10	9.65	(0.00)	-	(0.04)
₹ depreciates by 5%*	-	(9.59)	(11.61)	(2.10)	(9.65)	0.00	-	0.04

* Holding all other variables constant

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 40 Financial risk management (Contd.)

(ii) Price risk

(a) Exposure

Security price risk is the risk that the fair value of a financial instrument will fluctuate due to change in market traded prices. The Group invests its surplus funds primarily in liquid schemes of mutual funds (debt instruments) which are categorised as low risk products from liquidity and interest rate perspectives. The carrying amount of the Group investments are designated as at fair value through profit or loss at the end of the reporting period.[Refer Note 11].

(b) Sensitivity

The Group has invested in growth model of these securities as at the year end. The sensitivity analysis below is presented with reference to changes in NAV of these securities:-

Particulars	Impact on profit before tax	
	As at 31 March 2023	As at 31 March 2022
NAV - Increases by 1% *	18.90	17.44
NAV - Decreases by 1% *	(18.90)	(17.44)

* Holding all other variables constant

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Group's financial liabilities to interest rate risk is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings*	3,070.53	2,110.00
Total borrowings	**3,094.55**	**2,149.43**

* Long Term Borrowings amounting to ₹603.95 Mn (31 March 2022: ₹773.08 Mn) is covered through Interest rate swaps

(b) Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax	
	As at 31 March 2023	As at 31 March 2022
Interest expense rates – increase by 50 basis points (50 bps)*	(15.35)	(10.55)
Interest expense rates – decrease by 50 basis points (50 bps)*	15.35	10.55

* Holding all other variables constant

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 40 Financial risk management (Contd.)

(c) Interbank Offered Rates (IBOR) Reform

The following table contains details of all financial instruments that are referenced to IBOR which have not transitioned to an alternative interest rate benchmark (ARR):

Particulars	IBOR exposure	Carrying value as at 31 March 2023		Carrying value as at 31 March 2022		Alternative Interest Rate Benchmark
		(₹ in Mn)	(USD in Mn)	(₹ in Mn)	(USD in Mn)	
Non-derivative instruments:						Secured Overnight Funding Rate (SOFR)
Non-Current:						
Term loans from banks	USD 3M LIBOR	657.80	8.01	851.26	11.23	
Current:						
Foreign currency loans from banks	USD 6M LIBOR	155.91	1.90	144.04	1.90	
Derivative instruments						
MTM of derivative assets exposed to USD LIBOR	USD 3M LIBOR	21.87	7.35	1.33	10.20	

Note: 41 Capital management

(a) Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividends paid and proposed

Particulars	As at 31 March 2023	As at 31 March 2022
Preference Shares		
(i) Dividend declared and paid during the year		
Final dividend paid during the year	-	0.00^
Equity Shares		
(i) Proposed dividends not recognised at the end of the reporting period		
The Directors have recommended the payment of ₹2 per equity share of ₹10 each for the year ended 31 March 2023 (31 March 2022: NIL). This proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting	132.71	-

^Amount is below the rounding off norm adopted by the Group

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 41 Capital management (Contd.)

(c) Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the year ended 31 March 2023 and 31 March 2022:

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	457.21	394.97
Non-current borrowings	(1,415.70)	(613.65)
Current borrowings	(1,412.73)	(1,258.74)
Current maturities of long term borrowings	(266.12)	(277.04)
Lease liabilities	(514.17)	(302.22)
Net Derivative Liabilities (Swap and Option)	51.76	(49.19)
Interest accrued on long term borrowings	(8.43)	(5.62)
Interest accrued on short term borrowings*	(3.77)	5.19
Total	**(3,111.95)**	**(2,106.30)**

* Net-off interest receivable on account of subvention of interest of ₹0.48 Mn (31 March 2022: ₹6.58 Mn)

Particulars	Other assets	Liabilities from financing activities				Total
	Cash and cash equivalents	Non-current borrowings	Current borrowings	Lease Liabilities	Net Derivative Liabilities (Swap and Option)	
Net debt as at 1 April 2022*	**394.97**	**(896.31)**	**(1,253.55)**	**(302.22)**	**(49.19)**	**(2,106.30)**
Additions relating to acquisition	**256.10**	**-**	**(1,453.70)**	**(20.70)**	**-**	**(1,218.30)**
Adjusted with respect to acquisition	(256.10)	-	1,453.70	-	-	1,197.60
Cash flows	77.42	(761.52)	(108.91)	-	-	(793.01)
Acquisition of lease	-	-	-	(253.75)	-	(253.75)
Principal repayment of lease	-	-	-	84.00	-	84.00
Interest expense	-	(52.33)	(82.49)	(33.01)	-	(167.83)
Interest paid	-	49.52	82.75	33.01	-	165.28
Subvention interest received	-	-	(6.58)	-	-	(6.58)
Payment on Derivative Settlement (net)	-	-	-	-	(6.96)	(6.96)
Non-cash movements:						
Unrealised foreign exchange	(15.18)	(29.61)	(51.60)	(37.87)	(1.74)	(136.00)
Others Adjustments	-	-	3.87	16.37	72.53	92.77
Derivative Gain (net)	-	-	-	-	37.12	37.12
Net debt as at 31 March 2023*	**457.21**	**(1,690.25)**	**(1,416.51)**	**(514.17)**	**51.76**	**(3,111.95)**

*balances include interest accrued on borrowings

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 41 Capital management (Contd.)

Particulars	Other assets	Liabilities from financing activities				Total
	Cash and cash equivalents	Non-current borrowings	Current borrowings	Lease Liabilities	Net Derivative Liabilities (Swap and Option)	
Net debt as at 1 April 2021	**478.70**	**(1,083.53)**	**(801.67)**	**(318.70)**	**(16.62)**	**(1,741.82)**
Cash flows	(88.42)	204.92	(453.52)	-	-	(337.02)
Recognised on adoption of IND AS 116	-	-	-	-	-	-
Acquisition of Lease	-	-	-	(74.97)	-	(74.97)
Principal repayment of lease	-	-	-	73.82	-	73.82
Interest expense	-	(39.77)	(37.93)	(23.16)	-	(100.86)
Interest paid	-	40.31	44.14	23.16	-	107.61
Payment on Derivative Settlement (net)	-	-	-	-	36.32	36.32
Non-cash movements:						
Unrealised foreign exchange	4.69	(18.24)	(4.57)	7.84	(0.06)	(10.34)
Other Adjustments	-	-	-	9.79	-	9.79
Derivative Loss (net)	-	-	-	-	(68.83)	(68.83)
Net debt as at 31 March 2022*	**394.97**	**(896.31)**	**(1,253.55)**	**(302.22)**	**(49.19)**	**(2,106.30)**

*balances include interest accrued on borrowings

Note: 42 Segment information

The group is engaged in the business of designing, manufacturing and installation of process equipment and accessories.The group has identified its executive committee (which consist of Chairman, Managing Director & Chief Executive Officer, Head Product Management Group & Global Marketing, Head Global Operations, Head Global Finance (Chief Financial Officer), Head Human Resource and Company Secretary) as the chief operating decision maker ('CODM'). On a review of all the relevant aspects including, in particular, the system of internal financial reporting to the Executive Committee, which is the Chief Operating Decision Maker ('CODM') and considering the economic characteristics of the operations, the Group is of the view that it operates in two manufacturing segments 'Consumables' and 'Equipments' used for the global mineral beneficiation, mining and bulk solids handling industry and are considered operating segments as per Ind AS 108 - 'Segment Reporting'. Equipment business represents the operations of a subsidiary Company - McNally Sayaji Engineering Limited acquired during the quarter ended 31 March 2023, accordingly comparative information for previous period has not been presented. Refer Note 48.

1: Consumables - This part of business is engaged in manufacturing and distribution of specialized 'critical to operate' and recurring consumable products for the global mineral beneficiation, mining and bulk solids handling industry.

2: Equipments - This part of business is engaged in manufacturing and marketing of crushing, screening, grinding, material handling and mineral processing equipments with integrated customer support and after sales service.

Other information

(i) Revenue from external customers along with breakup between India and arising outside India.

Region	Year ended 31 March 2023	Year ended 31 March 2022
India	1,907.12	1,138.09
Outside India	10,232.60	8,379.47
Total	**12,139.72**	**9,517.56**

Revenue Outside India includes: Chile ₹2,932.25 Mn (31 March 2022: ₹1,748.17 Mn)

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 42 Segment Information (Contd.)

(ii) Consolidated Statement of Segment Revenue, Results, Assets and Liabilities

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Segment Revenue:		
Consumables	11,775.90	9,517.56
Equipments	367.62	-
Total	**12,143.52**	**9,517.56**
Less: Inter Segment Revenue	(3.80)	-
Total Segment Revenue from operations	**12,139.72**	**9,517.56**
Segment Results before interest, tax and depreciation:		
Consumables	2,630.71	1,828.58
Equipments	75.23	-
Total	**2,705.94**	**1,828.58**
Less: Inter Segment Eliminations	(1.80)	-
Total Segment Results before interest, tax and depreciation	**2,704.14**	**1,828.58**
Add: Other income	206.84	241.98
Less: Finance costs	181.20	162.04
Less: Depreciation and amortisation expense	411.97	386.96
Add: Share of profit of joint venture	43.18	28.15
Profit before tax	**2,360.99**	**1,549.71**
Less: Tax Expenses	520.69	380.72
Profit for the year	**1,840.30**	**1,168.99**

Particulars	As at 31 March 2023	As at 31 March 2022
Segment Assets:		
Consumables	10,587.14	9,482.77
Equipments	3,316.33	-
Unallocable Assets		
Investments in joint venture and mutual fund	2,168.72	1,985.31
Deferred tax assets	162.45	232.61
Derivative assets	107.79	91.44
Less: Inter Segment Eliminations	(1.40)	-
Total Assets	**16,341.03**	**11,792.13**
Segment Liabilities:		
Consumables	4,430.06	4,271.96
Equipments	1,329.60	-
Unallocable Liabilities		
Deferred tax liabilities	47.62	90.43
Derivative liabilities	45.23	69.39
Less: Inter Segment Eliminations	(1.40)	-
Total Liabilities	**5,851.11**	**4,431.78**

Investments in mutual funds and derivatives that are managed by the treasury department are not considered to be segment assets.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 42 Segment Information (Contd.)

(iii) Details of non-current assets (property, plant and equipment, right-of-use assets, capital work-in-progress, investment properties, intangible assets, goodwill on consolidation and other non current assets) based on geographical area is as below:

Region	As at 31 March 2023	As at 31 March 2022
India	3,419.05	1,451.22
Outside India	2,334.00	1,689.88
Total	**5,753.05**	**3,141.10**

Non Current Assets Outside India includes: Chile ₹1,363.54 Mn (31 March 2022:₹674.53 Mn), Australia ₹657.46 Mn (31 March 2022: ₹680.55 Mn).

Note: No Single customer represents 10% or more of the Group's total revenue during the year ended 31 March 2023 and 31 March 2022.

Note: 43 Earnings per share

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	Computation of Earnings for equity shares		
A	Net profit attributable to the owners of the Holding company	1,840.30	1,168.99
B	Less: Preference share dividend and tax thereon	-	-
C = A-B	Profit attributable to equity shareholders	1,840.30	1,168.99
D	**Weighted average number of equity shares outstanding during the year other than which are dilutive**	66,302,669	59,495,549
E	Effect of equity shares which are dilutive	-	701,096
F	Effect of compulsorily convertible participatory preference shares which are dilutive	-	6,096,504
G	Effect of potential ordinary shares on employee stock options outstanding	322,271	315,281
H=(D+E+F+G)	**Weighted average number of equity shares outstanding during the year (dilutive)**	**66,624,940**	**66,608,430**
	Earnings per equity share		
	(Face Value ₹10/- per share)		
C/D	Earnings per share - Basic (₹)	27.76	19.65
A/H	Earnings per share - Diluted (₹)	27.62	17.55

Note: 44 Interest in other entities

(a) Subsidiaries

The group's subsidiaries at 31 March 2023 and 31 March 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business/ country of incorporation	Ownership interest held by the group in %		Ownership interest held by non-controlling interests in %	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Subsidiaries:					
Tega Industries Inc.	USA	100.00	100.00	-	-
Tega Industries Australia Pty. Ltd.	Australia	100.00	100.00	-	-
Tega Industries Canada Inc.	Canada	100.00	100.00	-	-
Tega Investments Limited*	The Bahamas	0.00	100.00	-	-

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 44 Interest in other entities (Contd.)

Name of the entity	Place of business/ country of incorporation	Ownership interest held by the group in %		Ownership interest held by non-controlling interests in %	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Tega Do Brasil Servicos Technicos Ltda	Brazil	99.99	99.99	0.01	0.01
Tega Holdings Pte Limited	Singapore	100.00	100.00	-	-
Tega Equipments Private Limited@	India	-	-	-	-
McNally Sayaji Engineering Limited#	India	100.00	-	-	-
Subsidiaries of a subsidiary:					
Tega Investments South Africa Proprietary Limited	South Africa	100.00	100.00	-	-
Tega Industries Africa Proprietary Limited	South Africa	100.00	100.00	-	-
Tega Holdings Pty Ltd	Australia	100.00	100.00	-	-
Losugen Pty Ltd	Australia	100.00	100.00	-	-
MBE Coal & Mineral Technologies Private Limited$	India	-	-	-	-
Tega Industries Chile SpA	Chile	100.00	100.00	-	-
Edoctum S.A.	Chile	99.89	99.89	0.11	0.11
Edoctum Peru S.A.C.	Peru	100.00	100.00	-	-

*till 14 November 2022

@from 2 December 2022 till 29 March 2023

#subsidiary of Tega Equipments Private Limited from 24 February 2023 to 29 March 2023 and direct subsidiary from 29 March 2023

$from 24 February 2023 to 29 March 2023

(b) Non-controlling interest (NCI)

As noted from the above table, the non-controlling interests are not material to the group.

(c) Interests in joint venture

Set out below are the details of the joint venture of the group as at 31 March 2023 and 31 March 2022. The entity listed below has share capital consisting solely of equity shares. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business/ country of incorporation	Relationship	Accounting method	Carrying amount		Quoted fair value	% of ownership interest
				As at 31 March 2023	As at 31 March 2022		
Hosch Equipment (India) Limited	India	Joint Venture	Equity method	278.67	241.25	@	50%
Total equity accounted investments				**278.67**	**241.25**		

@ Unlisted equity, no quoted price available

(i) Contingent liabilities in respect of joint venture

Particulars	As at 31 March 2023	As at 31 March 2022
Contingent liabilities – joint venture	16.85	16.84
Total Contingent liabilities	**16.85**	**16.84**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 44 Interest in other entities (Contd.)

(ii) Summarised financial information for joint venture

The tables below provide summarised financial information for that joint venture which is material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and not the Holding Company's share of those amounts.

Summarised balance sheet	Hosch Equipment (India) Limited	
	As at 31 March 2023	As at 31 March 2022
Current assets		
Cash and cash equivalents	1.43	0.54
Other assets	329.04	253.36
Total current assets	**330.47**	**253.90**
Total non-current assets	**33.67**	**33.49**
Current liabilities		
Financial liabilities	23.04	22.79
Other liabilities	10.46	10.68
Total current liabilities	**33.50**	**33.47**
Non-current liabilities		
Financial liabilities	4.14	0.46
Other liabilities	1.00	2.91
Total non-current liabilities	**5.14**	**3.37**
Net assets	**325.50**	**250.55**

Note- Hosch Equipment (India) Limited is having financial and technical collaboration with M/s Hosch (GB) Limited U.K., pioneers in the manufacture of scrapers, having its registered office and manufacturing facilities at West Bengal, India

Summarised statement of profit and loss

Particulars	Hosch Equipment (India) Limited	
	Year ended 31 March 2023	Year ended 31 March 2022
Revenue	282.88	210.72
Interest income	0.68	0.99
Depreciation and amortisation	4.07	2.57
Finance costs	0.65	0.58
Income tax expense	26.57	19.05
Profit from continuing operations	**86.40**	**56.24**
Other comprehensive income/ (loss)	(0.20)	0.28
Total comprehensive income	**86.20**	**56.52**
Dividends Paid	**5.63**	**56.25**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 44 Interest in other entities (Contd.)

Reconciliation to carrying amounts

Particulars	Hosch Equipment (India) Limited	
	Year ended 31 March 2023	Year ended 31 March 2022
Opening net assets	250.55	306.53
Profit for the year	86.40	56.24
Other comprehensive income	(0.20)	0.28
Dividends paid including tax	(11.25)	(112.50)
Closing net assets	**325.50**	**250.55**
Group's share in %	50%	50%
Group's share in ₹	162.71	125.29
Goodwill	115.96	115.96
Carrying amount	**278.67**	**241.25**

(iii) Share of Profit

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Share of profits from joint venture	43.18	28.15
Total share of profits from joint venture	**43.18**	**28.15**

(iv) Share of Other Comprehensive Income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Share of Other comprehensive income from joint venture	(0.10)	0.14
Total share of other comprehensive income from joint venture	**(0.10)**	**0.14**

Note: 45 A Contingent liabilities (to the extent not provided for)

	Particulars	As at 31 March 2023	As at 31 March 2022
(i)	**Contingent liabilities - Claims against the Group not acknowledged as debt**		
	Disputed Excise Duty	14.75	14.75
	Disputed Service Tax	3.08	3.08
	Disputed Income Tax	64.99	64.54
	Disputed Sales Tax	6.56	6.56
	Other money for which the Group is contingently liable		
	Pending finalisation of legal/ arbitration proceedings, the extent of eventual liability, against a customer's claims (not admitted by the Group) for alleged unsatisfactory product performance as may arise, is currently not ascertainable and no provision in this regard has been considered necessary by the Management.	-	4.05

In respect of the contingent liabilities mentioned in (i) above, pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 45 B Commitments

	Particulars	As at 31 March 2023	As at 31 March 2022
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	90.97	66.14

Note: 45 C The Holding Company and its Joint Venture has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs. The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated 20 March 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. While further clarification on applicability and operation of the Order is awaited from the Provident Fund authorities, based on estimates by the management, the impact of the Order is not expected to be material on the consolidated financial statements. The management will continue to assess the impact of further developments relating to retrospective application of the Supreme Court's judgement considering the additional guidance as and when issued by the statutory authorities.

Note: 46 Related party Transactions

Related party disclosure pursuant to Ind AS 24 prescribed under the act

Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Nihal Fiscal Services Private Limited
Fellow Subsidiaries	Maple Orgtech (India) Limited
	MM Aqua Technologies Limited
Joint Venture	Hosch Equipment (India) Limited
Key Management Personnel (KMP)	Madan Mohan Mohanka - Chairman and Whole-time Director
	Mehul Mohanka - Managing Director
	Manju Mohanka - Director (upto 3 August 2021)
	Syed Yaver Imam - Whole Time Director
	Hemant Madhusudan Nerurkar - Director (upto 31 March 2022)
	Rudolph Michael Edge - Director (upto 31 March 2022)
	Dhiraj Poddar - Director (upto 10 November 2021)
	Jagdishwar Prasad Sinha - Independent Director (from 1 May 2021)
	Madhu Dubhashi - Independent Director (from 1 May 2021)
	Ashwani Maheshwari - Independent Director (from 1 April 2022)
	Manoj Kumar Agarwal - Chief Financial Officer (till 31 January 2023) & Company Secretary (from 23 December 2021 to 6 August 2022)
	Sudipta Bhowal - Company Secretary (upto 18 December 2021)
	Manjuree Rai - Company Secretary (from 7 August 2022)
Relatives of KMP	Manish Mohanka
	Manju Mohanka (from 4 August 2021)
Post Employment Benefit Plans	Tega India Ltd Employes Gratuity Fund
	Tega India & Associate Companies Super Annuation Fund
	Tega Industries (SEZ) Ltd Gratuity Trust
	Tega Industries (SEZ) Ltd Super Annuation Fund
Entities in which KMP/ Relatives of KMP can exercise significant influence	TPW Engineering Limited

Note: Related parties have been identified by the Management.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 46 Related party Transactions (Contd.)

Details of related party transactions for the year ended 31 March 2023 and balances outstanding as at 31 March 2023:

Particulars	Joint Venture	Fellow Subsidiaries	Post Employment Benefit Plan	KMP	Relatives of KMP	Entities in which KMP/ Relatives of KMP can exercise significant influence	Total
Purchase of Goods	1.72	-	-	-	-	-	1.72
Sale of Goods & Service	15.36	0.03	-	-	-	-	15.39
Recovery of Expenses	-	3.15	-	-	-	-	3.15
Re-imbursement of Expenses	-	0.49	-	-	-	-	0.49
Sales Commission Earned	20.46	-	-	-	-	-	20.46
Contribution to post employment benefit plan	-	-	21.73	-	-	-	21.73
Dividend Received	5.63	-	-	-	-	-	5.63
Rent/ Service Charges/ Hire Charges received	3.86	-	-	-	-	-	3.86
Rent/ Service Charges/ Hire Charges paid	-	-	-	-	1.43	5.71	7.14
Business Support Service Income	9.27	2.20	-	-	-	-	11.47
Security deposits given/ (recovered) (net)	-	-	-	-	-	(2.81)	(2.81)
Balances outstanding at the end of the year							
Trade Receivables	2.25	1.37	-	-	-	-	3.62
Advances/ Deposit /Other Receivables	-	-	-	-	0.23	0.57	0.80
Trade Payables	-	0.26	-	-	-	0.55	0.81
Other Payables	-	-	1.11	-	-	-	1.11
Provisions	-	-	36.87	-	-	-	36.87
Financial Liabilities	0.96	-	-	-	-	-	0.96

Details of related party transactions for the year ended 31 March 2022 and balances outstanding as at 31 March 2022:

Particulars	Joint Venture	Fellow Subsidiaries	Post Employment Benefit Plan	KMP	Relatives of KMP	Entities in which KMP/ Relatives of KMP can exercise significant influence	Total
Purchase of Goods	2.84	-	-	-	-	-	2.84
Sale of Goods & Service	12.01	0.19	-	-	-	-	12.21
Recovery of Expenses	-	-	-	-	-	0.01	0.01
Re-imbursement of Expenses	0.29	0.19	-	-	-	-	0.48
Purchase of Fixed Assets	-	-	-	-	-	0.46	0.46
Sales Commission Earned	16.35	-	-	-	-	-	16.35
Rent/ Service Charges/ Hire Charges paid	-	0.41	-	0.07	1.65	18.66	20.79
Contribution to post employment benefit plan	-	-	10.83	-	-	-	10.83
Dividend Received	56.25	-	-	-	-	-	56.25
Business Support Service Expense	-	0.48	-	-	-	-	0.48
Business Support Service Income	9.46	1.25	-	-	-	-	10.71
Security deposits given/ (recovered) (net)	0.03	-	-	-	-	-	0.03
Balances outstanding at the end of the year							
Trade Receivables	0.95	1.48	-	-	-	-	2.43
Advances/ Deposit /Other Receivables	-	-	-	-	0.24	3.38	3.62
Trade Payables	-	0.08	-	-	-	-	0.08
Other Payables	-	-	2.36	-	-	-	2.36
Other Current Assets	-	-	-	-	0.03	-	0.03
Provisions	-	-	30.80	-	-	-	30.80
Financial Liabilities	0.96	-	-	-	-	-	0.96

Other Terms and Conditions of transactions with Related Parties

The related parties transactions are made in the ordinary course of business. Outstanding balances at the year end are unsecured.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 46 Related party Transactions (Contd.)

Remuneration to KMP

During the year, the Group has recognised an amount of ₹171.44 Mn (31 March 2022: ₹135.74 Mn) as remuneration to key managerial personnel. The details of such remuneration is as below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Short term employee benefits	135.40	102.13
Post employment benefits	6.61	4.61
Other long term employee benefits	3.95	2.19
Total employee benefits expense	**145.96**	**108.93**
Perquisites	1.24	1.95
Sitting fees	0.80	0.78
Commission/ Incentive to Director's	9.25	11.18
Retainership fees	14.19	12.90
Total other expenses	**25.48**	**26.81**

Note: Refer note 44(c) for details of share of profit of the year ended 31 March 2023 and 31 March 2022 and investment outstanding as at 31 March 2023 and 31 March 2022 relating to Joint Venture.

Note: 47 Share-based payments

(a) The share-based payment plan is an employee option plan of the Holding company. The options are equity settled options.

(b) Set out below is the summary of options

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Average exercise price/ share in ₹	No. of options	Average exercise price/ share in ₹	No. of options
Opening balance	38.91	357,251	38.91	357,251
Granted during the year	-	-	-	-
Exercised during the year	36.66	60,963	-	-
Expired during the year	-	-	-	-
Closing balance	**39.38**	**296,288**	**38.91**	**357,251**
Vested and exercisable	**39.38**	**296,288**	**38.91**	**357,251**

(c) Share options outstanding at the end of the year have the following exercise period and exercise prices:

Grant	Grant Date	Exercise period	Exercise Price/ Share in ₹	Share Options as on 31 March 2023	Share Options as on 31 March 2022
Grant I	4-Mar-11	2 years from the date of listing	30.77	213,669	255,632
Grant II	4-Mar-11	2 years from the date of listing	30.77	27,371	38,584
Grant III	16-Nov-12	2 years from the date of listing	76.92	27,196	27,196
Grant IV	2-Jul-13	2 years from the date of listing	76.92	18,707	18,707
Grant V	28-Jan-15	2 years from the date of listing	76.92	9,345	17,132

* The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2023 was ₹517.31 (31 March 2022: NIL)

(d) No options expired during the year ended 31 March 2023 and 31 March 2022.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 47 Share-based payments (Contd.)

(e) Contractual life of options

Grant	Grant Date	Expiry Date	Expired Price/ Share in ₹	Share Options as on 31 March 2023	Share Options as on 31 March 2022
Grant I	4-Mar-11	13-Dec-23	30.77	213,669	255,632
Grant II	4-Mar-11	13-Dec-23	30.77	27,371	38,584
Grant III	16-Nov-12	13-Dec-23	76.92	27,196	27,196
Grant IV	2-Jul-13	13-Dec-23	76.92	18,707	18,707
Grant V	28-Jan-15	13-Dec-23	76.92	9,345	17,132
Weighted average remaining contractual life of options outstanding at end of period (in years)				0.70	1.70

(f) Fair value of options granted

No grants were issued during the year.

(g) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were 31 March 2023: NIL (31 March 2022: NIL).

(h) The existing Employee Stock Option Scheme 2011 has been aligned with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 and the same was approved in Board Resolution dated 11 February 2022 and shareholder's resolution vide postal ballot dated 3 April 2022. The Holding Company has received in-principle approval from the stock exchange for the said scheme. During the current year 60,963 equity shares has been exercised.

Note: 48 Business combination

(a) Acquisition of McNally Sayaji Engineering Limited

Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT") on 24 February 2023 approved the Holding Company's Resolution Plan ("RP") for acquiring McNally Sayaji Engineering Limited ("MSEL") under the provisions of Insolvency and Bankruptcy Code 2016 ("Code"). Pursuant to the NCLT order, the Holding Company through it's wholly owned subsidiary, Tega Equipments Private Limited ("TEPL"), completed the acquisition of MSEL under the Corporate Insolvency Resolution Process ("CIRP") of the Code for a total consideration of ₹1,653.86 Mn. Vide the same order, Hon'ble NCLT of Kolkata also approved the merger of TEPL with MSEL and consequently MSEL has become wholly-owned subsidiary of the Holding Company.

Consequent to the acquisition, the Holding Company subscribed to 100% equity share capital amounting to ₹653.86 Mn. MSEL also obtained a loan (Current borrowing) of ₹1,000 Mn (pursuant to a corporate guarantee provided by the Holding Company). Subsequently, the group paid to financial and operational creditors as per the RP.

Holding Company has a strong presence in Mining and Mineral sector across the world, is on a strong growth path, and has been intending to enhance it's product portfolio to further its business in India and globally. The acquisition is a backward integration for the Holding Company which shall give an overall thrust to the growth of the Group.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 48 Business combination (Contd.)

(i) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	₹ in Mn
Non-current assets	
Property, plant and equipment including Right-of-Use Assets	1,754.25
Other intangible assets	25.61
Other financial assets	15.80
Other non-current assets	2.70
	1,798.36
Current assets	
Inventories	553.50
Trade receivables	510.10
Cash and cash equivalents	256.10
Bank balances other than cash and cash equivalents	56.10
Other financial assets	16.10
Current tax assets (Net)	11.70
Other current assets	205.67
	1,609.27
Total assets (A)	**3,407.63**
Non-current liabilities	
Lease liabilities	16.00
Provisions	23.70
	39.70
Current liabilities	
Borrowings	1,453.70
Lease liabilities	4.70
Trade payables	140.80
Other financial liabilities	359.40
Provisions	21.90
Other current liabilities	117.60
	2,098.10
Total liabilities (B)	**2,137.80**
Capital Reserve (A - B)	**1,269.83**

The acquisition has been given effect to in the Consolidated Financial Statements in accordance with the provisions of Ind AS 103 - "Business Combinations". The fair value of assets and liabilities acquired had been determined in accordance with Ind AS 103 - "Business Combinations".

(ii) Consideration - cash outflow during the year

Particulars	₹ in Mn
Cash paid for acquisition of equity shares of McNally Sayaji Engineering Limited	653.86
Cash paid for payment of liabilities of McNally Sayaji Engineering Limited	1,000.00
Total consideration	**1,653.86**
Less : Cash and cash equivalent balances acquired	(256.10)
Net outflow of cash - investing activities	**1,397.76**

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 48 Business combination (Contd.)

(iii) Acquisition related costs

Acquisition costs amounting to ₹45.46 Mn were charged to the consolidated statement of profit and loss for the year ended March 31, 2023.

(iv) Acquired receivables

Particulars	₹ in Mn
Fair value of acquired trade receivables	510.10
Gross contractual amount for trade receivables	919.50
Contractual cash flows not expected to be collected	409.40

(v) Impact of acquisition on the results of the Group

(i) The acquired business contributed ₹359.70 Mn of revenue from operations and ₹61.40 Mn profit to the Group for the year ended March 31, 2023.

(ii) If the business combinations had been effected at April 1, 2022, the revenue from operations of the Group would have been ₹13,667.42 Mn and the profit for the year would have been ₹2,241.40 Mn. The management consider these 'pro-forma' numbers to represent an approximate measure of the performance of the Group on an annualised basis and to provide a reference point for comparison in future periods.

(b) Note given by the independent auditor of MSEL in respect of the above acquisition.

"A) The Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT") on 24 February 2023, under the Corporate Insolvency Resolution Process ("CIRP") of the Insolvency and Bankruptcy Code 2016 ("Code") passed an order regarding the implementation of resolution plan and scheme of arrangement and amalgamation for relief, concessions and approvals.

B) Vide the said order, Hon'ble NCLT of Kolkata also approved the merger of Tega Equipments Private Limited (TEPL) with the company and consequently the company has become a direct wholly-owned subsidiary of Tega Industries Limited (Ultimate Holding Company).

C) The scheme of arrangement and amalgamation had been given effect in the consolidated financial statements in accordance with the provisions of Ind AS 103 - "Business Combinations"."

(c) Consequent to the acquisition stated in note 48(a) above, previous year numbers are not comparable to the current year.

Note: 49 Additional Information required by Schedule III of the Companies Act, 2013:

	Particulars	Net Assets (total assets minus total liabilities)		Share in Profit or (Loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (OCI)	
	Name of the Entity	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or (Loss)	Amount	As % of Consolidated OCI	Amount	As % of Consolidated total comprehensive income	Amount
	Parent								
	Tega Industries Limited								
	31 March 2023	96.87%	10,160.04	61.85%	1,138.20	(20.16%)	(3.71)	61.04%	1,134.49
	31 March 2022	122.59%	9,023.31	82.07%	959.39	1.52%	0.82	78.50%	960.21
	Subsidiaries - Foreign								
1	Tega Industries Inc.								
	31 March 2023	2.04%	213.89	0.82%	15.01	-	-	0.81%	15.01
	31 March 2022	2.49%	183.16	0.28%	3.22	-	-	0.26%	3.22
2	Tega Industries Australia Pty. ltd.								
	31 March 2023	0.94%	99.04	(0.56%)	(10.27)	-	-	(0.55%)	(10.27)
	31 March 2022	1.53%	112.72	4.23%	49.44	-	-	4.04%	49.44

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 49 Additional Information required by Schedule III of the Companies Act, 2013: (Contd.)

	Particulars	Net Assets (total assets minus total liabilities)		Share in Profit or (Loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (OCI)	
	Name of the Entity	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or (Loss)	Amount	As % of Consolidated OCI	Amount	As % of Consolidated total comprehensive income	Amount
3	Tega Investments Limited								
	31 March 2023	0.00%	-	(0.01%)	(0.21)	-	-	(0.01%)	(0.21)
	31 March 2022	0.21%	15.10	(0.17%)	(2.04)	-	-	(0.17%)	(2.04)
4	Tega Industries Canada Inc.								
	31 March 2023	0.86%	90.71	(1.00%)	(18.41)	-	-	(0.99%)	(18.41)
	31 March 2022	1.48%	108.78	3.90%	45.61	-	-	3.73%	45.61
5	Tega Do Brasil Servicos Technicos Ltda								
	31 March 2023	0.02%	1.67	0.12%	2.28	-	-	0.12%	2.28
	31 March 2022	(0.01%)	(0.66)	(0.10%)	(1.23)	-	-	(0.10%)	(1.23)
6	Tega Holdings Pte Limited								
	31 March 2023	38.73%	4,062.76	(1.91%)	(35.23)	-	-	(1.90%)	(35.23)
	31 March 2022	50.45%	3,713.50	8.45%	98.73	-	-	8.07%	98.73
7	Tega Holdings Pty Ltd								
	31 March 2023	3.11%	326.07	(0.87%)	(16.06)	-	-	(0.86%)	(16.06)
	31 March 2022	4.79%	352.79	(1.98%)	(23.19)	-	-	(1.90%)	(23.19)
8	Losugen Pty Ltd								
	31 March 2023	1.93%	202.93	3.40%	62.67	-	-	3.37%	62.67
	31 March 2022	1.97%	144.70	0.95%	11.09	-	-	0.91%	11.09
9	Tega Industries Chile SpA*								
	31 March 2023	11.86%	1,244.58	15.57%	286.62	0.21%	0.04	15.42%	286.66
	31 March 2022	5.47%	402.76	13.22%	154.54	2.19%	1.19	12.73%	155.73
10	Tega Investments South Africa Proprietary Limited								
	31 March 2023	0.41%	43.10	(0.02%)	(0.29)	-	-	(0.02%)	(0.29)
	31 March 2022	0.67%	49.09	0.04%	0.50	-	-	0.04%	0.50
11	Tega Industries Africa Proprietary Limited								
	31 March 2023	7.86%	824.23	11.24%	206.82	-	-	11.13%	206.82
	31 March 2022	9.56%	703.96	12.10%	141.46	-	-	11.57%	141.46
	Subsidiaries - Indian								
12	McNally Sayaji Engineering Limited								
	31 March 2023	18.94%	1,986.73	3.34%	61.46	8.91%	1.64	3.39%	63.10
	31 March 2022	0.00%	-	0.00%	-	-	-	0.00%	-
13	Tega Equipments Private Limited								
	31 March 2023	0.00%	-	(0.06%)	(1.10)	-	-	(0.06%)	(1.10)
	31 March 2022	0.00%	-	0.00%	-	-	-	0.00%	-
	Minority Interest in all subsidiaries								
	31 March 2023	0.00%^	0.00^	0.00%^	0.00^	0.00%^	0.00^	0.00%^	0.00^
	31 March 2022	0.00%^	0.00^	0.00%^	0.00^	0.00%^	0.00^	0.00%^	0.00^
	Joint venture - Indian								
1	Hosch Equipment (India) Limited								
	31 March 2023	3.10%	325.50	2.35%	43.16	(0.54%)	(0.10)	2.32%	43.06
	31 March 2022	3.40%	250.55	2.41%	28.15	0.26%	0.14	2.31%	28.29
	Adjustment arising out of Consolidation								
	31 March 2023	(86.67%)	(9,091.33)	5.74%	105.65	111.58%	20.53	6.79%	126.18
	31 March 2022	(104.60%)	(7,699.41)	(25.40%)	(296.68)	96.03%	51.99	(19.99%)	(244.69)
	Total 31 March 2023	**100.00%**	**10,489.92**	**100.00%**	**1,840.30**	**100.00%**	**18.40**	**100.00%**	**1,858.70**
	Total 31 March 2022	**100.00%**	**7,360.35**	**100.00%**	**1,168.99**	**100.00%**	**54.14**	**100.00%**	**1,223.13**

^ Amount is below the rounding off norm adopted by the Group.

* includes information related to Tega Industries Chile SpA and its subsidiaries.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 50 Reconciliation of quarterly bank returns

The Holding Company has filed quarterly returns/ statements with the Banks in lieu of the sanctioned working capital facilities which are in agreement with the books of accounts other than those as set out below:

For the year ended 31 March 2023

Quarter	Particulars	Name of the bank	Amount as per books of account	Amount as reported in the quarterly returns/ statements	Amount of difference	Reason for difference
30 June 2022	Trade receivables and contract assets	Working Capital Lenders*	1,927.72	1,863.26	(64.46)	**Refer note below**

Note:

(i) Quarterly return/ statement for the quarter ended 31 March 2023 is yet to be filed by the Holding Company.

(ii) In case of one of the Subsidiary, McNally Sayaji Engineering Limited, the Company has sanctioned working capital limit in excess of ₹50 Mn in aggregate from bank which are secured on the basis of security of current assets. However, no quarterly returns have been filed by the Company with the Bank.

For the year ended 31 March 2022

Quarter	Particulars	Name of the bank	Amount as per books of account	Amount as reported in the quarterly returns/ statements	Amount of difference	Reason for difference
31 March 2022	Inventories	Working Capital Lenders*	1,679.51	1,648.22	(31.29)	**Refer note below**
31 March 2022	Trade receivables and contract assets	Working Capital Lenders*	2,136.36	2,158.55	22.19	
31 March 2022	Trade payable for goods	Working Capital Lenders*	472.16	474.05	1.89	
31 December 2021	Inventories	Working Capital Lenders*	1,844.93	1,828.57	(16.36)	
31 December 2021	Trade receivables and contract assets	Working Capital Lenders*	2,279.50	2,274.86	(4.64)	
31 December 2021	Trade payable for goods	Working Capital Lenders*	792.84	783.63	(9.21)	
30 September 2021	Inventories	Working Capital Lenders*	1,583.39	1,413.67	(169.72)	
30 September 2021	Trade receivables and contract assets	Working Capital Lenders*	1,847.33	1,825.76	(21.57)	
30 September 2021	Trade payable for goods	Working Capital Lenders*	741.33	505.16	(236.17)	
30 June 2021	Inventories	Working Capital Lenders*	1,390.29	1,113.86	(276.43)	
30 June 2021	Trade receivables and contract assets	Working Capital Lenders*	1,612.43	1,763.69	151.26	
30 June 2021	Trade payable for goods	Working Capital Lenders*	750.76	657.22	(93.54)	

* ICICI Bank Limited, Standard Chartered Bank, Axis Bank Limited, RBL Bank Limited, CITI Bank N.A, and Syndicate Bank are represented as Working Capital Lenders.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 50 Reconciliation of quarterly bank returns (Contd.)

Note for discrepancies :

The Bank returns were prepared and filed before the completion of all financial statement closure activities including Ind AS related adjustments/ reclassifications, as applicable, which led to these differences between the final books of accounts and the bank return which were based on provisional books of accounts.

Note: 51 Additional regulatory information

(a) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on 13 November 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(b) The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(c) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(d) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(e) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(f) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(g) The Group has complied with the number of layers as prescribed in section 2(89) of the Companies Act read with Companies (Restriction on number of layers) Rules, 2017.

(h) The Group has not revalued its Property, plant and equipment (including Right of Use Assets) or intangible assets or both during the current or previous year.

(i) The Holding Company has raised funds on short term and long term basis from banks and financial institutions, and have been applied for the purpose for which they have been obtained.

(j) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons/entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries other than loans amounting to ₹193.10 Mn given during the year to Tega Holdings Pte Limited, a subsidiary Company of the Holding Company in the ordinary course of business for onward funding to Tega Industries Chile SpA, a step- down subsidiary of the Holding Company towards purchase of capital assests and loan amounting to ₹655.69 Mn to Tega Equipments Private Limited (TEPL), a subsidiary Company of the Holding Company in the ordinary course of business for acquisition of McNally Sayaji Engineering Limited ("MSEL") which is subsequently converted into investments on merger of TEPL with MSEL, pursuant to a Corporate Insolvency Resolution process implemented under the Insolvency and Bankruptcy Code 2016.

(k) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

  (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Consolidated Financial Statements as at and for the Year ended 31 March 2023

(All amount in ₹ million, unless otherwise stated)

Note: 52 Details of research and development expenditure recognised as an expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employee benefits expense	47.53	39.65
Travelling expenses	1.89	2.59
Product development	0.81	0.26
Patent cost	0.80	0.25
Repair & maintenance- other	-	0.20
Telephone and cell phone	0.01	0.03
Depreciation	-	0.32
Total	**51.04**	**43.30**

Note: 53

During the year ended 31 March 2022, the Holding Company has completed its initial public offer (IPO) of 13,669,478 equity shares of face value of ₹10 each at an issue price of ₹453 per share, comprising of offer for sale of 13,669,478 shares by selling shareholders. The equity shares of the Holding Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 13 December 2021.

The Holding Company has incurred ₹324.59 million (plus applicable taxes) as IPO related expenses upto 31 March 2022 and the entire expenses are allocated to the selling share holders in the proportion of their respective share holding considered in the IPO as per the offer agreement between the Holding Company and the selling shareholders.

Note: 54

Mr. Manoj Kumar Agarwal, erstwhile Chief Financial Officer (CFO), had tendered his resignation, effective from the closure of business hours on 31 January 2023. The Holding Company is in the process of appointing a CFO. In the interim, Mr. Kaushal Sureka, Deputy General Manager - Finance & Accounts, was appointed to take charge of the Finance Function by the Board of Directors, vide resolution dated 31 January 2023. Accordingly, pursuant to the resolution approved by the Board at their meeting held on 30 May 2023, the Financial Statements are signed by Mr. Kaushal Sureka, Deputy General Manager - Finance & Accounts of the Holding Company, along with other directors so authorised, to sign the financial statements on behalf of the Board of Directors.

Signature to Note 1 to 54 above.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: 058507
Place: Kolkata
Date: 30 May 2023

For and on Behalf of Board of Directors

Madan Mohan Mohanka
Chairman
DIN: 00049388
Place: Kolkata
Date: 30 May 2023

Mehul Mohanka
Managing Director
DIN: 00052134
Place: Kolkata
Date: 30 May 2023

Manjuree Rai
Company Secretary

Place: Kolkata
Date: 30 May 2023

Kaushal Sureka
DGM - Finance and Accounts

Place: Kolkata
Date: 30 May 2023

PARTNERSHIPS IN PRACTICE

NOTICE

NOTICE is hereby given that the 47th (Forty-Seventh) Annual General Meeting ("AGM") of the Members of Tega Industries Limited (the "Company") will be held on **Tuesday, August 29, 2023 at 11:00 A.M. (IST)**, through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Syed Yaver Imam (DIN: 00588381), who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare Final Dividend of ₹2/- (two) per equity share (20%) of face value of ₹10/- each for the Financial Year ended March 31, 2023.

SPECIAL BUSINESS

4. Ratification of remuneration to the Cost Auditors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹2,50,000/- (Rupees Two Lakh Fifty Thousand only) per annum excluding applicable tax plus reimbursement of travelling and other out-of-pocket expenses payable to M/s. Mani & Co., Cost Accountants (Firm Registration No. 000004), appointed as the Cost Auditors of the Company by the Board of Directors for conducting audit of the cost records of the Company and other miscellaneous work related to it for the Financial Year ending March 31, 2024, be and is hereby ratified."

By Order of the Board of Directors

Sd/-
Manjuree Rai
Company Secretary and Compliance Officer

Date: July 31, 2023
Place: Kolkata

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") setting out material facts concerning the business with respect to **Item No. 4** is annexed hereto and forms part of this Notice.

2. The Ministry of Corporate Affairs ("MCA"), inter-alia, vide its General Circular Nos. 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as "MCA Circulars") has permitted the holding of the AGM through Video Conferencing ("VC") or through Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue.

   Further, Securities and Exchange Board of India **("SEBI")**, vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023 ("SEBI Circulars") and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

3. In compliance with the applicable provisions of the Act, SEBI Listing Regulations and MCA Circulars, the 47th AGM of the Company is being held through VC/OAVM on **Tuesday, August 29, 2023 at 11:00 A.M. (IST)**. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at Godrej Waterside, Tower-II, Office No. 807, 8th Floor, Block DP-5, Salt Lake Sector V, Bidhannagar, Kolkata – 700091.

4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on their behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this Notice.

5. Institutional/Corporate Members (i.e. other than individuals, HUF, NRI, etc.), are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/Authorisation shall be sent by e-mail on the Scrutinizer's e-mail address at aklabhcs@gmail.com with a copy marked to compliance.officer@tegaindustries.com.

6. The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. The Company has engaged the services of Link Intime India Private Limited ("LIIPL") for providing facility for voting through remote e-voting, participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at **Note No. 30** below.

8. Procedure for registration of email address: Notice of the 47th AGM and other documents are being sent through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s ("DPs"), and who wish to receive the Notice and the Annual Report and all other communications sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

   a. For the Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAAR) supporting the registered address of the Member, by email to the Company's email address at compliance.officer@tegaindustries.com or to the email address of the Company's Registrar and Share Transfer Agent ("RTA"), Link Intime India Private Limited ("LIIPL") at kolkata@linkintime.co.in.

   b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

   The physical copy of the Notice along with the Annual Report shall be made available to the Members who request for the same in writing to the Company.

9. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit PAN details to their depository participants, with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to LIIPL. Members may register their PAN themselves with the RTA through the link: https://web.linkintime.co.in/KYC-downloads.html.

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021.

11. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/CIR/2022/8 dated January 25, 2022, has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/ folios; and Transposition. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or LIIPL for assistance in this regard.

12. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. For Transmission cases, Members are requested to submit Form ISR-5 as specified vide SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialization and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

13. Remote e-voting will commence at **09:00 A.M. (IST) on Friday, August 25, 2023** and will end at **05:00 P.M. (IST) on Monday, August 28, 2023**, when remote e-voting will be blocked by LIIPL.

14. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on **Tuesday, August 22, 2023** (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM. Those who are not Members on the cut-off date should accordingly treat this Notice as for information purposes only.

15. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.

16. **Nomination facility:** As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR-3 or Form SH-14, as the case may be.

    The said forms can be downloaded from the Company's website at https://www.tegaindustries.com/investor#agm-tab . Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to LIIPL at kolkata@linkintime.co.in in case the shares are held in physical form, quoting their folio no(s).

17. The Board of Directors at their meeting held on May 30, 2023, have recommended payment of final dividend of ₹2/- (two) per equity share (20%) of face value of ₹10/- each for the Financial Year ended March 31, 2023.The record date for the purpose of final dividend is **August 19, 2023**. The dividend so recommended by the Board, if declared by the members at the Annual General Meeting, shall be paid within statutory time limit to those members (a) whose names appear as beneficial owners at the end of the business hours on August 19, 2023 in the list of beneficial owners to be provided by NSDL and CDSL in respect of shares held in electronic (demat) form and (b) whose names appear in the Register of Members of the Company on August 19, 2023, after giving effect to valid transmission/ transposition requests lodged with the Company as of the close of business hours on August 19, 2023.

18. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ LIIPL (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by email to the Company at compliance.officer@tegaindustries.com or to LIIPL at kolkata@linkintime.co.in or by clicking the URL https://www.linkintime.co.in/formsreg/submission-of-form-15g-15h.html. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

    Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to compliance.officer@tegaindustries.com or to LIIPL at kolkata@linkintime.co.in or by clicking the URL https://www.linkintime.co.in/formsreg/submission-of-form-15g-15h.html.

    The aforesaid declarations and documents need to be submitted by the shareholders by **11.59 P.M. (IST) on or before August 19, 2023.**

19. SEBI has made it mandatory for all listed companies to use the Bank Account details furnished by the Depositories and the Bank Account details maintained by the RTA for payment of Dividend through Electronic Clearing Service (ECS) to investors wherever ECS and Bank details are available. In the absence of ECS facilities, the Company will print the Bank Account details, if available, on the payment instrument for distribution of Dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of / change in such Bank Account details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such Bank Account details are therefore requested to advise their DPs about such change, with complete details of Bank Account.

20. Shareholders holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations or NEFT. The dividend would be credited to their bank account as per the mandate given by the Shareholders to their Depository Participant(s). In the absence of availability of NECS/ECS/NEFT facility, the dividend would be paid through warrants/DDs and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants/DDs as per the applicable Regulations. For Shareholders who have not updated their bank account details, Dividend Warrants / Demand Drafts will be sent to their registered addresses.

21. Relevant documents referred to in the accompanying notice or explanatory statement, the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Act read with rules issued thereunder will be available for inspection by the members in physical form at the registered office on all working days, except Saturdays, from 11:00 A.M. (IST) to 01:00 P.M. (IST) up to the date of the AGM or in electronic mode at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the meeting upon log-in to the LIIPL e-voting system at https://instavote.linkintime.co.in. Members seeking to inspect such documents can send an email to compliance.officer@tegaindustries.com.

22. Non-resident Indian Members are requested to inform LIIPL, immediately of:

    a) Change of their residential status on return to India for permanent settlement.

    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

23. Details of Directors retiring by rotation / seeking appointment/ re-appointment at this Meeting are provided in the "Annexure" to the Notice.

24. A recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in the safe custody of the Company.

25. The Board has appointed Mr. Atul Kumar Labh, Practicing Company Secretary (Membership No. FCS 4848) as the Scrutinizer to scrutinize the remote e-voting process and voting process at AGM in a fair and transparent manner.

26. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, within two working days of conclusion of AGM a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

27. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tegaindustries.com and on the website of LIIPL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

28. Any member desirous of receiving any information/clarification on Financial Statements or operations of the Company is requested to forward his/her queries to the Secretarial Department of the Company at compliance.officer@tegaindustries.com at least 10 working days prior to AGM, so that required information can be made available at the AGM specifying his/her name along with Demat account details.

29. Members are requested to contact LIIPL, contact person Mr. Kuntal Mustafi [Phone: (033) 40049728/40731698, Email ID: kolkata@linkintime.co.in], if they have any queries or for redressal of their complaints or Ms. Manjuree Rai, Company Secretary & Compliance Officer of the Company, at the Registered Office of the Company [Phone: (033) 40939000; Email: compliance.officer@tegaindustries.com].

30. **Instructions for remote e-Voting and joining the Annual General Meeting are as follows:**

    The remote voting period begins on August 25, 2023, at 09:00 A.M. (IST) and ends on August 28, 2023, at 05:00 P.M. (IST) During this period, members of the Company, holding shares either in physical form or in dematerialised form as of the cut-off date of Tuesday, August 22, 2023, may cast their vote electronically. The remote e-voting module shall be disabled by LIIPL for voting thereafter. A person who is not a member as of the cut-off date should treat this notice for informational purposes only.

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of the Listing Regulations, listed entities are required to provide remote e-voting facilities to their shareholders in respect of all shareholder resolutions.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facilities to listed entities in India. This necessitates registration on various ESPs and the maintenance of multiple user IDs and passwords by the shareholders. To increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting for all the demat account holders, by way of a single login credential through their demat accounts or the websites of depositories or depository participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby not only facilitating seamless authentication but also enhancing the ease and convenience of participating in the e-voting process.

- **The login method for individual shareholders holding securities in demat mode is given below:**

  i. Individual Shareholders holding securities in demat mode with NSDL.

  a. Existing IDeAS users can visit the e-Services website of NSDL; https://eservices.nsdl.com either on a personal computer or on a mobile device. On the e-Services home page, click on the "Beneficial Owner" icon under "Login," which is available under 'IDeAS' section. This will prompt you to enter your existing user ID and password. After successful authentication, you will be able to see e-voting services under "value-added services". Click on "Access to e-voting" under e-voting services, and you will be able to see the e-voting page. Click on the company name or e-voting service provider name, i.e., LINKINTIME, and you will be redirected to the "InstaVote" website for casting your vote during the remote e-voting period.

  b. If you are not registered for IDeAS e-Services, the option to register is available at https://eservices.nsdl.com select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

  c. Visit the e-voting website of the NSDL. Open a web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile device. Once the home page of the e-voting system is launched, click on the icon "Login," which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your user ID (i.e., your sixteen-digit demat account number held with NSDL), password or OTP, and a verification code as shown on the screen. After successful authentication, you will be redirected to the NSDL depository site, where you can see the e-voting page. Click on the company name or e-voting service provider name, i.e., LINKINTIME, and you will be redirected to the "InstaVote" website for casting your vote during the remote e-voting period.

  ii. Individual Shareholders holding securities in demat mode with CDSL

  a. Users who have opted for the CDSL Easi or Easiest facility can login using their existing user ID and password. The option will be made available to reach the e-voting page without any further authentication. Users wishing to login to Easi / Easiest are requested to visit the CDSL website at www.cdslindia.com, click on the login icon and the new system My Easi tab, and then use their existing Easi / Easiest username and password.

  b. After successful login, the Easi or Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by the company. On clicking the e-voting option, the user will be able to see the e-voting page of the e-voting service provider, i.e., LINKINTIME, for casting your vote during the remote e-voting period. Additionally, there are also links provided to access the systems of all e-voting service providers, so that the user can visit the e-voting service providers' websites directly.

  c. If the user is not registered for Easi or Easiest, the option to register is available at the CDSL website, www.cdslindia.com. and click on login and the New System Myeasi Tab, and then click on the registration option.

  d. Alternatively, the user can directly access the e-voting page by providing the demat account number and PAN number from an e-voting link available on the cdslindia.com home page. The system will authenticate the user by sending an OTP to the registered mobile and email as recorded in the demat account. After successful authentication, the user will be able to see the e-voting option where the e-voting is in progress and also be able to directly access the systems of all e-voting service providers.

  iii. Individual shareholders (holding securities in demat mode) login through their depository participants:

  You can also login using the login credentials of your demat account through your depository participant registered with NSDL or CDSL for the e-voting facility. After a successful login, you will be able to see the e-voting option. Once you click on the e-voting option, you will be redirected to the NSDL/CDSL Depository site after successful authentication, where you can see the e-voting feature. Click on the company name or e-voting service provider name, i.e., Link Intime, and you will be redirected to the e-voting service provider's website for casting your vote during the remote e-voting period.

- **The login method for individual shareholders holding securities in physical form or non individual shareholders holding securities in demat mode are listed below:**

Individual shareholders of the company holding shares in physical form or non-individual shareholders holding securities in demat mode as of the cut-off date for e-voting may register for the e-voting facility of Link Intime as follows:

i. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

ii. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:

A. User ID: Shareholders holding shares in physical form shall provide the event number and folio number registered with the company. Shareholders holding shares in a NSDL demat account shall provide an 8-character DP ID followed by an 8-digit client ID; shareholders holding shares in a CDSL demat account shall provide a 16-digit beneficiary ID.

B. PAN: Enter your 10-digit permanent account number (PAN). Shareholders who have not updated their PAN with the depository participant (DP) or company, may use the sequence number provided to them, if applicable.

C. DOB/DOI: Enter the date of birth (DOB) or date of incorporation (DOI) (as recorded with your DP or Company in DD/MM/YYYY format).

D. Bank Account Number: Enter your bank account number (last four digits), as recorded with your DP/company.

*Shareholders holding shares in physical form but who have not recorded the details as mentioned in 'C' and 'D' above, shall provide their folio number in 'D' above.

*Shareholders holding shares in NSDL form, shall provide 'D' above.

• Set the password of your choice [the password should contain a minimum of 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet, and at least one capital letter].

• Click "confirm" (your password is now generated).

i. Click on 'Login' under 'SHARE HOLDER' tab.

ii. Enter your user id, password, and image verification (CAPTCHA) code and click on 'Submit.'

- **Cast your vote electronically:**

i. After a successful login, you will be able to see the notification for e-voting. Select the 'View' icon.

ii. The e-voting page will appear.

iii. Refer to the resolution description and cast your vote by selecting your desired option, "Favour or Against." (If you wish to view the entire resolution details, click on the 'View Resolution' file link.).

iv. After selecting the desired option, i.e., favour or against, click on 'Submit.' A confirmation box will be displayed. If you wish to confirm your vote, click 'Yes' else to change your vote, click on 'No' and accordingly modify your vote.

- **Guidelines for Institutional shareholders:**

Institutional shareholders (i.e., other than individuals, HUFs, NRIs, etc.) and custodians are required to log on to the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian, Mutual Fund, or Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution, authority letter/power of attorney, etc., together with an attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian, Mutual Fund, or Corporate Body' login for the scrutiniser to verify the same.

- **Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request to enotices@linkintime.co.in or by contacting Tel: 022 – 4918 6000.

- **Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through the depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual shareholders holding securities in demat mode with NSDL	Email: e-voting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Email: helpdesk.e-voting@cdslindia.com or contact at toll free no. 1800 22 55 33

- **Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an individual shareholder holding securities in physical mode has forgotten the user ID [Login ID] or password or both then the shareholder can use the "Forgot Password" option available on the e-voting website of Link Intime: https://instavote.linkintime.co.in

- Click on 'Login' under 'SHARE HOLDER' tab and further click 'forgot password?'
- Enter user ID, select mode, and enter image verification code (CAPTCHA). Click on "SUBMIT"

In case shareholders is having valid email address, password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the security question and answer, PAN, DOB/DOI, bank account number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for shareholders holding shares in physical form (i.e. share Certificate): Your User ID is event no + folio number registered with the company.

- **Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve user ID/ password are advised to use forget user ID and forget password option available at abovementioned depository/depository participant's website.

➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

➢ For members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

- **Process and manner for attending the Annual General Meeting through InStaMeet:**

Open the internet browser and launch the URL: https://instameet.linkintime.co.in and click on "Login"

➢ Select the "Company" and 'Event Date' and register with your following details: -

i. Demat Account No. or Folio No: Enter your 16-digit demat account no. or folio no

• Shareholders/ members holding shares in CDSL demat account shall provide 16 digit beneficiary ID

• Shareholders/ members holding shares in NSDL demat account shall provide 8 character DP ID followed by 8 digit client ID

• Shareholders/ members holding shares in physical form shall provide folio number registered with the company.

ii. PAN: Enter 10-digit permanent account number (PAN) (Members who have not updated their PAN with the depository participant (DP)/company shall use the sequence number provided by the Company/RTA)

iii. Mobile No.: Enter your registered mobile number.

iv. Email ID: Enter your email id, as recorded with your DP/ Company.

➢ Click "Go to Meeting" (You are now registered for InStaMeet and your attendance is marked for the meeting).

- **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InStaMeet:**

i. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id and mobile number at compliance.officer@tegaindustries.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id and mobile number at compliance.officer@tegaindustries.com. These queries will be replied to by the company suitably by email.

ii. Those shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time.

iii. Shareholders will get confirmation of registration as speaker on first cum first served basis depending upon the limitation of number of maximum speakers.

iv. Shareholders will receive "speaker serial number" from LIIPL once they mark attendance for the meeting.

v. Other shareholders who do not get registered as speaker, may ask questions to the panelist, via active chat-board during the meeting.

vi. Please remember speaker serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number of the speaker for speaking.

- **Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InStaMeet:**

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

i. On the Shareholders VC page, click on the link for e-voting "Cast your vote".

ii. Enter your 16 digit demat account no. / folio no. and OTP (received on the registered mobile number/registered email Id) received during registration for InStaMeet and click on 'Submit'.

iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

iv. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cutoff date under 'Favour/Against'.

v. After selecting the appropriate option i.e. favour/against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

vii. Members, who will be present in the annual general meeting through InStaMeet facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the meeting. Members who have voted through remote e-voting prior to the annual general meeting will be eligible to attend and participate in the annual general meeting through InStaMeet. However, they will not be eligible to vote again during the meeting.

viii. Members are encouraged to join the meeting through their PC/tablets/ laptops connected through broadband for a better experience.

ix. Members are required to use internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

x. Please note that members connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio/visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

xi. In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on Tel. No.: 022-49186175.

EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

The following Explanatory Statement sets out all the material facts relating to Item No. 4 of the accompanying Notice.

Item No. 4: Ratification of remuneration of Cost Auditors

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), the Company is required to appoint a cost auditor to audit the cost records of the Company.

The Board of Directors on the recommendation of the Audit Committee have approved the appointment of M/s Mani & Co., Cost Accountants, Firm Registration No. 000004 as Cost Auditors of the Company for the Financial Year 2023-24. The remuneration of the Cost Auditors has been fixed at ₹2,50,000 (Rupees Two Lakh Fifty Thousand only) per annum excluding applicable tax plus reimbursement of all out-of-pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the cost auditors is required to be subsequently ratified by the Members, in accordance with the provisions of the Act and Rule 14 of the Rules.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolution at Item No. 4 of this Notice.

The Board recommends the Ordinary Resolution at Item no. 4 of this Notice for the approval of the Members.

ANNEXURE

Name of the Director	**Mr. Syed Yaver Imam**
Date of Birth/Age	19/05/1959; Age: 64
DIN	00588381
Nationality	Indian
Date of appointment on the Board	July 19, 2005
Tenure of appointment	June 01, 2019 to May 31, 2024 Mr. Syed Yaver Imam was appointed for a period of 5 (five) years with effect from June 01, 2019 as a Non-Executive Director. However, considering Mr. Imam's contribution to the growth and development of the Company, the Board of Directors at their meeting held on April 30, 2021, decided to re-designate Mr. Imam as a Wholetime Director in the Company with effect from April 01, 2021 and the same was approved by the shareholders in the Extra-Ordinary General Meeting held on August 02, 2021.
Remuneration details (including Sitting fees and Commission)	Refer to Corporate Governance Report
Relationship with other Directors and KMP of the Company	None
Qualifications	He holds a bachelor's degree in civil engineering from Jadavpur University. Further, he has completed Advance Management Programme from IIM – Ahmedabad, IIM Lucknow, XLRI Jamshedpur and International Management Programme jointly conducted by Stanford and National University of Singapore.
Expertise in the specific functional areas	Mr. Imam has been associated with the Company for over 42 years. With an engineering background, he has been involved in various functions of the Company including Project marketing, Sales, Product management, Engineering and Research & Development. His instrumental role in the globalization of the Company signifies his involvement in expanding the Company's presence beyond its domestic market. He was also a part of the executive team of the Company for the last two decades.
List of Directorship in other Indian Public Companies	Hosch Equipment (India) Limited - Unlisted
List of Membership/Chairmanship of Committees of other Indian Public Companies	NIL
Listed entities from which the Director has resigned in the past three years	NIL
Number of shares held in the Company as on March 31, 2023	29,510
Number of meetings of the Board attended during the FY 2022-23	7 (Seven) out of 7 (Seven) Board meetings.

Corporate Information

Board of Directors

Mr. Madan Mohan Mohanka - Chairman

Mr. Mehul Mohanka - Managing Director & Group CEO

Mr. Syed Yaver Imam

Mr. Jagdishwar Prasad Sinha

Mrs. Madhu Dubhashi

Mr. Ashwani Maheshwari

Chief Financial Officer

Mr. Sharad Kumar Khaitan

(w.e.f. July 10, 2023)

Company Secretary & Compliance Officer

Ms. Manjuree Rai

Statutory Auditors

Price Waterhouse & Co Bangalore LLP

Chartered Accountants

Corporate Identification Number

L25199WB1976PLC030532

Registered Office

Godrej Waterside, Tower-II, Office No.807,
8th Floor, Block DP-5, Salt Lake Sector V, Bidhannagar, Kolkata – 700091
Telephone No.: +91 33 4093 9000
Facsimile No.: +91 33 4093 9075
Website: www.tegaindustries.com

Listing

National Stock Exchange of India Limited

BSE Limited

Depositories

National Securities Depository Limited

Central Depository Services (India) Limited

Registrar and Share Transfer Agents (RTAs)

Link Intime India Private Limited
Room Nos.: 502 & 503,
5th Floor, Vaishno Chamber,
6, Brabourne Road, Kolkata - 700 001.
Telphone No: 033 4004 9728
Email: kolkata@linkintime.co.in
Website: www.linkintime.co.in