

TD Power Systems Limited
(CIN -L31103KA1999PLC025071)

REGISTERED OFFICE & FACTORY:
27, 28 and 29, KIADB Industrial Area
Dabaspet, Nelamangala Taluk
Bengaluru Rural District
Bengaluru – 562 111 India

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www.tdps.co.in

Date: September 03, 2022

The Corporate Service
Department
BSE Limited
P J Towers, Dalal Street
Mumbai – 400 001

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

Sirs,

SUB: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2021-22 AND NOTICE OF THE 23rd ANNUAL GENERAL MEETING OF THE COMPANY

We wish to inform you that, the 23rd Annual General Meeting (AGM) of the Company will be held on Tuesday 27th day of September 2022 at 12.00 Noon through Video Conferencing ("VC") / Other Audio-Visual Means.

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015), please find enclosed Annual Report for the FY 2021-22 along with the Notice of 23rd AGM of the Company.

Kindly take the above in your records.

Yours faithfully,
For **TD Power Systems Limited**

N Srivatsa
Company Secretary

Encl: A/a

NOTICE

Notice is hereby given that the **Twenty-Third Annual General Meeting (AGM)** of the Members of TD Power Systems Limited (Company) will be held at **12.00 Noon on Tuesday 27th day of September 2022 through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)**, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company (including consolidated financial statements) for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors' thereon.
2. To declare a final dividend (Rs.3.50 per share) for the financial year ended March 31, 2022
3. To appoint Ms. S Prabhamani (DIN 09695003) as Director in place of Mr. K G Prabhakar (DIN 07187463) who retires by rotation and does not seek reappointment.
4. **To Re-appoint M/s. Varma & Varma, Chartered Accountants as statutory auditors of the Company**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT, pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions, if any, of the Companies Act 2013 and rules made thereunder (Including any statutory modification or re-enactment(s) thereof, for the time being in force) & the recommendation of Audit Committee and the Board of Directors of the Company, M/s. Varma & Varma, Chartered Accountants Bengaluru, (Registration No. 004532S) be and are hereby re-appointed as Statutory Auditors of the Company for a second term of five (5) consecutive years from the conclusion of this 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting at a remuneration as may be approved by the Board of Directors of the Company.

SPECIAL BUSINESS

5. **Ratification of remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors, for the financial year 2022-23.**

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 & Auditors) Rules, 2014 (including any statutory modification or re-enactment(s) thereof, for the time being in force) M/s. Rao, Murthy & Associates, Cost Auditors (Firm Registration No.000065) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023, be paid a remuneration as set out in the Statement annexed to the Notice convening this Meeting.

6. **Re-appointment of Ms. Prathibha Sastry (DIN 01505172) as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution;

RESOLVED THAT, pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (including any statutory modification(s) or re-enactment thereof from time being in force), Ms. Prathibha Sastry (DIN 01505172), whose period of office as an Independent Director of the Company expires on September 26, 2022 being eligible be and is hereby reappointed as an Independent Director of the Company from September 27, 2022 to September 26, 2027.

7. Sub-division of Equity Shares of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution;

RESOLVED THAT, pursuant to Section 61(1)(d) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and subject to the provisions of the Memorandum and Articles of Association of the Company and such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the appropriate statutory authority(ies), the approval of the Members of the Company be and is hereby accorded for sub-division of existing Equity Shares of the Company having face value of Rs.10/- each, into 5 Equity Shares, having face value of Rs.2/- each, with effect from the "Record Date" to be determined by the Board of Directors for this purpose.

RESOLVED FURTHER THAT, the sub-divided Equity Shares having face value of Rs.2/- shall rank pari passu in all respects with each other and carry the same rights as to the existing Equity Shares of face value of Rs.10/- each of the Company.

RESOLVED FURTHER THAT, upon sub-division of the Equity Shares as aforesaid and with effect from the Record Date;

- (a) For Equity Shares held in physical form, the existing share certificate(s) in relation to the said shares, shall be deemed to have been automatically cancelled and shall be of no effect and the Board, without requiring the Members to surrender their existing share certificate(s) shall issue new Share Certificate(s) of the Company; and
- (b) For the Equity Shares held in dematerialized form, the sub-divided equity shares shall be

credited proportionately into the respective beneficiary demat accounts of the Members held with Depository Participants, in lieu of the existing credits present in their respective beneficiary demat accounts.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to make appropriate adjustments to ensure fair and reasonable adjustment to the entitlement of the participants under the TDPSL Equity Based Compensation Plan 2019, due to the sub-division of equity shares as aforesaid to the outstanding stock options/ESARs (whether vested or unvested as on the Record Date) in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time.

RESOLVED FURTHER THAT, the Board of Directors and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things including to fix and announce the Record Date, to make appropriate adjustments on account of sub-division of Equity Shares, to accept and make any alteration(s), modification(s) to the terms and conditions as they may deem necessary, concerning any aspect of the sub-division of Equity Shares, in accordance with statutory requirements as well as to delegate all or any of its/their powers herein conferred to any other Officer(s)/Authorised Representative(s) of the Company, to give such directions as may be necessary or desirable, to apply for necessary approvals, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as they may, in their absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters in relation or consequential to the sub-division of Equity Shares including execution and filing of all the relevant documents with the Registrar of Companies, Stock Exchanges, Depositories and other appropriate authorities, in due compliance of the applicable rules and regulations, without seeking any further

consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

8. Approve alteration of Capital Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution;

RESOLVED THAT, pursuant to Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V with the following new Clause V:

The Authorized Share Capital of the Company is Rs.35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 17,50,00,000 (Seventeen Crores Fifty Lakhs only) Equity Shares of Rs.2/- (Rupees Two Only) each.

RESOLVED FURTHER THAT, the Board of Directors and/or any person authorized by the Board, be and is hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

9. Approve remuneration payable to the Managing Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution;

RESOLVED THAT, pursuant to the provisions of Sections 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and based on recommendation of the Nomination and

Remuneration Committee and the Board of Directors, approval of the members of the Company be and is hereby accorded for the payment of remuneration to Mr. Nikhil Kumar Managing Director (DIN 00062243) for the residual period i.e. January 17 2024 to January 16 2026 as set out in the Explanatory Statement annexed to the Notice of convening this Meeting.

RESOLVED FURTHER THAT, the monetary limit of Rs. 500 Lakhs on total remuneration (comprising of fixed & Variable/Incentive Remuneration) payable to the Managing Director be removed w.e.f. April 1 2022,

RESOLVED FURTHER THAT, any Board of Director of the Company or the Company Secretary be and are hereby authorized to do all such acts, deeds, matters, and things as may be considered, desirable or expedient to give effect to this resolution.

10. Authorization for creating charge on the Assets of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution;

RESOLVED THAT, in terms of Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant Rules made thereto including any statutory modifications or re-enactments thereof & in supersession of all the earlier resolutions passed in this regard, consent of the shareholders of the company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any

other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate borrowings (apart from temporary loans obtained from the from the Company's bankers in the ordinary course of business) secured by the assets of the Company does not exceed the aggregate of its paid up capital, free reserves and securities premium.

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

11. Alteration of Articles of Association of the Company

To consider and if though fit, to pass with or without modification(s), the following resolution as a Special Resolution;

RESOLVED THAT, pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, the new set of regulations appended to this Notice be and are hereby approved and adopted as the Articles of Association of the Company in substitution and to the exclusion of the entire set of regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things and matters as may be considered necessary, desirable or expedient for giving effect to the above resolution with power to delegate all or any of their authority and power to any director or officer of the Company.

By Order of the Board
for **TD Power Systems Limited**

Bangalore
August 30, 2022

N. Srivatsa
Company Secretary

NOTES

1. Pursuant to the General Circulars 2/2022 and 19/2021, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as “the Circulars”), Companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the special business set out in this Notice and the relevant details pursuant to SEBI Listing Regulations are annexed hereto.
3. The relevant details, pursuant to regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, in respect of Director seeking appointment and re-appointment at this AGM is annexed.
4. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the Members will not be available for this AGM. Accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
5. Mr. Sudhir V. Hulyalkar, Company Secretary in Practice (CP No. 6137), Bangalore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. After the conclusion of voting at the AGM, the Scrutinizers will submit a report after taking into account votes cast at the AGM and through remote e-voting in accordance with provisions of Rule 20 of Companies (Management and Administration) Rules, 2014, as amended. The consolidated results in respect of voting along with the Scrutinizer's Report will be sent to the Stock Exchanges and will also be hosted on website of the Company.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/authorization letter to the Scrutinizer at his email id sudhir.compsec@gmail.com or to the Company at the email id Srivatsa.n@tdps.co.in or upload on the VC portal/e-voting portal (CDSL).
7. Participation of Members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (“the Act”).
8. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for the year 2021-22 will be made available on the Company's website at <http://tdps.co.in/investor-relations> and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
9. Members are required to immediately inform the Company's Registrars and Transfer Agents, Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Tel No: +91 22 49186000, in case of shares held in physical form and to the respective Depository Participants, in case of shares held in dematerialized/electronic form, the details about their email addresses, if any, so that all notices and other statutory documents which are required to be sent to the members, as per the provisions of the Companies Act, 2013 and SEBI Regulations, can be sent to their registered email addresses.

10. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under note no 16. The voting facility through electronic voting system shall be made available during the AGM and members attending the meeting through VC who have not cast their vote by remote e-voting shall be able to exercise their right during the meeting through electronic voting system.
11. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 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 prescribed forms (Form 15G/15H/10F) for tax exemption can be downloaded from Link Intime's website. The URL for the same is as under:

<https://www.linkintime.co.in/client-downloads.html> - On this page select the General tab. All the forms are available in under the head "Form 15G/15H/10F"

The aforementioned documents (duly completed and signed) are required to be uploaded on the url mentioned as follows; <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>.

On this page the user shall be prompted to select / share the following information to register their request:

- I. Select the company (Dropdown)
- II. Folio / DP-Client ID
- III. PAN
- IV. Financial year (Dropdown)
- V. Form selection
- VI. Document attachment – 1 (PAN)
- VII. Document attachment – 2 (Forms)
- VIII. Document attachment – 3 (Any other supporting document)

Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Private Ltd should be done on or before Record date for the final dividend in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after 6:00 pm of record date for the purpose of dividend.

12. Shareholders may note that in case the tax on said final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, option is available to shareholder to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.
13. The Statutory Registers & a certificate from Secretarial Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 and relevant documents referred to in the Notice or explanatory statement will be available electronically for inspection by the members during the AGM.
14. All documents as mentioned in the Resolutions and/or Explanatory Statement are available for inspection by the Members at the Registered Office of the Company from 10.00 AM to 12.00 Noon on any working day and will also be made available at the Twenty-Third Annual General Meeting of the Company.
15. The Notice of the AGM of the Company along with the Annual Report for the financial year 2021-22, containing inter alia Directors Report, Statement of Profit and Loss, Balance Sheet and Auditors thereon, is being sent through electronic means to those shareholders, whose email addresses are registered with the Company/depository participants as on August 26, 2022. The Notice of the AGM along with the Annual Report 2021-22 is being made available on the Company's website (www.tdps.co.in) and on the website of stock exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at

www.nseindia.com. Detailed procedure for attending the AGM and voting through remote e-voting and e-voting at the AGM is provided in the Notice of AGM.

Members wants to update their details with the company the following procedure may be followed:

I. REGISTRATION OF EMAIL ID FOR SHAREHOLDERS HOLDING PHYSICAL SHARES:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB). On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

II. FOR PERMANENT EMAIL REGISTRATION FOR DEMAT SHAREHOLDERS:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

III. FOR TEMPORARY EMAIL REGISTRATION FOR DEMAT SHAREHOLDERS:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail

Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. (This will only help us in getting touch with them in case of reminders emails for unclaimed dividend if any further the data will be only use as referral data and will not be updated in the system).

IV. REGISTRATION OF BANK DETAILS FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt Ltd, by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail/Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e-mail id along with the copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. It is very important that the shareholder to submit the request letter duly signed.

Link Intime will verify the documents uploaded and will take on records documents only for valid cases. On submission of the shareholders details, an OTP will be received by the shareholder which needs to be entered in the above link for verification.

16. ELECTRONIC VOTING

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, May 05, 2022 the Company is providing facility of remote e-voting to its

Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. The instructions for shareholders for remote e-voting and joining meeting are set out the end of the Notice

The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

Participation in the AGM:

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

17. Members may note that the Board, at its meeting held on May 10, 2022 has recommended a final dividend of Rs.3.50 per share. The record date for the purpose of final dividend for the fiscal 2022 is September 20, 2022. The final dividend, once approved by the members in the ensuing AGM, will be paid within the statutory period of 30 days electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent to their registered addresses. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where the shares are held in physical mode) to received dividend directly into their bank account on the payout date.
18. The Company is obliged to print such bank details on the dividend payment Instruments as furnished by the DP and the Company cannot entertain any request for deletion/change of bank details already printed on the dividend payment Instruments based on the information received from the concerned DPs, without confirmation from them. In this regard, Members are advised to contact their DPs and furnish them the particulars of any change desired, if not already provided.
19. In terms of the IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the Financial Year 2014, 2015, 2016, 2017, 2018 2019 ,2020 and 2021 as on the date of the last AGM held on September 27, 2021 on the website of the IEPF viz. www.iepf.gov.in and under Investors' section on the website of the Company www.tdps.co.in under Unclaimed/Unpaid Dividend.
20. Members who have not encashed their dividend instruments are advised to write to the Company or Registrar and Share Transfer Agents of the Company, immediately claiming dividends declared by the Company. Members are also requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to IEPF as per Section 124 of the Act, read with applicable IEPF rules.
21. Members are requested to address all correspondence including dividend related correspondence, to the Registrar and Share Transfer Agents, (RTA) Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Tel No: +91 22 49186000. Members must quote their Folio Number/DP ID & Client ID and contact details such as e-mail address, contact no. etc., in all correspondences with the Company/RTA.

22. Securities and Exchange Board of India (“SEBI”) has mandated the submission of the Permanent Account Number (PAN) by every participant in the security market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN detail to the Registrar and Share Transfer Agents, Link Intime India Private Limited, Unit: TD Power Systems Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.

23. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized 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; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and

signed Form ISR – 4, the format of which is available on the Company's website at www.tdps.co.in and on the website of the Company's Registrar and Transfer Agents, Link In time India Private Limited at <https://web.linkintime.co.in/client-downloads.html> and click on general section.

24. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant of Shareholders.

In this Notice and Annexure thereto, the terms “Shareholders” and “Members” are used interchangeably.

By Order of the Board
for **TD Power Systems Limited**

Bangalore
August 30, 2022

N. Srivatsa
Company Secretary

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO REGULATION 36(3) & (5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015, IN RESPECT OF ITEM NO. 3 & 4 OF THE NOTICE

Item No.3

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 9 2022, recommended the appointment of Ms. S Prabhamani (DIN 09695003) as Non-Executive Director of the Company (liable to retire by rotation) from the ensuing AGM, in place of Mr. K G Prabhakar, who retires by rotation and does not seek reappointment.

Ms. S Prabhamani (DIN 09695003) is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013 and is not debarred from holding the office of Director by virtue of any SEBI, MCA order or any other such authority. Her consent letter to act as a director and necessary declaration required in this regard have been received by the Company.

The additional details of Ms. S Prabhamani as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of the Company Secretaries of India are set out in the annexure to the notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested (financially or otherwise) in the Resolution as set out at Item No.3 of the Notice.

The Board recommends the resolution set out at Item No.3 for the approval of Members as an Ordinary Resolution.

Item No.4

M/s. Varma & Varma, Chartered Accountants, Bengaluru were appointed as Statutory Auditors of the Company at the 18th Annual General Meeting (AGM) held on September 27, 2017 for a period of 5 years, commencing from the conclusion of 18th AGM till the conclusion of 23rd AGM are eligible for reappointment in terms of Section 139(2) of the Companies Act 2013.

Accordingly, after evaluation and consideration of various aspects such as industry experience, efficiency

in conduct of audit, independence, etc. the Board of Directors of the Company has, based on the recommendation of the Audit committee at their meeting held on August 9, 2022, proposed the re-appointment of M/s. Varma & Varma, Chartered Accountants, Bengaluru (Registration No.004532S) as statutory auditors of the Company for a second term of five consecutive years commencing from the conclusion of this 23rd AGM till the conclusion of 28th AGM of the Company.

M/s. Varma & Varma, Chartered Accountants have consented to the said re-appointment and confirmed that their reappointment, if made, would be within the limit specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be reappointed as statutory auditors in terms of the provisions of the Section 139(1), 141(2) and 141(3) of the Act, as amended from time to time.

The Board of Directors in consultation with the Audit Committee may determine the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors. The Company would also avail permissible non-audit services including certifications as required from time to time, under various statutory regulations or as may be required by customers, banks, statutory authorities, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the audit committee.

Brief Profile of M/s. Varma & Varma, Chartered Accountants:

Varma & Varma, Chartered Accountants was founded on June 17, 1935. The firm has grown over the years and presently operates across India. The firm has several partners who are spread over the prominent southern states of India and in Mumbai and offers the whole range of services required for the modern businesses. The firm has more than 400 trained staff members, including Managers, other Senior Qualified Accountants. The firm has clients in diverse fields of activity including Banking, Infrastructure, Manufacturing & Services.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested (financially or otherwise) in the Resolution as set out at Item No.4 of the Notice.

The Board recommends the resolution as set out at Item No.4 for the approval of members as an Ordinary Resolution.

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF ITEM NO. 5 to 11 OF THE NOTICE

Item No.5

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved appointment of M/s. Rao, Murthy & Associates, Cost Auditors (Firm Registration No.000065), Bangalore at their meeting held on May 10, 2022 to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023 at a remuneration of Rs.1,75,000 plus applicable taxes and reimbursement of out of pocket expenses.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration payable to the Cost Auditor as aforesaid, for the financial year ending March 31, 2023 recommended by the Audit Committee and approved by the Board of Directors is to be ratified by the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested (financially or otherwise) in the Resolution as set out at Item No.5 of the Notice.

The Board recommends the resolution as set out at Item No.5 for the approval of members as an Ordinary Resolution.

Item No.6

Ms. Prathibha Sastry (DIN 01505172) was appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder for a term of five (5) consecutive years with effect from September 27, 2017 till September 26, 2022.

The nomination and remuneration committee, at its meeting held on August 4, 2022 recommended her reappointment for a second term of five years considering the performance evaluation during her first term, her knowledge, experience and active participation in meetings of the Company. Having

been part of the very best of startups, business ideas and association with social projects, her knowledge of governance, technology & innovation as well as implementation of effective CSR program are considered as the key requirements of her role. In view of the above, the nomination & Remuneration committee and the Board are of the view that, Ms. Prathibha Sastry possess the requisite skills and capabilities for reappointment as an Independent Director.

Subject to approval of the Shareholders, the reappointment shall be for a period with effect from September 27, 2022 up to September 26, 2027. During this period, she is not liable to retire by rotation.

Being eligible, she has consented for reappointment as an Independent Director of the Company & furnished a declaration that she meets the criteria of Independence as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc.

Ms. Prathibha Sastry (DIN 01505172) fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for her re-appointment as an Independent Director of the Company and is independent of the Management.

The additional details of Ms. Prathibha Sastry (DIN 01505172) as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of the Company Secretaries of India are set out in the annexure to the notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Ms. Prathibha Sastry, are in any way concerned or interested (financially or otherwise) in the Resolution as set out at Item No.6 of the Notice.

The Board recommends the resolution set out at Item No.6 for the approval of Members as a Special Resolution.

Item No.7 & 8

The Equity Shares of the Company are listed and traded on the National Stock Exchange of India Limited and BSE Limited. The Company's strong performance and faith of the investors has led to significant increase in the market price of its Equity

Shares. In order to make it more affordable for small investors to invest in the Shares, widen investor base and thus provide enhanced liquidity for the shares, it is proposed to sub-divide, 1 (One) Equity Share of face value ₹ 10/- each into 5 (Five) Equity Shares of face value of ₹ 2/- each pursuant to the provisions of Section 61(1)(d) of the Companies Act 2013, the Rules made thereunder and other applicable provisions.

The Record Date for the aforesaid sub-division of Ordinary (equity) Shares shall be fixed by the Board of Directors (Board) (including any Committee thereof/ Company Secretary) after the approval of the Members is obtained for the proposed sub-division. In the opinion of the Board, the proposed sub-division of the Equity Shares is in the best interest of the Company and the investors and therefore the Board at its meeting held on August 30, 2022, approved the aforesaid sub-division subject to requisite approval of the shareholders.

The proposed sub-division of Equity Shares will not result in any change in the amount of Authorized, Issued, Subscribed and Paid-up Equity Share Capital of the Company. The Pre and post Equity Share Capital of the Company will be as under:

Share Capital	Authorised	Issued, Subscribed & Paid Up
Pre Sub-Division		
Equity Shares	3,50,00,000	3,11,25,740
Equity Capital (Rs.)	35,00,00,000	31,12,57,400
Post Sub-Division		
Equity Shares	17,50,00,000	15,56,28,700
Equity Captial (Rs.)	35,00,00,000	31,12,57,400

The sub-division of Equity Shares proposed under Item No.7 of this Notice shall also require consequential amendments to the existing Clause V (Capital Clause) of the Memorandum of Association of the Company as set out in Item no.8 of this Notice to reflect change in the face value of Equity Shares of the Company.

Accordingly, the consent of the Members is sought for passing of Ordinary Resolutions for sub-division of Equity Shares as mentioned at Item No.7 and for carrying out amendments to the Memorandum of Association of the Company as mentioned at Item No. 8. A draft copy of the altered Memorandum of Association is available for inspection by the Members

of the Company. They may follow the process for inspection of document as mentioned in 'Notes' section forming part of this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolutions mentioned at Item Nos. 7 and 8 of the Notice. The Board recommends the Resolutions set forth in Item Nos. 7 and 8 for the approval of the Members.

Item No.9

Mr. Nikhil Kumar was reappointed by the members at their Annual General Meeting held on September 25, 2020 for a period of 5 years commencing from January 17, 2021 to January 16, 2026. Pursuant to Section II of Part II of Schedule V to the Companies Act, 2013, the remuneration payable to Mr. Nikhil Kumar was approved only for a period of three years w.e.f., January 17, 2021 to January 16, 2024.

Accordingly, approval of the members pursuant to Section 197(1) of the Companies Act, 2013 as amended from time to time is now sought for the remuneration payable to Mr. Nikhil Kumar for the period from January 17, 2024 to January 16, 2026. The details are set out below:

1. Fixed remuneration by way of Salary (including annual increment of 4%) as follows:

Period	Remuneration (Rs.)
17.01.2024 TO 16.01.2025	2,96,96,410.00
17.01.2025 TO 16.01.2026	3,08,84,266.00

2. (a) Profit linked commission – a profit linked commission, not exceeding 3% of the net profits computed based on the consolidated financial statements of the Company for a particular financial year, as may be determined by the Board of the Company at the end of each financial year.

OR

- (b) Incentive Remuneration: in case where there is a loss based on the consolidated financial statements of the Company or the Profit linked commission in (a) above in a financial year is considered not commensurate, an incentive remuneration may be paid up to an amount not

exceeding 100% of Basic Salary at the discretion of the Board. This incentive remuneration would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered by the Board for determining incentive remuneration which will be payable annually after the Annual Accounts have been approved by the Shareholders, shall include Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time, Industry benchmarks of remuneration & performance of the individual.

3. Other benefits:

- Provident Fund Contribution at 12% of the Basic Salary.
- Gratuity at half a month's salary for each completed year of service.

4. Reimbursements:

- Reimbursement of actual expenses incurred on travel and stay outside Bangalore on Company's work.

b. Reimbursement of medical expenses of a sum not exceeding one month's salary in each year.

c. Reimbursement of telephone expenses and running expenses of the car used for official purposes.

5. Leave facilities:

- Privilege Leave at the rate of one month for every completed year of service.
- Casual & Sick leave as per the rules of the Company.
- Leave travel assistance of a sum of not exceeding one month's salary in each year.

6. Compensation:

In the event of determination of the contract by the Company before the contract period, the Company shall pay Mr. Nikhil Kumar a compensation for the unexpired period of the contract at equal to and same terms had the contract been continued.

The disclosure in terms of Section II of Part II of Schedule V and applicable rules under the Companies Act 2013 are as follows:

I. GENERAL INFORMATION:

1.	Nature of Industry	Manufacturers of AC Generators, Motors					
2.	Date or Expected Date of Commencement of Commercial Production	16/04/1999					
3.	In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable					
4.	Financial performance based on given indicators	(Rs. in Lakhs)					
	Particulars	Consolidated			Standalone		
		2021-22	2020-21	2019-20	2021-22	2020-21	2019-20
	Total Income	81,413.88	60,290.68	52,808.10	73637.03	51,209.93	49,409.29
	Profit Before Tax, Finance Cost and Depreciation	11,616.66	8,244.63	6,044.71	9,708.73	4,894.27	4,603.21
	Depreciation	2,203.96	2,149.76	2,222.66	2,123.70	2,096.83	2,199.77
	Finance cost	205.70	446.54	545.19	205.70	445.85	545.00
	Profit Before Tax	9,207	5,648.33	3,276.86	7,379.33	2,351.59	1,858.44
	Tax	2,142.60	1,127.89	283.11	1,937.84	603.84	214.58
	Profit After Tax	7,064.91	4,520.44	2,993.75	5,441.49	1,747.75	1,643.86
	Equity Capital in Rs. (face value Rs. 10)	3,110.35	3,093.34	3,093.34	3,110.35	3,093.34	3,093.34
	Earnings per Share (Rs.)	22.80	14.61	9.67	17.56	5.65	5.31
5	Foreign Investments or Collaborators, if any (as on August 26, 2022)	12.52% (Foreign investments in the Company include Foreign promoter, FPIS, NRLs, and Foreign Nationals). TDPS has no foreign Collaborators.					

II. INFORMATION ABOUT MR. NIKHIL KUMAR:

1. Background Details

He is an engineering graduate from Karnataka Regional Engineering College, Surathkal and has studied General Management in Harvard Business School. He is associated with the Company since April 1999 and has over 25 years work experience in the manufacture of electrical rotating machines. Before he was associated with TDPS, he worked with Kirloskar Electric Company Limited.

He possesses high caliber experience in marketing, strategic technology alliances, management and engineering. He is one of the promoters of the company and is instrumental in leading the company to achieve and maintain market leadership in certain niche product and market segments.

2. Past Remuneration

Details of past remuneration paid to Mr. Nikhil Kumar is mentioned herein below:

(Rs. in Lakhs)

Period	Remuneration Paid*
For 2018-19	209.86
For 2019-20	238.28
For 2020-21	389.34

*The above remuneration is excluding contribution to Provident Fund.

3. Recognition or awards

Mr. Nikhil Kumar Managing Director is well recognized for his leadership, visionary, and entrepreneur skills in managing business activities. He has over 25 years of work experience in the manufacture of electrical rotating machines and efficiently managing overall affairs of the Company under each difficult business conditions.

4. Job Profile and his suitability

As Managing Director of the Company Mr. Nikhil Kumar is responsible for Responsible for overall

management of the Company's operations, strategic planning, technology alliances and sales and marketing. With over 3 decades of work experience in the business of manufacturing electrical rotating machines, he spearheads universal best manufacturing practices in the Company. Leads operations, strategic planning, technology alliances, sales and marketing. With depth understanding of products, processes, customers, specific application requirements of each segment from over 3 decades of work experience in the business of manufacturing electrical rotating machines, he drives investments in technology, alliances, people & processes enabling the company to deliver complete value chain in Generator manufacturing across the spectrum of verticals. He leads the team in absorbing technology from global partners to take manufacturing facility & practices to a world class level enabling the Company to consistently deliver on core expectations of quality & delivery that has paved way to extend our product reach to over 98 countries. With a hands-on & collaborative approach he navigates the team in weathering challenges thrown up by markets, customers, business & economic cycles.

5. Remuneration proposed

The remuneration proposed is stated above.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

There is no direct comparable remuneration profile as no domestic company in the Private sector in India manufactures similar products. However, based on a broad comparison of remuneration in the power equipment manufacturing sector, the multifarious responsibilities, strategic leadership capabilities and his contribution in the growth & stability of the company, the proposed remuneration is considered reasonable. As one of

the promoters of the Company, he has contributed significantly in engineering, innovation, market expansion resulting in a global foot print and striking strategic association with global OEMs 'over the last 20 years. The proposed remuneration thus is imperative to retain and utilize his services.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Nikhil Kumar is not having pecuniary relationship directly and indirectly with the Company except his present employment.

III. OTHER INFORMATION:

1. Reasons of Loss or Inadequate Profits:

While the domestic capital goods sector is showing signs of revival, growth is expected to be gradual, given the slow revival of investments. Even though, growth in the overseas markets seems more sustainable, competition from global manufacturers continues requiring a balanced approach to pricing and market share for success in these markets. In addition, as an Indian manufacturer, it continues to face significant competition from global peers in the overseas markets which brings certain level of pricing competitiveness. Further, to sustain & derisk business, the company continues to focus on overseas markets, offer machines for new applications, invest in automation and enhancement of facilities to meet international

quality standards. These initiative as also global market development efforts involve significant costs which are to be incurred on an ongoing basis. Though some of the above initiatives will contribute to the sustain ability and growth of the business in the future, some of the above factors may have a bearing on the company in cost, realizations and profits.

2. Steps taken or proposed to be taken for improvement:

Renewed focus to improve overseas markets which is the mainstay of company's turnover while there is a marked improvement in the domestic market. Opportunities are gradually opening up in certain sectors the in domestic market. Certain overseas wholly owned subsidiaries are expected to perform well in the market which will enable the Company to be in a position to gain a good market share in overseas operations. Measures have been initiated towards cost rationalization & control. Steps are ongoing to make generators for newer applications and markets thus expanding Revenue and margins.

3. Expected increase in productivity and profits in measurable terms:

The steps initiated as above are expected to increase sales, improve capacity utilization, realizations and profitability year on year. It is also expected that new markets/applications/ sectors will provide better opportunities for better margins.

OTHER PARAMETERS UNDER SECTION 200 READ WITH RULE 6 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014: (Item No. 9)

1.	The Financial and operating performance of the company during the three preceding financial years	Details provided in Sr. no. 4 of General Information section above.
2.	The remuneration or commission drawn by the individual concerned in any other capacity	Not applicable.
3.	The remuneration or commission drawn by him from any other company;	Mr. Nikhil Kumar draws part of his remuneration from TD Power Systems Europe GmbH, a wholly owned overseas subsidiary of the Company.
4.	Professional qualifications and experience of the individual concerned	Details provided in point no. 1 above
5.	The relationship between remuneration and performance.	As stated in point 6 above
6.	The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company.	<p>The Managing Director is the only whole time director responsible for the company's business and accordingly his remuneration is not comparable with that of the other Non- whole time directors who are not paid any remuneration except for sitting fee for attendance of the meetings of the Board.</p> <p>The responsibilities, key result areas, vision and leadership required of the Managing Director for the growth and sustainability of the business is vastly different and thus proportionality of remuneration compared with key managerial personnel or other executives does not arise.</p>
7.	Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference.	<p>The remuneration proposed is reasonably proportionate considering his responsibilities vis a vis the other executives.</p> <p>The remuneration policy for directors covers a wide range of issues including their role to promote the objects of the Company and all its stakeholders etc. Whereas, the remuneration policy for other employees are governed by applicable HR policies.</p>
8.	The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.	Mr. Nikhil Kumar holds 46,62,770 (15.05%) Equity share of the Company. He is not covered by any stock options of the Company in terms of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The shares held by him are not subject to pledge and encumbrance.

Further, during fiscal 2022, the order book, total income & profits grew significantly which along with various management initiatives both in the Indian and overseas operations have strengthened the profitability, long-term potential and growth of the Company. Accordingly, to ensure that the Managing Director is appropriately remunerated, the Board of Directors deem it fit to recommend removal of the limit of Rs 500 lacs on the total remuneration payable to the Managing Director w.e.f April 1 2022. While the total remuneration shall comprise of the fixed and variable/incentive remuneration earlier approved by the shareholders for the period January 17, 2021 to January 16, 2024 and now proposed for approval for the period January 17, 2024 to January 16, 2026, the limit of Rs 500 lacs on total remuneration shall be removed w.e.f April 1, 2022.

The Board recommends the Special Resolution set out at Item No.9 of the Notice for approval of members.

Mr. Nikhil Kumar being a Director and the incumbent Managing Director is deemed to be concerned or interested (financially or otherwise) in the Resolution as set out at Item No.9 of the Notice.

Item No.10

The Company avails credit facilities from time to time in the ordinary course of business for which company's assets are to be provided as security to the lenders. In terms of Section 180(1)(a) of the Companies Act, 2013 consent of the shareholders is required for enabling the Board of Directors to provide Company's assets as security for the said Borrowings. Accordingly, in supersession of resolutions passed earlier in this regard, it is now proposed to specifically enable the Board Of Directors for acts as stated in the Resolution no.10 of the Notice in respect of such borrowings, provided that, the aggregate borrowings (apart from temporary loans obtained from the from the Company's bankers in the ordinary course of business) secured by the assets of the Company does not exceed the aggregate of its paid up capital, free reserves and securities premium.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way

concerned or interested (financially or otherwise) in the Resolution as set out at Item No.10 of the Notice.

The Board recommends the resolution set out at Item No.10 for the approval of Members as a Special Resolution.

Item No.11

The new Companies Act, 2013 ("Companies Act") has been notified in the phased manner w.e.f. 12th September 2013. Since almost all the provisions of the Companies Act have been notified by Ministry of Corporate Affairs and many of the existing Articles of the Company contains reference to the provisions of the Companies Act, 1956, it is considered prudent to alter the existing Articles of Association of the Company. Since it is difficult to alter the existing Articles clause by clause and line by line, it is proposed to substitute the entire Article of Association with new set of Articles of Associations based on the provisions of Companies Act, 2013.

Accordingly, the Board of Directors at their meeting held on August 9 2022 approved adoption of a new set of Articles of Association ("AOA") in place of and to the exclusion of existing Articles of Association of the Company. The draft of the new set of AOA proposed for approval is being circulated along with this notice as Annexure-I and also available for inspection by the shareholders of the Company during 10.00 a.m. to 12.00 noon IST on all working days at the Registered office of the Company.

In terms of Section 14 of the Companies Act, alteration of the Articles of Association needs to be approved by the shareholders of the Company by a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested (financially or otherwise) in the Resolution as set out at Item No.11 of the Notice.

The Board recommends the resolution set out at Item No.11 for the approval of Members as a Special Resolution.

ANNEXURE TO THE NOTICE

DISCLOSURE RELATING TO DIRECTORS PURSUANT TO REGULATION 36 (3) OF THE SEBI LISTING REGULATIONS AND CLAUSE 1.2.5 OF THE SECRETARIAL STANDARDS ON GENERAL MEETINGS

Name	Ms. S. Prabhamani	Ms. Prathibha Sastry
Director Identification Number	09695003	01505172
Date of Birth	18-06-1960	20-08-1976
Qualification	Masters' degree in Engineering	Masters in English from Karnataka Open University
Brief Resume & Nature of his expertise in specific functional areas	<p>Ms. S. Prabhamani is one of the founder members of the Company. She joined core leadership team of TDPS as head of Engineering in 2001 with a Master's degree in Engineering from IIT & has laid a strong foundation of Design capability including a strong team of Designers, robust design processes & systems, critical design analytics & deploying top of the line Design software applications. She has built and prepared a strong team of Designers. With 3 decades of experience including over two decades with the Company, she was the Chief Operating Officer of the Company from November 1, 2018 to March 31, 2022 & will superannuate on August 31 2022. Her experience and expertise in Rotating electrical machines are of tremendous value.</p>	<p>Entrepreneurship and creative industries have been the key themes in her work life. In over almost two and half decades of her career, she has been part of some of the very best startup orgs like Microsoft Accelerator and THub in India. She was also involved in building the Hardware Innovation Ecosystem in India through the platform Innofest an iSPIRT - A Think Tank, initiative. She has worked closely with almost 200 plus Entrepreneurs/ Startups and interacted with 3000 plus. She has been the recipient of British Council's Young Creative Entrepreneur Award India 2008-09.</p> <p>She is also associated with leading not for profit organisations in implementation of social projects in various sectors</p>
Directorships held in Indian Companies.	Nil	One
*Chairmanship/Membership of Committees held in Indian Company	Nil	Nil
Relationship with other Directors and Key Managerial Personnel	None	None
Number of Equity Shares held in the Company	51,195 Equity Shares	135 Equity Shares
Number of Board Meetings attended during the Financial Year (2021-22)	Not applicable	4/4
Date of first appointment on the Board	Not applicable	27/09/2017
Terms and conditions of appointment	Director, liable to retire by rotation	Re-appointment for another term of 5 consecutive years.

*For the purpose of computation of Chairmanship and Membership, only Audit and Stakeholders Relationship Committees have been considered.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS AREAS UNDER:

- (I) The voting period begins on Saturday, September 24, 2022 at 9.00 AM (IST) and ends on Monday September 26, 2022 at 5.00 PM (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 20, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/ HO/CFD/ CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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(b) Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual shareholders holding securities in Demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jspAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual shareholders (holding securities in Demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

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

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

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

will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians–For Remote Voting only.**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer on his email id sudhir.compsec@gmail.com or to the Company on the email id srivatsa.n@tdps.co.in if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHARE-HOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.

Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

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 atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at srivatsa.n@tdps.co.in/investor.relations@tdps.co.in. 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, mobile number at srivatsa.n@tdps.co.in. These queries will be replied to by the company suitably by email.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Only those shareholders, who are present in the AGM through VC/OAVM 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 system available during the AGM.

If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor.relations@tdps.co.in /rnt.helpdesk@linkintime.co.in.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no.1800225533.

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**ARTICLES OF ASSOCIATION
OF
TD POWER SYSTEMS LIMITED
(A COMPANY LIMITED BY SHARES)
(INCORPORATED UNDER THE COMPANIES ACT, 1956)**

INTERPRETATION

- 1 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act (hereinafter defined) or any statutory modification thereof in force at the date at which the Articles become binding on the Company.

The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith:

“Act” mean the Companies Act, 2013, and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force and any previous company law, so far as may be applicable.

Words and expressions used in the Articles shall bear the same meaning as used in the Act or the Rules, as the case may.

“Articles” mean these Articles of Association as adopted or as from time to time altered by special resolution.

“Auditors” or “Auditor” mean the auditor or auditors of the Company appointed in pursuance of the provisions of Section 139 of the Act.

“Beneficial Owner” shall mean the beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

“Board of Directors” or “Board” means the board of directors for the time being of the Company and includes a committee constituted by the board.

“Company” means “TD POWER SYSTEMS LIMITED”.

“Depositories Act, 1996” shall mean the Depositories Act, 1996 and includes where the context so admits, any statutory modification or re-enactment thereof.

“Depository” shall mean a depository as defined under Clause (e) of sub-section (1) of Section (2) of the Depositories Act, 1996.

“Directors” mean the directors for the time being of the Company.

“Dividend” includes interim dividend but excludes bonus Shares.

“Equity Listing Agreement” means the agreement entered into with the Exchange for listing of Equity Shares, and includes where the context so admits any amendment or modification thereof for the time being in force.

“Managing Director” means the Managing Director or the Deputy Managing Director or the Joint Managing Director for the time being of the Company by whatever name called.

“Exchange” means the Stock Exchange or Exchanges where the shares of the Company are listed for the time being.

“Independent Director” means a person as defined in Section 149 of the Act and/or Clause 49 of the Listing Agreement entered into with the Exchange including any statutory modifications or re-enactments thereto.

“Key Managerial Personnel” means the persons as defined in section 2(51) of the Companies Act, 2013.

“Office” means the registered office for the time being of the Company.

“Register” means the Register of Members of the Company required to be kept under Section 88 of the Act.

“Rules” means the rules framed by the Ministry of Corporate Affairs ('MCA') under the Act, as amended from time to time.

“Member” or “Shareholder” means a Person :

- a. whose name is entered in the Register of Members as holding any Share(s) either solely or jointly;
- b. Subscriber to the Memorandum of the Company; and
- c. Beneficial Owner(s)

“Memorandum” means the Memorandum of Association of the Company.

“Month” shall mean the English Calendar month.

“Seal” shall mean the Common Seal of the Company.

“Paid up” shall include credited as paid up.

“Share Capital” means the capital for the time being raised or authorised to be raised for the purposes of the Company.

“Shares” shall mean the shares into which the capital is divided and interests corresponding to such Share.

“Person” includes any corporation as well as individual.

“Proxy” includes attorney duly constituted under a power of attorney appointed in accordance with the provisions of the Act and the Rules.

“In Writing” and “Written” includes printing, lithography and other modes of representing or reproducing words in a visible form.

Words importing the singular number also include the plural number and vice-versa

Table 'F' not to apply

2. The regulations contained in these Articles of Association shall overrule the regulations contained in Table “F” in the Schedule I to the Companies Act, 2013. The Articles of Association referred to in this paragraph shall be subject to any exercise of the statutory power of the Company in reference to the repeal or alteration thereof, or addition to its regulations by special resolution, as prescribed by the Act, and the Articles of Association shall refer to the Articles as existing from time to time.

Company not to purchase Shares

3. Save as permitted by Section 67 of the Act, the funds of the Company shall not be employed in the purchase of security, Shares in the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for Shares in the Company or any Company of which it may, for the time being, be a subsidiary.

The Articles shall not be deemed to effect the power of the Company to enforce repayment of loans to Members or to exercise a lien conferred by Article 31.

- Purchase of own Shares/ buy back of Shares**
4. Notwithstanding anything contained in these Articles but subject to Sections 68 to 70 of the Act and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own Shares or other specified securities.
- Registered Office**
5. The Office shall be at such place as the Board of Directors shall determine subject to provisions of the Act.

SHARES

- Share Capital**
6. a) The Authorised Share Capital of the Company is as stated in Clause V of the Memorandum with the rights, privileges and conditions attached thereto as are provided by the Articles of Association for the time being. The Company shall have power to increase, reduce, consolidate, sub-divide or otherwise alter the Share Capital and to divide the Shares in the Share Capital for the time being into several classes and to attach thereof respectively such preferential or other rights, privileges and conditions in such manner as may be permitted by the Act or provided by the Articles of Association of the Company for the time being.
- Redeemable Preference Shares**
- b) Subject to the provisions of these Articles and of the Act, the Company shall have power to issue Preference Shares which may, at the option of the Company, be liable to be redeemed out of the profits or out of the proceeds of a fresh issue of Shares made for the purposes of such redemption. The Board may, subject to the provisions of Section 55 of the Act and the Companies (Share Capital and Debenture) Rules, 2014, exercise such power in such manner as it may think fit.
- c) In respect of terms of issue of Shares the provisions of Articles 53, 54, 55, 56 and 57 shall apply.
- Dematerialisation of Shares**
- d) The Company shall be entitled to dematerialize all or any of its existing Shares, rematerialize all or any of its Shares held in the Depositories and / or to offer its fresh Shares or buyback its Shares in a dematerialized form pursuant to the Depositories Act, 1996 and the Relevant Rules, if any.
- Allotment of Shares**
7. Subject to the provisions of these Articles, the Act and the Rules, the Shares shall be under the control of the Board, who may issue, allot or otherwise dispose off the same or any of them, on such terms and conditions, at such times, either at par or at a premium, and for such consideration as the Board thinks fit.
- Power to issue Shares**
8. The Company may, subject to the Act issue any part or parts of the unissued Shares (either Equity or preference carrying a right to redemption out of the profits or liable to be so redeemed at the option of the Company) upon such terms and conditions and with such rights and privileges annexed thereto as the Board at their discretion may think fit and proper. Subject to the provisions of the Act and the

Rules, in particular, the Board may issue such Shares with such preferential or qualifying rights to dividends and for the distribution of the assets of the Company as the Board may subject to the aforesaid sections, determine from time to time.

Commission and Brokerage

9. The Company may exercise the power of paying commission conferred by Section 40(6) of the Act and in such case shall comply with the requirements of that section and Rules. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in one way and partly in the other. The Company may also on any issue of Shares or debentures pay such brokerage as may be lawful.

Installment of Shares to be duly paid

10. If by the conditions of allotment of any Share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the Person who, for the time being, shall be the registered holder of the Share or by his executor or administrator.

Liability of joint holders of Shares

11. The joint-holders of a Share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Share.

Trust not recognised

12. Subject to Section 89 of the Act, save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as by statute required, be bound to recognise any equitable or any other claim to or interest in such Share on the part of any other person.

Who may be registered

13. Shares may be registered in the name of any person, company or other body corporate. Not more than three persons shall be registered as joint holders of any Share.

SHARE CERTIFICATES

Authority to issue Share Certificates

14. Subject to the provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014 or any statutory modification or re-enactment thereof, Share certificates shall be issued as follows:
 - i) The certificates of title to Share and duplicate thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of:
 - a) two Directors duly authorized by the Board for the purpose or the Committee of the Board if so authorized by the Board, and
 - b) the Secretary or some other person appointed by the Board for the purpose, all of whom shall sign such Share certificate provided that, if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or Whole time Director.

- c) A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the director, or any body entrusted with the duty to take care of the same shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Members right to Certificate

- ii) Every Member shall be entitled free of charge to one certificate for all the Shares of each class registered in his name, or, if the Board so approves to several certificates each for one or more of such Shares. Such certificate shall be issued in accordance with the provisions of the Act and Rules. In respect of any Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

Provided, however, no Share certificate(s) shall be issued for Shares held by the “Beneficial Owner(s)” with the depository.

Fees on issue of new Share certificate, registration of probates etc.

- iii) No fee shall be charged for:
- a) Sub-division and consolidation of Share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit of trading.
 - b) Sub-division of renounceable Letters of Right.
 - c) Issue of new certificates in replacement of those which are old, decrepit or worn-out or where the cages on the reverse for recording transfers have been fully utilized.
 - d) Registration of any Power of Attorney, Probate, Letter of Administration or similar other documents.

Calls

CALLS

15. The Board may, from time to time, subject to the sanction of shareholders and subject to the terms on which any Shares may have been issued and subject to the provisions of Section 49 of the Act, make such calls as the Board thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each Member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.

Restriction on power to make calls and notice

16. Not less than thirty days notice of any call shall be given specifying the time and place of payment and to whom such call be paid.

Payment of interest on call

17. i) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof the holder for the time being in respect of the Share for which the call shall have been made or the instalment shall be due, shall pay interest for the same at maximum rate, as prescribed in the Act or Rules or under any other law for the time being in force, from day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Board may determine.
- ii) The Board shall be at liberty to waive payment of any such interest either wholly or in part.

Amount payable at fixed times or payable in installments on calls

18. If by the terms of any Share or otherwise any amount is made payable upon allotment or at any fixed time or by installments at fixed times, whether on account of the amount of the Share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

Evidence in action by Company against shareholders

19. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his Share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register as a holder, or one of the holders of the number of Shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment of calls in advance

20. The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the money due upon the Share held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so in respect thereof as from time to time exceeds the amount of the calls then made upon the Share in respect of which such advance has been made, the Company may pay interest at such rate as may be fixed by the Board. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such a Member not less than three month's notice in writing.

Revocation of call

21. A call may be revoked or postponed at the discretion of the Board.

FORFEITURE AND LIEN

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| If calls or installment not paid notice may be given | 22. If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time, thereafter during such time as the call or installment remains unpaid, serve notice on such Member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. |
| Date and place of payment of call | 23. The notice shall name a day (not being less than thirty days from the date of notice) and the place or places on and at which such call or installment and such interest and expenses aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed the Shares in respect of which such call was made or installment is payable will be liable to be forfeited. |
| If notice is not complied with, Share may be forfeited | 24. If the requirements of any such notice as aforesaid not be complied with, any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. |
| Notice after to forfeiture | 25. When any Share shall have been so forfeited, notice of the resolution shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by an omission or neglect to give such notice or to make such entry as aforesaid. |
| Forfeited Share to become property of the Company | 26. Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re- allot or otherwise dispose of the same in such manner as it thinks fit. |
| Power to cancel | 27. The Board may, at any time before any Shares so forfeited shall have been sold, re-allotted or otherwise disposed off, cancel the forfeiture thereof upon such conditions as it thinks fit. |
| Liability on forfeiture | 28. A Person whose Share has been forfeited shall cease to be a Member in respect of the Share, but shall, notwithstanding the forfeiture, remain liable to pay, and shall forthwith pay to the Company, all calls or all installments, interest and expenses, owing upon or in respect of such Share, at the time of the forfeiture, together with interest thereon, from the due date to the time of actual payment at such rate as may be fixed by the Board and the Board may enforce the payment thereof, or any part thereof without any deduction or allowance for the value of the Shares at the time of forfeiture, but shall not be under an obligation to do so. |
| Evidence of forfeiture | 29. A duly verified declaration in writing that, the declarant is a Director, Manager or Secretary of the Company and has been |

authorised by a Board Resolution to act as declarant and that certain Shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares, and such declaration and the receipt of the Company for the consideration, if any, given for the Shares on the sale or disposition thereof shall constitute a good title to such Shares and the Person to whom any such Share is sold shall be registered as the holder of such Share and shall not be bound to see the application of purchase money, nor shall his title to such Share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposal.

Forfeiture provisions to apply to non- payment in terms of issue

30. The provisions of Articles 22 to 29 hereof shall apply in the case of non-payment of any sum which, by the terms of issue of Share, becomes payable at a fixed time, whether on account of the nominal value of a Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Company's lien on Shares

31. The Company shall have a first and paramount lien upon every Share not being fully paid up, registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such Share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any Share shall be created except as otherwise provided in the Articles. Such lien shall extend to all dividends from time to time declared in respect of such Share subject to the provisions of Section 124 of the Act and also to bonus declared on the shares. Unless otherwise agreed, the registration of a transfer of a Share shall operate as waiver of the Company's lien if any, on such Share.

Enforcing lien of sale

32. For the purpose of enforcing such lien, the Board may sell the Share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such a Member, his executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such Share for thirty days after the date of such notice.

Application of proceeds

33. The net proceeds of the sale shall be received by the Company and applied in or towards of sale payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Share before the sale) be paid to the Persons entitled to the Share at the date of this sale.

Validity of sales in exercise of lien and after forfeiture

34. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some persons to execute an instrument of transfer of the Share sold and cause the purchaser's name to be entered in the Register in respect of the Share sold, and the purchaser shall not be bound to see the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register in respect of such Share the validity of the sale shall not be impeached by any Person, and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.

Board may issue new certificate

35. Where any Share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such Share, the Board may issue a new certificate for such Share distinguishing it in such manner as it may think fit from the certificate not so delivered.

TRANSFER AND TRANSMISSION**Execution of transfer, etc.**

36. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and the Companies (Share Capital and Debentures) Rules 2014, shall be duly complied with in respect of all transfers of Shares and the registration thereof.

Transfer of Demat Shares

37. Nothing contained in the foregoing Article shall apply to transfer of securities affected by the transferor and transferee both of whom are beneficial owners with the depository.

Application by transfer

38. Application for the registration of the transfer of a Share may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall, in the case of a partly paid Share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 56 of the Act and the Companies (Share Capital and Debentures) Rules 2014, and subject to provisions of these Articles the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

Form of transfer

39. The instrument of transfer shall be in the form prescribed by the Act and the Companies (Share Capital and Debentures) Rules 2014, made thereunder.

Form of transfer of Demat Shares

40. Nothing contained in the foregoing article shall apply to transfer of securities affected by the transferor and transferee both of whom are beneficial owners with the depository.

In what cases the Board may refuse to register transfer

41. Subject to the provisions of these Articles, and of Section 58 of the Act and Equity Listing Agreement or any statutory modification(s), the Board, may on sufficient cause, refuse to register any transfer of shares or the transmission of shares by operation of law of the right to a Share.

- No transfer to a person of unsound mind etc.** 42. No transfer shall be made to a person of unsound mind and no transfer of partly paid Shares shall be made to a minor.
- Instrument of transfer left at Office when to be retained** 43. Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the Share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the Share and such other evidences as the Board may require to prove the title of the transferor or his right to transfer the Share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register, shall be returned to the person depositing the same.
- Notice of refusal to register transfer** 44. If the Board refuses whether in pursuance of Article 41 or otherwise to register the transfer of, or the transmission by operation of law of the right to any Share, the Company shall, within the time prescribed by the Act, Rules or Listing Agreement send the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal.
- Fee on registration of transfer** 45. No fee shall be payable to the Company in respect of transfer or transmission of any Shares in the Company.
- Transmission of registered Shares** 46. The executor or administrator of a deceased Member (not being one of several joint-holders) shall be the only person recognised by the Company as having any title to the Shares registered in the name of such Member, and in case of the death of any or more of the joint-holders of any registered Share, the survivor shall be the only person recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on the Share held by him jointly with any other person. Before recognising any executor or administrator, the Board may require him to obtain a Grant or Probate or Letters of Administration or other legal representation, as the case may be from a competent Court in India, provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense, Letters of Administration or such other legal representation upon such terms as to indemnity, as it considers proper.
- Transfer of Shares of insane, minor, deceased, or bankrupt Members** 47. Any committee or guardian of a lunatic or minor Member or any person becoming entitled to transfer a Share in consequence of the death or bankruptcy or insolvency of any Member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), be registered as a Member in respect of such Share, or may, subject to the regulations as to transfer hereinbefore contained transfer such Share.

Election under Transmission

48. i) If the person so becoming entitled under transmission shall elect to be registered as a holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- ii) If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer of the Share.
- iii) All the limitations, restrictions, and provisions, of these Articles relating to the right to transfer and the registration of instruments of transfer of a Share shall be applicable to any such notice or transfer as aforesaid, as if the death, lunacy, bankruptcy or insolvency of the Member had not occurred.

Rights of persons entitled to Shares under Transmission

49. A person so becoming entitled under transmission to a Share by reason of death, lunacy, bankruptcy of the holder shall, subject to the provisions of Article 82 and of Section 123 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the Share, except that he shall not before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within the time fixed by the Board, the Board may thereafter withhold payment of all dividends, bonuses, or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

Nomination of Shares

50. i) Every holder of Shares in, or holder of debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his Shares in, or debentures of, the Company shall vest in event of his death.
- ii) Where the Shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner a person to whom all the rights in the Shares or debentures of the Company shall vest in the event of death of all joint holders.
- iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in or debentures of the Company, the nominee shall, on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint holder becomes entitled to all the rights in the Shares or debentures of the Company or, as the case may be, all the joint holders, in relation to such Shares in or debentures of the Company to the exclusion of all other

persons, unless the nomination is varied or cancelled in the prescribed manner.

- iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of the debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to Shares in, or debentures of the Company, in the event of his death, during minority.
 - v) Any person who becomes a nominee may upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either to be registered himself as holder of the Share(s) or debenture(s) as the case may be; or to make such transfer of the Share(s) or debenture(s) as the deceased shareholder or debenture holder, as the case may be, could have made.
51. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

INCREASE AND REDUCTION OF CAPITAL

Power to increase

52. The Company may by an ordinary resolution passed by the members, increase its capital, from time to time, by creation of new Shares of such amounts as may be deemed expedient.

On what conditions new Shares may be issued

53. Subject to any special rights or privileges for the time being attached to any Shares in the capital of the Company then issued, the new Shares or the existing unissued Shares of any class may be issued. In the case of new Shares upon such terms and conditions, and with such rights and privileges attached thereto as the shareholders resolving upon the creation thereof, shall direct, and if no directions be given, and in the case of existing unissued Shares as the Board subject to the Act shall determine, and in particular in the case of preference Shares such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with rights of redemption.

Issue of Sweat Equity Shares to employees or Directors

54. Subject to the provisions of Section 54 of the Act and subject to any special rights or privileges for the time being attached to any Shares in the capital of the Company then issued, the Company may issue equity Shares to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called or for the performance of past or future services.

Provisions relating to the issue of shares

55. Before the issue of any new Shares, the Company in General Meeting or through postal ballot issue of shares may make provisions as to the allotment and issue of the new Shares, and in particular may

determine to whom the same shall be offered in the first instance and whether at par or at a premium and upon default of any such provision, or so far as the same shall not extend, the new Shares may be issued in conformity with the provisions of Article 7.

How far new Shares to rank with existing Shares

56. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new Shares shall be considered part of the then existing Share Capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise.

Inequality in numbers of new Shares

57. If owing to any inequality in the number of new Shares to and the number of Shares held by the Members entitled to have the offer of such new Shares, any difficulty that may arise in the apportionment of such new Shares or any of them amongst the Members, such difficulty shall, in the absence of any direction in the members' resolution creating the Shares or by the Company in general meeting be determined by the Board.

Reduction of Share Capital

58. The Company may, subject to the applicable provisions of the Act and Rules, from time to time, by special resolution reduce its capital and any capital redemption reserve account or securities premium account or in any other manner and with and subject to any incident authorised and consent required by law.

ALTERATION OF CAPITAL

Powers to alter Capital

59. The Company in General Meeting or through Postal Ballot may subject to the provisions of the Act from time to time:-

- (a) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
- (b) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the memorandum so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;
- (c) convert all or any of its fully paid up Shares into stock, and reconvert that stock into fully paid up Shares of any denomination;
- (d) cancel any Shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its Share capital by the amount of the Shares so cancelled.

Surrender of Shares

60. Subject to the provisions of the Act, the Board may accept from any Member the surrender on such terms and conditions as shall be agreed, of all or any of his Shares.

MODIFICATION OF RIGHTS

Power to modify rights

61. Whenever the capital (by reason of the issue of preference Shares or otherwise) is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of the Act, be modified, commuted, affected, abrogated, varied or dealt with by agreement between the Company and any persons purporting to contract on behalf of that class provided such agreement is (a) consented to in writing by the holders of at least three-fourths of the issued Shares of that class, or (b) sanctioned by a special resolution passed at a separate Meeting of the holders of the issued Shares of that class and all the provisions herein after contained as to general meetings shall mutatis-mutandis, apply to every such meeting. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 117 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.

BORROWING POWERS

Power to borrow

62. Subject to the provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, the directors from time to time at their discretion, by resolution passed at the meeting of the Board, accept deposit from Members or public or others either in advance or calls, or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company not exceeding the aggregate of the Paid-up capital of the Company and its reserves (not being reserves set apart for any specific purpose). Provided, however, where the monies to be borrowed, together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aforesaid aggregate, the Directors shall not borrow such monies without the consent of the Company in general meeting by means of special resolution.

Conditions on which money may be borrowed

63. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, redeemable debentures or debenture-stock, or any mortgage, or other tangible security on the undertaking or the whole or any part of the property of the Company (both present and future).

Issue of debentures, debenture stocks, bonds, etc. with special privileges

64. Any debentures, debenture-stocks, bonds or other securities may be issued at a premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of Shares, appointment of Directors and otherwise, debentures, debenture-stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the

same may be issued. Provided that the debentures, debenture-stock, bonds or other securities with the right to allotment of the or conversion into Shares shall not be issued except with the consent of the Company in a general meeting or through postal ballot subject to provisions of Section 71 of the Act.

- Instrument of transfer** 65. Save as provided in Section 56 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.
- Notice of refusal to register transfer** 66. If the Board refuses to register the transfer of any debentures within time limit as may be prescribed, the Company shall send to the transferee and to the transferor, notice of the refusal.

GENERAL MEETINGS

- When Annual General Meeting to be held** 67. In addition to any other meetings, the “Annual General Meeting” of the Company shall be held within such intervals as are specified in the Act and subject to the provisions of the Act, during such business hours and places as may be determined by the Board under the provisions of the Act or the Rules made thereunder. Any other meeting of the Company shall be called as “Extra-ordinary General Meeting”.
- Calling of General Meeting by circulation** 68. The Board may also call a General Meeting by passing a resolution by circulation and the resolution so passed would be as effective as a resolution passed at the Board meeting.
- Circulation of Member's Resolution** 69. The Company shall comply with provisions of Section 111 of the Act, as to giving notice of resolutions and circulating statement on the requisition of Members.
- Notice of meeting** 70. Save as permitted under Section 101 of the Act, a General Meeting of the Company may be called by giving not less than clear twenty one days' notice either in writing or through electronic mode. Notice of every meeting shall be given to the Members and such other person or persons as required under and in accordance with Section 101 of the Act and it shall be served in the manner authorized by Sections 20 and 101 of the Act and the Rules made under the Act.

PROCEEDINGS AT GENERAL MEETING

- Business of meeting** 71. The ordinary business of an Annual General Meeting shall be to receive and consider the financial statements, including consolidated financial statements and the reports of the Directors and the Auditors thereon, to elect Directors in the place of those retiring, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other General Meeting shall be deemed to be special business.
- Quorum to be present when business commenced** 72. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting

proceeds to business. Quorum for the meeting shall be determined in accordance with Section 103 of the Act.

When if Quorum not present, meeting to be cancelled and when to be adjourned

73. If within half-an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by requisition of Members shall be cancelled, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum is not present within half-an hour from the time appointed for holding the meeting those Members, who are present and not being less than two shall be quorum and may transact the business for which the meeting was called.

Resolution to be passed by the Company in General Meeting

74. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting or through postal ballot shall be sufficiently so done or passed if effected by an ordinary resolution as defined in Section 114 (1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 114 (2) of the Act.

Chairman of General Meeting

75. The Chairman of the Board shall be entitled to take the chair at every general meeting ("Chairman"). If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the Directors present shall choose another Director as Chairman, and if no Directors is present, or if all the Directors present decline to take the Chair, then the Members present shall, on a show of hands or on a poll if properly demanded, elect one of their numbers being a Member entitled to vote, to be the Chairman.

How questions to be decided at meetings

76. At any general meeting a resolution put to the vote of the meeting shall unless a poll is demanded under Section 109 of the Act or voting is carried out electronically, be decided on a show of hands in accordance with Section 107 of the Act and the Companies (Management and Administration) Rules, 2014. In the case of an equality of votes, the Chairman shall both on a show of hands and at the poll have a casting vote in addition to the vote or votes to which he may be entitled as a member.

What is the evidence of passing of a resolution where poll is demanded

77. A declaration by the Chairman that on an evidence of the show of hands a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion the votes cast in favour of or against such resolution.

Demand for Poll

78. i) Before or on the declaration of the result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of his own motion and shall be ordered to be taken by him on a demand made in that behalf by a Member or Members present in person or by Proxy and holding Shares in the

Company conferring their powers to vote on such resolution, being Shares which is not less than one tenth of the total voting power in respect of the resolution or on which the aggregate sum of not less than Rupees Five lacs has been paid up.

- ii) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and at such time, not being later than forty-eight hours from the time, when the demand was made, and at such place as the Chairman directs, and subject as aforesaid, either at once or after an interval or adjournment or otherwise, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.
- (iii) The demand of a poll may be withdrawn at any time by the person or persons who made the demand.
- (iv) Where a poll is to be taken the Chairman shall appoint scrutinizer (s) as prescribed by the Rules to scrutinize the votes given on the poll and report to him thereon.
- (v) On a poll a Member entitled to more than one vote, or his Proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- (vi) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Power to adjourn General meeting

- 79. i) The Chairman of a General Meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (ii) Save as otherwise provided in Section 103 of the Act, when the meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting unless the adjournment is for a period of 30 days or more.

Vote of Members

- 80. i) Save as hereinafter provided, on a show of hands every Member present in person and being a holder of equity Shares shall have one vote, and every person present either as a Proxy on behalf of a holder of equity Shares, if he is not entitled to vote in his own right, or as a duly authorised representative of a body corporate, being a holder of equity Shares, shall have one vote.
- ii) Save as hereinafter provided, on a poll the voting rights of a holder of equity Shares shall be as specified in Section 47 of the Act.
- iii) The voting rights of every Member holding preference Shares, if any, shall upon a show of hands or upon a poll be subjected to the

provisions, limitations and restrictions laid down in Section 47 of the Act. Provided that no Body corporate shall vote by Proxy so long as resolution of its Board of Directors under the provisions of Section 113 of the Act is in force and the person named in such resolution is present at the General Meeting at which the vote by Proxy is tendered.

- iv) A Member may exercise his vote if permitted by the Act and the Rules at a meeting or by postal ballot by electronic means in accordance with the Section 108 of the Act read with The Companies (Management and Administration) Rules, 2014 and shall vote only once.

Procedure where a company or body corporate is Member

- 81. i) Where a body corporate (here in after called "Member Company") is a Member of the Company, a person duly appointed by resolution in accordance with the provisions of Section 113 of the Act to represent such Member Company at a meeting of the Company, shall not by reason of such appointment be deemed to be a Proxy, and the lodging with the Company at the Office or production at the meeting of a copy of such resolution duly signed by one Director of such Member Company and certified by him as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by Proxy on behalf of the Member Company which here presents, as that Member Company could exercise if it were an individual Member.
- ii) Where the President of India or the Governor of a State is a Member of the Company then his/their representation at the meeting shall be in accordance with Section 112, of the Act.

Votes in respect of deceased, insane and insolvent Members

- 82. Any person entitled under these Articles for transfer of Shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that at least forty eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he purports to vote he shall satisfy the Board of his right to transfer such Shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

If any Member is of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, he may vote whether on a show of hands or at a poll, by his committee, or other legal guardian, and any such committee or legal guardian may, on a poll, give their votes by Proxy.

Joint Holders

- 83. Where there are joint registered holders of any Share, any one of such persons may vote at any meeting either personally or by Proxy in respect of such Share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either

personally or by Proxy, then one of the said persons so present whose name stands first on the Register in respect of such Share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any Share is registered shall for the purpose of this Article be deemed joint holders thereof.

Proxies Permitted

84. Votes may be given either personally, or in the case of a body corporate, by a representative duly authorised as aforesaid, or by Proxy in accordance with the provisions of Section 105 of the Act read with the Companies (Management and Administration) Rules, 2014.

Instrument appointing Proxy to be in writing

85. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a body corporate, be under its seal or be signed by an officer or attorney duly authorized by it.

Proxy forms to be sent

86. The Company agrees that it will send out Proxy forms to all shareholders and debenture holders in all cases where proposals other than of a purely routine nature are to be considered, such Proxy forms being so worded that a shareholder or debenture holder may vote either for or against each resolution.

Instrument appointing a Proxy to be deposited at the office

87. The instrument appointing a Proxy and the power of attorney or other authority (if any) under which it is signed, or a notarized copy of that power or authority, shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of Proxy shall not be treated as valid.

Whether vote by Proxy valid though authority revoked

88. A vote given in accordance with the terms of an instrument appointing a Proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the Share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the Share shall have been received by the Company at the office before the vote is given. Provided nevertheless that the Chairman shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of Proxy and that the same has not been revoked.

Form of instrument appointing a Proxy

89. Every instrument appointing a Proxy shall be retained by the Company and shall, be in the form as prescribed in the Companies (Management and Administration) Rules, 2014.

Restriction on voting

90. No Member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, exercised, any right of lien but the Board of

Directors may by a resolution passed at the meeting of the Board waive the operation of this Article.

Objections raised on voting

91. i) Any objection as to the admission or rejection of a vote either, on a show of hands, or on a poll made in due time, shall be referred to the Chairman, who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.
- ii) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

DIRECTORS

Number of Directors

92. The number of Directors of the Company shall not be less than three (3) and not more than fifteen (15). Provided that the Company may appoint more than fifteen directors after passing a special resolution of members. The composition of the Board of Directors will be in consonance with the Act and the Equity Listing Agreement.

Company to increase or reduce number of Directors

93. Subject to the provisions of the Act and these Articles, the Company may from time to time increase or reduce the number of Directors within the limits fixed by Article 92.

Limit on number of non-retiring Directors

94. a) Subject to the Act and these Articles, the Directors not exceeding one-third of the total number of Directors for the time being of the Company shall be liable to retirement by rotation. The Independent Directors shall not be counted in the total number of Directors for this purpose.
- b) Subject to the provisions of Articles 96 and 97 and Section 152 of the Act, all Directors other than the Directors who are not retiring by rotation, additional/ alternate/Independent Directors shall be persons whose period of office is liable to determination by retirement by rotation. All the Directors who are not retiring except Independent Directors shall however, be counted in determining the number of retiring Directors.

First Directors

95. The subscribers to the Memorandum and Articles of Association of the Company shall be the first Directors of the Company.

Powers of State Financial Corporations and others to nominate Directors

96. The Board may authorise by resolution or by agreement the State Financial Corporation (SFC), State Industrial Development Corporation (SIDC), Life Insurance Corporation of India (LIC), Industrial Finance Corporation of India (IFCI), Industrial Development Bank of India (IDBI), Unit Trust of India (UTI), and/or any other Financial Institution, corporation or any Bank which continue(s) to be Member of the Company by virtue of being holder of any Share or Shares in the Company or to any of the aforesaid Financial Institutions, Corporation or Banks to whom any money remains due by the Company and SFC, LIC, IFCI, SIDC, IDBI, UTI to nominate a Director or Directors to the Board from time to time and

to remove from such Office any person or persons so appointed and upon removal of any such person to appoint any other person(s) in his / their place. A Director so appointed shall not be required to hold any qualification Shares nor shall (subject to the provisions of Section 152 read with Section 161(3) of the Act) be liable to retire by rotation or be subject to removal under Article 108 hereof. But he shall be counted in determining the number of retiring directors. A Director appointed under this Article shall be ex-Officio Director within the meaning of these Articles.

Debenture Directors

97. Any trust deed for securing debenture or debenture stock may, if so arranged, provide for the appointment, from time to time, by the trustees thereof or by the holders of debentures or debenture stock, of some person or persons to be Director(s) of the Company and may empower such trustees or holders of debentures or debenture stock, from time to time, to remove and re-appoint any Director(s) so appointed. The Directors appointed under this Article are herein referred to as “Debenture Directors” and the term “Debenture Directors” means the Directors for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained. But he shall be counted in determining the number of retiring directors.

Power of Directors to add their number

98. The Board shall have power at any time and from time to time to appoint any person as an additional Director as an addition to the Board but so that the total numbers of Directors should not exceed the limit fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election.

Qualification Shares

99. A Director shall not be required to acquire qualification Shares.

Directors Remuneration and expenses

100. Subject to the approval of the Board each Director shall be entitled to receive out of the funds of the Company a fee for attending a meeting of the Board or a Committee of the Board, within the limit permitted, from time to time, by the Act or the Rules made thereunder. All other remuneration, if any payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company or otherwise shall be determined in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable travelling, hotel and other expenses incurred in consequence of their attending the Board and Committee meetings or otherwise incurred in the execution of their duties as Directors or in performing any of the task on behalf of the Company.

- Remuneration for extra service** 101. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions for any of the purposes of the Company or as a Members of a Committee of the Board then, subject to Section 197 of the Act, the Board may remunerate the Directors so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.
- Board may act notwithstanding vacancy** 102. The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum as fixed by the articles, the Directors shall not except for the purpose of filling vacancies or for summoning a general meeting act so long as the number is below the minimum.
- Vacation of Office of Director** 103. The office of Director shall ipso facto become vacant if at any time he commits any of the acts set out in Section 167 of the Act.
- Office or place of profit** 104. No director or other person referred to in Section 188 of the Act shall hold an office or place of profit save as permitted by that Section and the Companies (Meetings of Board and its Powers) Rules, 2014.
- Conditions under when directors may contract with Company** 105. Subject to the provisions of Section 184, 188 and 192 of the Act and the Rules made thereunder neither shall a Director be disqualified from contracting with the Company whether as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any Shares in or debentures of the Company nor shall any such contract or agreement entered into by or on behalf of the Company with the relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a Member or Director, be void nor shall any director so contracting or being such Member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary.
- Rotation and retirement of Directors** 106. At each Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office. Neither a nominated Director nor an additional Director appointed by the Board under Article 98 hereof or an Independent Director shall be liable to retire by rotation within the meaning of this Article. But they except Independent Directors shall be counted in determining the number of retiring directors.
- Which Directors to retire** 107. a) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those to retire shall, in default of and subject to any agreement among themselves, be determined by lot drawn at a meeting of the Board of Directors.

Appointment of Directors to be voted on individually

b) Save as permitted by Section 162 of the Act, every resolution of a General Meeting for the appointment of a Director shall relate to one named individual only.

Power to remove Directors by ordinary resolution on special notice

108. The Company may remove any Director other than directors nominated pursuant to Articles 96 and 97 before the expiration of his period of office in accordance with the provisions of Section 169 of the Act and may subject to the provisions of Section 161 of the Act appoint another person in his stead if the Director so removed was appointed by the Company in general meeting or by the Board under Article 109.

Board may fill up casual vacancies

109. If any Director appointed by the Company in General Meeting vacates office as a Director before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy has occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 108.

When the Company and candidate for office of Directors must give notice

110. The eligibility and appointment of a person other than a retiring Director to the office of Director shall be governed by the provisions of Section 160 of the Act

ALTERNATE DIRECTORS

Power to appoint alternate Directors

111. The Board may in accordance with and subject to the provisions of Section 161 of the Act, appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from India. No Person shall be appointed as alternate director to an Independent Director unless he is qualified to be appointed as Independent Director under the provisions of the Act.

PROCEEDINGS OF BOARD OF DIRECTORS

Meetings of Directors

112. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit; provided that a meeting of the Board of Directors shall be held as per the provision of the Act, Rules and Equity Listing Agreement.

Directors may summon meeting

113. A Director may, at any time, and the manager or secretary shall, upon the request of a Director made at any time, convene a meeting of the Board and the provisions of Section 173 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 shall apply in this regard.

Chairman/Vice Chairman

114. The Board may appoint a Chairman of its meetings. The Board may also appoint a Vice Chairman to preside over the meeting of the Board in absence of Chairman. If no such Chairman/Vice Chairman is appointed or if at any meeting of the Board, the Chairman/Vice Chairman is not present within five minutes after the time

appointed for holding the same, the Directors present shall choose someone of their member to be the Chairman of such meeting.

Quorum

115. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If a quorum shall not be present within 15 minutes of the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint. The participation of the Directors can be in person or through video conferencing or other audio visual means as may be prescribed by the Companies (Meetings of Board and its Powers) Rules, 2014 or permitted by law.

Power of Quorum

116. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretion by or under these Articles or the Act for the time being vested in or exercisable by the Board.

How questions to be decided

117. Subject to the provisions of sections of 186(5), 203(3) of the Act and save as otherwise expressly provided in these Articles, questions arising at any meetings shall be decided by a majority of votes.

Power to appoint committees and delegate

118. The Board may, subject to the provisions of the Act, from time to time and at any time, delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit and may, from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

Proceedings of Committee

119. The meeting and proceedings of such committee consisting of two or more members shall be Governed by the regulations made by the Board in that regard in accordance with the provisions, if any, of the Act and Equity Listing Agreement.

When acts of a Director valid notwithstanding defective appointment

120. Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had been terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in these Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

Resolutions by circulation

121. Save in those cases where a resolution is required by Sections 161(4), 179, 182, 184, 186, 188, 203 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be duly called and constituted if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors or to all the members of the Committee of the Board as the case may be then in India, not being less in number than the

quorum fixed for meeting of the Board or Committee, as the case may be and to all other Directors or member of the Committee, at their usual address whether in India and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution. Provided that where not less than one third of the Directors of the Company for the time being require that resolution under circulation be decided by the Board at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.

MINUTES

Minutes to be made

122. a) The Board shall in accordance with the provision of Section 118 of the Act and the Companies (Management and Administration) Rules, 2014, cause minutes to be kept of every general meeting of the Company and of every meeting of the Board or of every committee of the Board.
- b) Any such minutes of any meeting of the Board or of any Committee of the Board or of the Company in General Meeting, if kept in accordance with the provisions of Section 118 of the Act and the Companies (Management and Administration) Rules, 2014, shall be evidence of the matters stated in such minutes. The Minute Books of General Meetings of the Company shall be kept at the Office and shall be open to inspection by Members as per the provisions of the Act or the Rules made thereunder. The minute books of general meeting may also be kept for inspection in electronic mode as prescribed under the Companies (Management and Administration) Rules, 2014.

POWERS OF BOARD

General power of Company vested in the Board

123. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in a general meeting. Provided further that wherever the Act or any other statute or the Memorandum of the Company or these Articles, provide for exercise of powers by the Board subject to the members approval in a general meeting, the Board shall exercise such powers only with such approval. In exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made there under, including regulations not inconsistent therewith and duly made there under, including regulations made by the Company in a general meeting, but no regulation made by the Company in a general meeting shall

invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Specific Powers given to Directors

124. Without prejudice to the general powers conferred by the last preceding Article and to any other powers or authority conferred by these presents on the Directors or on the Managing Director, it is hereby expressly declared that the Directors shall subject to the regulations of these presents and to the provisions of the Act and in addition to the powers of the Board provided under Section 179 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, have the following powers, that is to say, power:

To carry the agreement into effect

(i) To take such steps as they think fit to implement and to carry into effect all agreements.

To pay preliminary expenses

(ii) To pay costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

To acquire and dispose of property and rights

(iii) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit, and subject to the provisions of Section 180 (1) of the Act, to sell, let, lease, exchange, or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.

To pay for property in debenture etc.

(iv) At their discretion to pay for in debentures etc. property rights, privileges acquired by or services rendered to the Company either wholly or partially in cash or in Shares (subject to Section 62 of the Act), bonds, debentures or other securities of the Company and any such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To secure contracts by mortgage

(v) To secure, the fulfillment of any contracts, agreements or engagement entered into by Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as they may think fit, subject to Section 180 of the Act.

To appoint officers etc.

(vi) To appoint and at their discretion remove or suspend such agents, employees, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments whether by way of commission or participation in profits or partly in one way and partly in another and to require security in such instances and to such amount as they think fit.

- To appoint trustees** (vii) To appoint any Person or Persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- To bring and defend actions etc,** (viii) Subject to the provisions of Act, to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.
- To refer to arbitration** (ix) To refer any claims as demands by or against the Company to arbitration and observe and perform the awards.
- To give receipts** (x) To make and give receipts, releases, and other discharges for money payable to the Company and for the claims and demands of the Company;
- To act in matters of bankrupts and insolvents** (xi) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- To authorise acceptance etc** (xii) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts, negotiable instruments and documents.
- To appoint attorneys** (xiii) From time to time to provide for the management of the affairs of the Company either in different parts of India or elsewhere in such manner as they think fit, and in particular to establish branch officers and to appoint any persons to be the attorneys or agents of the Company with such powers (including powers to sub-delegate) and upon such terms as may be thought fit.
- To invest moneys** (xiv) Subject to the provisions of Sections 67, 179, 180(1), 186 of the Act, to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities (not being Shares in this Company) and in such manner as they think fit, and from time to time to vary or realise such investments.
- To give security by way of indemnity** (xv) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- To give percentage of profits** (xvi) Subject to the provisions of Section 188 of the Act, to give to any person employed by the Company, as remuneration for their

services as such, a commission on the profits of any particular business or transaction or a Share in the profits of the Company such commission or Share or profits shall be treated as part of the working expenses of the Company.

To make bye- laws

(xvii) From time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

To make contracts etc.

(xviii) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, things in the name and on behalf of the Company as they may consider expedient or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

To establish and support charitable objects.

(xix) Subject to the provisions of Sections 181 and 182 of the Act to establish, maintain, support and subscribe to any national, political and charitable institutions or funds of public object, and any institution, society, or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business; to give pensions, gratuities, or charitable aid to any person or persons who have served the Company or to the wives, children or dependents of such person or persons, that may appear to the Directors just or proper, whether any such person, his widow, children or dependents have or have not a legal claim upon the Company.

To set aside profits for Provident Fund

(xx) Subject to the provisions of the Act, before recommending any dividends, to set aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensation, or other benefits or to create any provident or benefit or other funds in such or any other manner as the Director may deem fit.

To make and alter rules

(xxi) To make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and the Company respectively to any such funds and the accrual, employment, suspension and forfeiture of the benefits of the said funds and the application and disposal thereof, and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.

To delegate powers to a director or employee

(xxii) Subject to the provisions of the Act, to delegate all or any of the powers hereby conferred upon them to the Managing Director or to any other Director or employees of the Company as they may from time to time think fit, other than a power to issue debentures and to make calls on shareholders in respect of moneys unpaid on their Shares.

MANAGING OR WHOLE – TIME DIRECTOR(S)**Powers to Board to appoint Managing or Whole-time Director(s)**

125. Subject to the provisions of the Act, and of these Articles, the Company in general meeting or the Board may from time to time appoint one or more of their body to be Managing Director or Managing Directors (in which expression shall be included Joint or Deputy Managing Director) or Whole-time Director or Whole-time Directors of the Company, for such term not exceeding five years at a time and upon such terms and conditions as they may think fit, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Further the Managing Director as stated in Article 126 can hold the position of the Chairman of the Board for the better governance of the Company.

Holding of position of Managing Director and/or CEO by Chairman

126. Subject to the approval of the Board of Directors of the Company, the Chairman of the Board of Directors of the Company can hold the position of the Managing Director and / or the Chief Executive Officer of the Company at the same time.

Managing Director(s) or Whole-time Director(s) not liable to retirement by rotation

127. Subject to the provisions of the Act, and of these Articles, a Managing Director or a Whole-time Director, may subject to the shareholders' approval at the time of appointment or re-appointment or otherwise continue to hold office not subject to retirement by rotation under Article 106. However, they shall be counted in determining the number of retiring directors. He shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to the resignation and removal of the other Directors of the Company, and he shall ipso facto and immediately cease to be a Managing Director or a Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of Directors for the time being, then such Managing Director or Managing Directors, as the Directors shall from time to time select shall be liable to retirement by rotation in accordance with Article 106 and the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

Remuneration of Managing Director(s) or Whole-time Director(s)

128. Subject to the provisions of the Act and of these Articles and of any contract between him and the Company, the remuneration of the Managing Director or Whole-time Director shall from time to time be fixed by the Directors, subject to the approvals of the Members of Company and may be by way of fixed monthly payment or commission on profits of the Company or by participation in such profits or by any or all of these modes or any other mode not expressly prohibited by the Act. A Managing Director or Whole-time Director shall in addition to the above remuneration be

Powers and duties of Managing or Whole-time Director

entitled to the fee for attending meetings of Board or Committee of Directors.

129. Subject to the provisions of the Act and of these Articles, the Company or the Board may from time to time entrust to and confer upon a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors for the time being, such of the power exercisable under these Articles or otherwise by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms, and they may subject to the provisions of the Act and of these Articles confer such powers either collaterally with, or to the exclusion of or in substitution for all, or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

MANAGEMENT

Management of the Company

130. The Board of Directors may in accordance with the provisions of the Act appoint a Whole-time Chairman, on Managing Director or Whole-time Director or Manager to manage its affairs. A Director may be appointed as a Secretary, or Manager but Secretary or Manager need not be a Director of the Company. The terms and conditions and the appointment of Whole-time/Managing Directors shall be subject to the provisions of the Act and to the consent of the Members of the Company, wherever required.

Local Management

131. Subject to the provisions of the Act, the following regulations shall have effect:
- a) The Board may, from time to time, provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

Local Directorate delegations

- b) The Board, from time to time and at any time, may establish any local directorates or agencies for managing any of the affairs of the Company outside India, or in any specified locality in India, and may appoint any persons to be Members of any such local directorate or any managers or agents and may fix their remuneration and, save as provided in Section 179 of the Act, the Board from time to time and at any time may delegate to any person so appointed any of the powers, authorities and discretions for the time being of any such local directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and may fix any such appointment conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation.

Power of Attorney

- c) The Board may, at any time and from time to time, by power of attorney under the Seal appoint any persons to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may, from time to time think fit; any such appointments may, if the Board thinks fit be made in favour of the members or any of the members of any local directorate established as aforesaid, or in favour of the Company or of the members, directors, nominees, or officers of any company or firm, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board; and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.

Sub-delegation

- d) Any such delegate or attorneys as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

Foreign Register of Members or debenture holders

- e) The Company may cause to be kept in any State or country outside India, as may be permitted by the Act, a foreign Register of Members or debenture holders resident in any such State or country and the Board may from time to time, make such provisions as it may think fit relating thereto and may comply with the requirement of any local law and shall in any case comply with the provisions of Sections 88 of the Act and the Companies (Management and Administration) Rules, 2014.

KEY MANAGERIAL PERSONNEL

Key Managerial Personnel

132. Subject to Section 203 of the Act, the Board shall appoint a Managing Director, Whole-time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer and other Officers as may be prescribed on such terms and conditions and on such remuneration as may be approved by the Board and may remove a Managing Director, Whole-time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer and other Officers as may be prescribed by means of resolution of the Board.

AUTHENTICATION OF DOCUMENTS

Power to authenticate documents

133. Any Director or the Key Managerial Personnel or any officer appointed by the Board for the purpose shall have power to authenticate any documents and accounts relating to the business of the Company, and to certify copies thereof, extracts thereof or extracts therefrom as true copies or extracts; where any books records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.

**Certified copies of resolution
of the Board**

134. A document purporting to be a copy of resolution of the Board or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be exclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

THE SEAL

Custody of Seal

135. The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given by the Board or a committee of the Board authorised by the Board in that behalf and, save as provided in Article 14 (i) hereof, any one Director and the secretary or such other person as the Board may appoint shall sign every instrument on which the Seal is affixed. Provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

ANNUAL RETURNS

Annual Returns

136. The Company shall comply with the provisions of Section 92 of the Act as to the making of Annual Returns.

RESERVES

Reserves

137. The Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends, for repairing, improvising or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company; and may, subject to the provisions of the Act invest the several sums so set aside upon investments (other than Shares of the Company) as it may think fit, and from time to time deal with and vary such investment and dispose of all or any part thereof for the benefit of the Company and may divide the reserve into such special funds as the Board thinks fit, with power to employ the reserve or any parts thereof in the business of the Company, and that without being bound to keep the same separate from other aspects.

Investment of Money

138. All money carried to the reserves shall nevertheless remain and be profits of the Company subject to due provisions being made for actual loss or depreciation for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as

working capital or may be kept at any Bank on deposit or otherwise as the Board may, from time to time think proper.

Carry forward of profits

139. The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.

CAPITALISATION OF RESERVES

Capitalisation of reserves

140. Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the reserves, or any capital redemption reserve accounts, or in the hands of the Company and available for dividend or representing premiums received on the issue of Shares and standing to the credit of the securities premium account be entitled and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full of any unissued Shares, of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares, or towards both and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a securities premium account or a capital redemption reserve account may, for the purpose of this Article only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

Surplus money

- 141 A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the Members.

Fractional certificates

- 142 For the purpose of giving effect to any resolution under the two last preceding Articles hereof the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed for such fractional certificate in order to adjust the rights of all parties and may vest such cash or for such fractional certificates in trustees upon such trusts for the persons entitled to the dividends or capitalised funds as may seem expedient to the Board. Where requisite, a proper contract shall be filled in accordance with Section 39 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividends or capitalised fund, and such appointment shall be effective.

DIVIDENDS

- Declaration of Dividends** 143 The Company in a general meeting may declare dividends to be paid to the Members according to their rights and interest in the profits and may, subject to the provisions of Section 127 of the Act, fix the time for payment. No larger dividend shall be declared than is recommended by the Board, but, the Company in general meeting may declare a smaller dividend.
- Dividends to be paid out of profits** 144 No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act. No dividend shall carry interest against the Company.
- Dividends to be pro-rata on the paid up amount** 145 Subject to the special rights of the holders of preference Shares, if any, for the time being, the profits of the Company distributed as dividends or bonus shall be distributed among the Members in proportion to the amounts paid or credited as paid on the Shares held by them respectively, but no amount paid on a Share in advance of calls shall while carrying interest be treated for the purpose of this Article as paid on the Share. All dividends shall be apportioned and paid pro-rata according to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividends is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Shares shall rank for dividend accordingly.
- What to be seemed net profit** 146 The declaration of the Board subject to members adoption in Annual General Meeting as to the amount of the net profits of the Company shall be conclusive.
- Interim Dividends** 147 The Board may subject to Section 123 from time to time, pay to the Members such interim dividends as in its judgment the position of the Company justifies.
- Debts may be deducted** 148 The Board may retain any dividends on which the Company has lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- Dividend and call together** 149 Subject to the provisions of Article 15, any general meeting declaring a dividend may make a call on the Members of such amount as the meeting fixes, but so that the call on each Members shall not exceed the dividend payable to him, so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Member may be set off against the call.
- Dividend in cash** 150 No dividend shall be payable except in cash, provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully Paid-up bonus Shares or paying up any amount for the time being unpaid on the Shares held by the Members of the Company.
- Dividend Profit** 151 A transfer of Shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

- Power to retain dividend until transmission is effected** 152 The Directors may retain the dividends payable upon Shares in respect of which any person is under transmission entitled to transfer, until such person shall become a Member in respect of such Shares or shall duly transfer the same.
- Payment of Dividend to Member on mandate** 153 No dividend shall be paid in respect of any Share except to the registered holder of such Share or to his order or to his bankers, but nothing contained in the Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend.
- Dividend to joint-shareholders** 154 Any one of several persons who are registered as the joint holders of any Share may give effectual receipt for all dividends, bonuses and other payments in respect of such Share.
- Notice of declaration of dividend** 155 Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to Share therein in the manner hereinafter provided.
- Payment of Dividend** 156 All dividends and other dues to Members shall be deemed to be payable at the Office of the Company. Unless otherwise directed any dividend, interest or other moneys payable in cash in respect of a Share may be paid by any Banking channels or cheque or warrant sent through the post to the registered address of the holder, or in the case of joint-holders, to the registered address of that one of the joint-holders who is the first named in the Register in respect of the joint-holding or to such person and at such address as the holder, or joint-holders, as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.
- Unclaimed dividends** 157 All unclaimed dividend along with interest accrued shall not be forfeited but shall be credited to a special bank account as per Section 124 of the Act, and after a period of seven (7) years transferred to Investor Education and Protection Fund established by the Central Government in terms of Section 125 of the Act
- Forfeiture of dividend** 158 The Company agrees that it will not forfeit unclaimed dividend before the claim becomes barred by law and that such forfeiture, when effected will be annulled in appropriate cases.

BOOKS AND DOCUMENTS

- Books of account to be kept** 159 The Board shall cause proper books of account to be kept in accordance with Section 128 of the Act.
- Where to be kept** 160 Subject to the provisions of the Act, the books of account shall be kept at the Registered Office or at such other place in India as the Board may decide and when the Board so decides, the Company shall, within seven days of the decision, file with the Registrar of Companies a notice in writing giving the full address of that other place. The books can also be kept in electronic mode as prescribed by the Act and Rules subject to compliance of prescribed guidelines.

Inspection by Director

- 161 a) The books of account shall be open to inspection by any Director during business hours in accordance with the applicable provisions of the Act and the Rules.
- b) The Board shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the books of account and books and documents of the Company, other than those referred to in Articles 122 and 172 or any of them shall be open to the inspection of the Members not being Directors and no Member (not being a Director) shall have any right of inspecting any books of account or books or documents of the Company except as conferred by law or authorised by the Board or by Company in a general meeting.

Balance Sheet and Profit and Loss Account

- 162 At every Annual General Meeting, the Board shall lay before the Company the financial statements including Consolidated financial statements in accordance with the provisions of Section 129 of the Act read with the Companies (Accounts) Rules, 2014, and such financial statements including consolidated financial statements shall comply with the requirements of Sections 129, 133 and 134 and of Schedule III to the Act so far as they are applicable to the Company but, save as aforesaid the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.

Director's Report

- 163 There shall be attached to every Balance Sheet laid before the Company in the Annual General Meeting a report by the Board complying with Section 134 of the Act.

Copies to be sent to Members and others

- 164 A copy of every financial statements including consolidated financial statements, Auditors report and every document required by law to be annexed or attached to the balance sheet shall, as provided by Section 136 of the Act, not less than twenty-one days before the annual general meeting be sent to every such Member, debenture holder, trustee and other person to whom the same is required to be sent by the said Section either electronically or through such other mode as may be prescribed by the Rules.

Copies of balance Sheet etc. to be filed with the Registrar

- 165 The Company shall comply with Section 137 of the Act as to filing copies of the financial statement including consolidated financial statement and documents required to be annexed or attached thereto with the Registrar of Companies.

Accounts to be audited annually

- 166 Subject to the provisions of the Act, once at least in every year the books of account of the Company shall be audited by one or more auditor or auditors.

Appointment, remuneration, rights and duties of Auditors

- 167 The appointment, powers, rights, remuneration and duties of the auditors shall be regulated by Sections 139 to 146 and Section 148 of the Act.

AUDITORS

SERVICE OF NOTICES AND DOCUMENTS

- How notice to be served on Members**
- 168 A notice or other documents may be given by the Company to its Members in accordance with Sections 20, 101 and 136 of the Act and Rules made thereunder.
- Notice valid though Member deceased**
- 169 Subject to the provisions of Article 170 any notice or document delivered or sent by post to or left at the Registered Address of any Members in pursuance of these Articles shall, notwithstanding such Members be deceased and whether or not the Company have notice of his death, be deemed to have been duly served in respect of any registered Share, whether held solely or jointly with other persons by such Member until some other persons be registered in his stead as the holder or joint-holders thereof and such service shall for all purposes of those presents be deemed to be a sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such Share.
- Service of process in winding-up**
- 170 Subject to the provisions of the Act, in the event of a winding-up of the Company, every Member of the Company who is not for the time being in the place where the Office of the Company is situated shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person residing in the neighbourhood of the Office upon whom all summons, notices, process, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination, the liquidator of the Company shall be at liberty, on behalf of such Member, to appoint some such person and serve upon any appointee whether appointed by the Member or the liquidator shall be deemed to be good personal service on such Member for all purposes, and where the liquidator makes any such appointment, he shall, with all convenient speed, give notice thereof to such Member by advertisement in some daily newspaper circulating in the neighbourhood of the office or by a registered letter sent by post and addressed to such Member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this Article do not prejudice the right of the Liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

KEEPING OF REGISTERS AND INSPECTION

- Registers, etc to be maintained by Company**
- 171 The Company shall duly keep and maintain at the office, Registers, in accordance with Sections 85, 88, 170, 187 and 189 of the Act and Rules made thereunder in electronic form or in such form and in such manner as may be prescribed under the Act or the Rules.

Supply of copies of Registers

172 The Company shall comply with the provisions of Sections 85, 94, 117, 171, 186 and 189 of the Act and the Rules as to the supplying of copies of the registers, deeds, documents, instruments, returns, certificates, and books herein mentioned to the persons herein specified when so required by such persons on payment, where required, of such fees as may be fixed by the Board but not exceeding charges as prescribed by the said Sections of the Act and Rules framed thereunder.

Inspection of Registers etc.

173 Where under any provision of the Act or Rules any person whether a Member of the Company or not, is entitled to inspect any register, return, certificate, deed, instrument or document (including electronic records) required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during such business hours and place as may be determined by the Board under the provisions of the Act and the Rules thereunder.

When Registers of Members and Debenture holders may be closed

174 The Company, after giving not less than seven days previous notice, subject to the provisions of Section 91 of the Act and Rules made thereunder, by advertisement in one vernacular newspapers circulating in the district in which the office is situated close the Register of Members or the register of debenture holders or the register of security holders, as the case may be, for any period or period not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

Reconstruction

Reconstruction

175 On any sale of the undertaking of the Company the Board or the liquidator on a winding-up may ,if authorized by a special resolution, accept fully paid or partly paid up Shares, debentures, or securities of any other company whether incorporated in India or not other than existing or to be formed for the purchase in whole or in part of the Company's property and the Board (if the profits of the Company permit) or the liquidators (in a winding-up) may Distribute such Shares or securities ,or any other property of the Company amongst the Members without realization or vet the same in trustees for them, and the special resolution may provide for the distribution or appropriation of the cash, Shares or other securities benefit or property, otherwise than in accordance with the strict legal rights of the members of contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of Shares shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in course of being wound up, such statutory right (if any) under the Act as are incapable of being varied or excluded by these Articles.

SECRECY**Secrecy**

176 Every Director, manager, secretary, Trustee for the Company, its Member or debenture- holder, members of a Committee, officer, servant, agent, accountant, other person employed in or about the business of the Company shall, if so required by the Board or by a Managing Director before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

No shareholder to enter the Premises of the Company without permission

177 No shareholder, or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or subject to Article 161 to require discovery of or any information respecting any details of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

Distribution of assets

178 Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among Members as such shall not be sufficient to repay the whole of the Paid-up capital such assets shall be distributed so that as nearly as may be and the losses shall be borne by the Members in proportion to the capital paid up at the commencement of the winding up, on the Shares held by them respectively. And if in a winding-up assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding-up Paid-up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights the holders of Shares issued upon special terms and conditions. Preference shareholders shall have prior rights to repayment of capital and dividends due.

Distribution of assets in specie

179 Subject to the provisions of the Act, if the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution divide among the contributories, in

specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefits of the contributories, or any of them, as the liquidators with the like sanction, shall think fit.

INDEMNITY

Indemnity to Directors and Officers

180 Subject to the provisions of the Act every Director, Managing Director, whole-time Director manager, secretary or officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed as auditor shall be indemnified out of the funds of the Company against all bonafide liabilities incurred by him as such Director, Managing Director, whole-time Director manager, secretary officer, employee or Auditor in defending any proceedings, whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under the Section 463 of the Act in which relief is granted to him by the Court.

Insurance Policy for indemnity

181 Subject to the provisions of the Act and the Rules, the Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors, Key Managerial Personnel and Officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but they have acted honestly and reasonably.

GENERAL POWERS

General powers under the Article

182 Where any provisions of the said Act, provides that the Company shall do such act, deed, or thing, or shall have a right, privilege or authority to carry out a particular transaction, only if it is so authorised in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this Article hereby authorises the Company to carry out the same, without the need for any specific or explicit Article in that behalf.

All the meticulous planning and detailing that goes into producing a generator is not something people think of – nor should they! We work hard to make sure that people don't have to think about generators – after all that's what we do for a living. In TDPS we make first class generators for the world.

www.tdps.co.in

tdps[®]

tdps[®]



5000 installations in 99 countries

Annual Report 2022
TD Power Systems Limited

The saga continues...

tdps®

is Global

39 GW
in installed capacity

5400+
generators

99
countries

● NORTH AMERICA

204 Generators
TDPS Sales Office
(Ohio, USA)

● EUROPE

660 Generators
TDPS Sales Office
(Frankfurt, Germany)
TDPS Factory
(Istanbul, Turkey)

● ASIA

4236 Generators
TDPS Headquarters
(India)
TDPS Sales Office
(Japan)



● SOUTH AMERICA

35 Generators

● AFRICA

233 Generators

● AUSTRALIA

121 Generators

COMPANY INFORMATION

www.tdps.co.in

CIN: L31103KA1999PLC025071

Registered Office & Unit 1

27, 28 & 29, KIADB Industrial Area
Dabaspet, Nelamangala Taluk
Bengaluru Rural District
Bengaluru – 562 111, India
Tel: + 91-80-2299 5700/6633 7700
Fax: + 91-80-7734 439/2299 5718

Unit 2

Survey No. 59/2, Yedehalli Village
Dabaspet, Nelamangala Taluk
Bengaluru Rural District
Bengaluru - 562 111, India

Japan Branch Office

3-3 Kitashinagawa
3 Chome, Shingawa-KU
Tokyo, Japan Zip code No. 140-0001

Wholly Owned Subsidiaries

DF Power Systems Private Limited
TD Power Systems (USA) Inc.
TD Power Systems Japan Limited
TD Power Systems Europe GmbH
TD Power Systems Jenerator
Sanayi AS –Turkey

Bankers

Bank of Baroda
Kotak Mahindra Bank

Auditors

Varma & Varma
Chartered Accountants
Bangalore – 560 043

Investor Information

Stock Exchanges

(Where the shares of the Company are listed)
BSE Limited - 533553
National Stock Exchange of India Ltd - TDPOWERSYS

Registrar and Transfer Agents (RTA)

Link Intime India Private Limited
www.linkintime.co.in
vijayalakshmi.ananthram@linkintime.co.in

Investors grievance redressal e-mail id

investor.relations@tdps.co.in

Board of Directors

Chairman

Mohib N. Khericha

Managing Director

Nikhil Kumar

Director

K. G. Prabhakar

Independent Directors

Nithin Bagamane
Ravi Kanth Mantha
Prathibha Sastry

Chief Financial Officer

M. N. Varalakshmi

Company Secretary & Compliance Officer

N. Srivatsa

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DIRECTORS' REPORT

Dear Members

Your Directors present the Twenty Third Annual Report (Report) together with the Audited Financial Statements of the Company (TDPS) for the fiscal 2022 (April 1 2021 to March 31 2022).

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Revenue from operations & other Income	73,637.03	51,209.93
Earnings before interest, tax, depreciation & amortization including other income and exceptional item	9,708.73	4,894.27
Finance cost	205.70	445.85
Depreciation & amortization	2,123.70	2,096.83
Profit before Tax (PBT) including exceptional item	7,379.33	2,351.59
Tax expense	1,937.84	603.84
Profit after Tax (PAT) including exceptional item	5,441.49	1,747.75
Other Comprehensive Income	(123.87)	46.10
Total Comprehensive Income including exceptional item	5,317.62	1,793.85

Note: The above figures are on standalone basis & are extracted from the standalone financial statement of the company.

On a standalone basis, total income increased by ₹ 22,427.10 Lakhs, or 43.79%, to ₹ 73,637.03 Lakhs in Fiscal 2022 from ₹ 51,209.93 Lakhs in Fiscal 2021. Earnings Before interest, tax, depreciation and amortization including other income (EBITDA) increased by ₹ 4,814.46 Lakhs or 98.37% to ₹ 9,708.73 Lakhs in fiscal 2022 as compared to ₹ 4,894.27 Lakhs in fiscal 2021. Profit before tax increased by ₹ 5,027.74 Lakhs, or 213.80%, to ₹ 7,379.33 Lakhs in fiscal 2022 from ₹ 2,351.59 in fiscal 2021. Profit after tax increased by ₹ 3,693.74 Lakhs or 211.34% to ₹ 5,441.49 Lakhs in Fiscal 2022 from ₹ 1,747.75 Lakhs in fiscal 2021. Total comprehensive income increased by ₹ 3,523.77 Lakhs or 196.44% to ₹ 5,317.62 Lakhs in fiscal 2022 as compared to ₹ 1,793.85 Lakhs in fiscal 2021.

The net worth of the Company in fiscal 2022 stands at ₹ 52,265.72 Lakhs (including Capital redemption reserve) as compared to ₹ 47,442.63 Lakhs in fiscal 2021.

On consolidated basis, the total income increased by ₹ 21,123.20 Lakhs, or 35.04%, to ₹ 81,413.88 Lakhs in Fiscal 2022 as compared to ₹ 60,290.68 Lakhs in Fiscal 2021. Earnings Before interest, tax, depreciation and amortization including other income & exceptional item (EBITDA) increased by ₹ 3,372.54 Lakhs or 40.91% to ₹ 11,617.17 Lakhs in fiscal 2022 as compared to ₹ 8,244.63 Lakhs in fiscal 2021. The Profit before tax including exceptional item increased by

₹ 3,559.18 Lakhs, or 63.01%, to ₹ 9,207.51 Lakhs in Fiscal 2022 as compared to ₹ 5,648.33 Lakhs in Fiscal 2021. The Profit after tax increased by ₹ 2,544.47 Lakhs, or 56.29% to ₹ 7,064.91 Lakhs in Fiscal 2022 as compared to ₹ 4,520.44 Lakhs in Fiscal 2021. Total comprehensive income increased by ₹ 1,776.80 Lakhs or 40.69% to ₹ 6,143.33 Lakhs in fiscal 2022 compared to ₹ 4,366.53 Lakhs in fiscal 2021.

The standalone and consolidated financial statements for the fiscal ended March 31, 2022 forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

DIVIDEND

The Board of Directors of your company has recommended a final dividend of ₹ 3.50/- per equity share (face value of ₹ 10/- each) for fiscal 2022 entailing a cash outflow approx. ₹ 1,089/- Lakhs. The aforesaid dividend is subject to approval of shareholders at the ensuing Annual General Meeting (AGM) of the Company & is subject to tax deduction at sources as applicable.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website at www.tdps.co.in.

DIRECTORS' REPORT (CONTD.)

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (IEPF)

Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the following remittance/transfer was made by the company to IEPF during the fiscal 2022.

a) DIVIDEND REMITTED

During the year the Company transferred dividend which remained unclaimed/unpaid for a period of seven years to IEPF as below:

Year	2013-14
Nature of dividend	Final
Dividend per share	₹ 2.30/-
Date of Declaration	12.08.2014
Date of Transfer to IEPF	28.09.2021
Amount	₹ 1,456/-

b) SHARES TRANSFERRED:

During the year, the Company transferred 300 shares (on October 8, 2021) to IEPF being shares in respect of which dividend remained unclaimed for seven consecutive years from the date of declaration, in accordance with IEPF Rules.

In order to educate the shareholders and with an intent to protect their rights, the Company sends regular reminders to claim unclaimed dividends before it is transferred to IEPF. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure stipulated in the IEPF rules. No claim shall lie in respect thereof with the Company.

TDPSL EQUITY BASED COMPENSATION PLAN 2019 (PLAN)

During the fiscal 2022, 1,87,961 stock options were vested and exercised against which equivalent number of equity shares were transferred by the TDPSL Employee Welfare Trust in terms of the Plan to the respective ESOP grantees.

Further, 1,70,084 new equity shares were issued & allotted under the Plan on account of exercise of 226,760 ESAR (including 1,33,072 ESAR which were vested during fiscal 2021) by grantees.

The plan is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("Regulations"). A certificate from Secretarial Auditors' of the Company that the plan is implemented in accordance with the said Regulations has been obtained and it shall be made available at the ensuing Annual General Meeting for inspection by members. The applicable disclosure as stipulated under the Regulations with respect to the plan is disclosed in **Annexure 10** to the report and available on the website of the Company at www.tdps.co.in

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, investments and guarantees and securities provided along with the purpose for which such loan or guarantee or security is provided are as in note number 6 & 7 to the Financial Statements for the year ended March 31, 2022.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Your Company has formulated a policy on related party transactions which is available on the Company's website www.tdps.co.in. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions, in the prescribed Form AOC-2, is appended as **Annexure 2** to the Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after called as LODR / Listing Regulations) the Management Discussion and Analysis Report covering operations, performance and outlook of the Company is attached as **Annexure 8** to the Report.

CORPORATE GOVERNANCE REPORT

In terms of Regulation 34 read with Schedule V of LODR, a Report on Corporate Governance along with Compliance Certificate issued by Practicing Company Secretary is attached as **Annexure 9** and forms an integral part of this Report (herein after referred to as "Corporate Governance Report").

Note on Board evaluation, Board Diversity Policy, Training of independent directors - familiarization of directors, Whistle Blower policy/Vigil mechanism & Nomination and Remuneration policy form part of the Corporate Governance Report.

DIRECTORS' REPORT (CONTD.)

DECLARATION BY INDEPENDENT DIRECTOR

The Company has received necessary declaration from Independent Directors, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the board and separate its functions of governance and management.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of directors and other matters as required under Section 178(3) of the Companies Act, 2013 is available on the Company's website www.tdps.co.in. There has been no change in the policy since the last fiscal year. We affirm that, remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

Details of Policy on directors' appointment and remuneration form part of the Corporate Governance Report - **Annexure 9**.

SUBSIDIARIES

As on March 31, 2022, the Company has five (5) wholly owned subsidiaries - DF Power Systems Private Limited (an Indian Subsidiary), TD Power Systems (USA) Inc., in the United States of America, TD Power Systems Japan Limited, in Japan, TD Power Systems Europe GmbH in Germany and TD Power Systems Jenerator Sanayi Anonim Sirketi in Turkey. Each of the above subsidiaries are directly owned 100% by TD Power systems Limited.

During the year, the Board of Directors reviewed the affairs of the said subsidiaries every quarter. In accordance with Section 129(3) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014, the Company has prepared its consolidated financial statements including all the said subsidiaries which form part of this Report. Further, a statement containing the salient features of the financial statements of the said subsidiaries in the prescribed format Form AOC-1 is appended as **Annexure 1** to the Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated

financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website www.tdps.co.in. These documents will also be available for inspection during business hours at our registered office in Bengaluru, India.

A review of the operations of the subsidiaries is as follows:

INDIAN SUBSIDIARY

In line with the decision to scale down operations & exit completely from business, no operations were undertaken in this subsidiary during the fiscal under Report. The total Income (other Income) for the year was ₹ 15.53 lakhs comprising of Interest on deposits with bank amounting to ₹ 0.06 lakhs & exchange fluctuation of ₹ 15.47 lakhs. After accounting for other fixed costs, the earnings before interest, tax, depreciation & amortization including other income and exceptional item amounts to a profit of ₹ 4.54 lakhs. Due to an exceptional item as per note 13 to the financial statements of this Company, the profit after tax including exceptional item is ₹ 762.26 lakhs as against ₹ 820.35 lakhs in the previous year ended March 31, 2021.

Net worth of the Company as at March 31, 2022 continues to be positive owing to substantial reduction of accumulated losses.

US SUBSIDIARY

The operations of this Company during the fiscal 2022 resulted in a total revenue of ₹ 3,095.07 Lakhs as compared to ₹ 1,304.93 Lakhs in Fiscal 2021. The profit after tax for the year is ₹ 181.91 Lakhs in fiscal 2022 as compared to loss of ₹ 87.49 Lakhs in fiscal 2021. The total comprehensive income (after accounting for foreign exchange difference on translation of foreign operations) for the fiscal 2022 is ₹ 135.22 Lakhs as compared to loss of ₹ 40.16 Lakhs in fiscal 2021. During the year this subsidiary has repaid USD 50,000 towards the loan provided by the Company.

Market for TDPS Generators in North America, Central America and South America has improved compared to previous year. Overall acceptance of TDPS generators is growing and nearly complete with the major OEM's and packagers in this region. Majority are very satisfied with TDPS pricing, lead times and overall support.

Owing to the current world situation and the immense pressure due to high energy cost, some loosening is expected in some critical markets such as Oil & Gas, onshore pipelines, fracking and offshore drilling/production, meaning more opportunity for this Company.

DIRECTORS' REPORT (CONTD.)

Covid 19 concerns are on the wane and most customers are returning to the workplace in some form or another. However, owing to certain supply chain issues, the return to pre-Covid operation levels is gradual. Renewables market remains very soft with very limited new hydro projects in North America and limited Geothermal opportunities. Solar and wind not yet open to our products. Majority of Hydro activity is in rehabilitation of existing facilities and equipment, throwing up a potential opportunity going forward.

During the year, new customers were added & special project machines were also supplied by the company.

Steam and Gas markets present growth opportunities. In the ongoing year, growing Co gen projects, hydrogen plants & municipal co gen projects present good opportunities in the Steam generator market & efforts are on to maximize opportunities in these areas with captive OEM's and Packagers. In the Gas market, higher volume of approved products for mobile applications with existing customers, push for land based project with new machines and certain new projects including replacement & component work backed by new machine developments are being pursued. The Company is reporting growing activity level, with increased volume of offers going out, and it is anticipated that order in take will grow.

JAPAN SUBSIDIARY

Major activities of the Japan business continue to be conducted through the Company's Branch office at Japan. There was no operating revenue in fiscal 2022 as compared to total income of ₹ 235.49 Lakhs in fiscal 2021. The loss after tax for the fiscal was ₹ 10.88 Lakhs compared to profit of ₹ 0.02 Lakhs in fiscal 2021. The total comprehensive loss (after accounting for foreign exchange difference on translation of foreign operations) for the fiscal 2022 is ₹ 12.37 Lakhs as compared to ₹ 1.57 Lakhs in fiscal 2021.

GERMAN SUBSIDIARY

The total revenue for the fiscal 2022 was ₹ 8,766.42 Lakhs as compared to ₹ 6,900.43 Lakhs in fiscal 2021. Profit before tax is ₹ 264.71 Lakhs in fiscal 2022 as compared to ₹ 247.94 Lakhs in fiscal 2021. The total comprehensive income (after accounting for foreign exchange difference on translation of foreign operations) for the fiscal 2022 is ₹ 161.87 Lakhs as compared to ₹ 224.21 Lakhs in fiscal 2021.

The market for steam turbine generators has greatly improved and has seen an upward trend this year. The Hydro

market had a saturation this year and the turbine makers are exploring new markets for expansion. Gas and Diesel engine prototype testing has been partially completed and further testing are ongoing. The in flow of Gas engine generator order has started and an upward trend is observed.

Russia – Ukraine war did postpone several projects on the Eastern Europe. However, the market seems to be picking up. All major OEMs of Europe have been added to the customer list & the focus is now on getting more business from these existing set of customers.

TURKEY SUBSIDIARY

In Fiscal 2022 over 26 generators including 4 largest hydro generators ever supplied by TDPS in terms of size were manufactured in Turkey and supplied to Turkish Customers. The total revenue for the fiscal 2022 was ₹ 6,592.89 Lakhs in Fiscal 2022 compared to ₹ 12,549.53 Lakhs in fiscal 2021. The profit before tax in fiscal 2022 is ₹ 493.24 Lakhs as compared to ₹ 2,431.50 Lakhs in fiscal 2021. The total comprehensive loss (after accounting for foreign exchange difference on translation of foreign operations) for the fiscal 2022 is ₹ 357.10 Lakhs as compared to income of ₹ 1,686.63 Lakhs in fiscal 2021 mainly due to foreign exchange translation Loss of ₹ 752.30 Lakhs which is notional in nature due to sharp depreciation of Turkish Lira to Indian Rupee from ₹ 8.84 (TL to INR) at the beginning of the year to ₹ 5.15 (TL to INR) at the end of year, a drop of 42%.

The Incentive scheme which promoted locally made power equipment under went drastic changes, adversely affecting the returns on investments & project feasibility in turn impacting the investor sentiment.

For the ongoing year orders have been received from existing customers putting up extension projects which are eligible for the previous incentive scheme and also received a new order for a geothermal project under new incentive scheme. Due to the current policy environment in Turkey as well as other economic factors affecting the Turkish economy, the performance of this subsidiary in the ongoing financial year is likely to be subdued.

INTERNAL FINANCIAL CONTROL AND ADEQUACY

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. The Board is of the opinion that the Company's IFC is commensurate with the nature and size of

DIRECTORS' REPORT (CONTD.)

its business operations and operates effectively with no material weakness. The Company has a process in place to continuously monitor the IFC, identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to clause (c) of sub section (3) of Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- a. In the preparation of the annual accounts for the Fiscal ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Fiscal and of the profit and loss of the Company for that period;
- c. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The directors have prepared the annual accounts on a going concern basis;
- e. The directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS', COMMITTEES & MEETINGS

The details of composition of the Board and its committees is disclosed in the Report on Corporate Governance forming part of this Report. In compliance of the Companies Act, 2013 and SEBI LODR, five (5) Committees of the Board have been constituted as on March 31, 2022 i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders

Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

During the fiscal 2022, Board and Committee meetings were held as prescribed. The details of such meetings are given in the Corporate Governance Report that forms part of this Report. As prescribed by the Companies Act, 2013 the maximum gap between any two meetings of the Board did not exceed 120 days.

Pursuant to provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. K G Prabhakar (DIN: 07187463) retires by rotation at the ensuing 23rd Annual General Meeting of the Company in his place Ms S Prabhamani is proposed to be appointed as Director.

KEY MANAGERIAL PERSONNEL

Mr. Nikhil Kumar, Managing Director, Ms. M N Varalakshmi, Chief Financial Officer and Mr. N Srivatsa, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2022.

RISK MANAGEMENT

Risk Management committee has been entrusted with the responsibility of overseeing the risks that the Company faces such as strategic, commercial, safety, operations, compliance, internal control and finance, cyber risk etc. More details on risk management indicating development including identification of elements of risk and their mitigation are covered under the Management' Discussion and Analysis Report enclosed as **Annexure 8** to the Report.

AUDITORS & REPORTS

STATUTORY AUDITORS

M/s. Varma & Varma, Chartered Accountants, Bengaluru were appointed as Statutory Auditors of the Company at the 18th Annual General Meeting (AGM) held on September 27, 2017 for a period of 5 years, commencing from the conclusion of 18th AGM till the conclusion of 23rd AGM & are eligible for reappointment in terms of Section 139(2) of the Companies Act 2013 to be held in 2022.

Accordingly, the Company's Audit committee and the Board of Directors recommend the reappointment of M/s. Varma & Varma, Chartered Accountants, Bengaluru as statutory auditors of the Company for a second term of five consecutive years commencing from the conclusion of this 23rd AGM till the conclusion of 28th AGM of the Company.

The Auditors' Report on the financial statements for the fiscal 2022 does not contain any qualification, reservation or

DIRECTORS' REPORT (CONTD.)

adverse remark. There have been no instances of fraud committed against the Company by its officers or employees during the year reportable by the Auditors in terms of Section 143(12) of the Companies Act 2013.

SECRETARIAL AUDITOR

As required under Section 204 of the Companies Act, 2013 and Rules made there under, the Board appointed Mr. Sudhir V Hulyalkar, Practicing Company Secretary Bangalore, as the Secretarial Auditor for the fiscal 2022.

The Secretarial Auditors' Report for the fiscal 2022 does not contain any qualification, reservation or adverse remark nor any instances of fraud committed against the Company by its officers or employees during the year. The Secretarial Auditors' Report is enclosed as **Annexure 7** to the Report in this Annual Report.

As provided in the Listing Regulations/LODR, the certificate on corporate governance and Directors appointment and continuation on the Board of Directors forms part of the Corporate Governance Report. The certificate on corporate governance issued by Mr. Sudhir V. Hulyalkar practicing Company Secretary does not contain any qualification, reservation or adverse remark.

COST AUDITOR, COST ACCOUNTS AND RECORDS

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, M/s. Rao, Murthy and Associates, Cost Accountants, Bangalore were appointed as Cost Auditors of the Company for the fiscal 2022. In terms of Section 148 of the Companies Act 2013, the Company has maintained cost accounts for the year ended March 31, 2022 as prescribed which are subject to a Cost Audit.

DISCLOSURE

COPY OF THE ANNUAL RETURN

In accordance with Section 92(3) read with 134 (3) of the Companies Act, 2013, the Annual Return as of March 31, 2022 is made available on the website of the Company at www.tdps.co.in.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the fiscal 2022 in relation to the Conservation of Energy, Technology Absorption and Foreign

Exchange Earnings and Outgo is provided in the **Annexure 3** forming part of this Report.

BUSINESS RESPONSIBILITY REPORT (BRR)

In terms of Regulation 34(2) of the Listing Regulations as amended, the Business Responsibility Report is presented in **Annexure 11** to this Report.

PARTICULARS OF EMPLOYEES

A statement containing, inter alia, the names of top ten employees in terms of remuneration drawn and every employee employed throughout the fiscal and in receipt of remuneration of ₹ 102.00 lakhs or more and employees employed for part of the year and in receipt of remuneration of ₹ 8.50 lakhs or more per month, pursuant to Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as in **Annexure 4** to this Report.

The details of ratio of the remuneration of each whole-time Director and Key Managerial Personnel (KMP) to the median of employees' remuneration as per the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as in **Annexure 5** to this Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Board sets the Company's CSR Policy. The details of composition of CSR Committee, terms of reference and Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are as per **Annexure 6** and forms an integral part of this Report. Your Company's Corporate Social Responsibility Policy (CSR Policy) is available on the website of the Company at www.tdps.co.in.

SECRETARIAL STANDARD

The Company complies with secretarial standards on meetings of Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.

GENERAL

Your Directors state as follows :

1. No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.
2. There was no issue of equity shares with differential rights, as to voting, dividend or otherwise.
3. During the year 1,70,084 new equity shares were issued to ESAR grantees under TDPS Equity Based

DIRECTORS' REPORT (CONTD.)

- Compensation Plan 2019 and no sweat equity shares were issued.
4. There were no deposits covered under Chapter V of the Companies Act, 2013.
 5. During the year no loan has been given by the Company to the TDPSL Employee Welfare Trust for purchase of its own shares under TDPSL Equity Based Compensation Plan 2019.
 6. The Managing Director draws a part of his remuneration from TD Power Systems Europe GmbH.
 7. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.
 8. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year under review no incidents reported/occurred requiring proceedings pursuant to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.
 9. During the fiscal 2022 the Company was not required to transfer any amount to reserve.

GREEN INITIATIVE

As part of this initiative, hitherto soft copies of the Annual Report and the Notice of Annual General Meeting were sent to all members whose email addresses are registered with

the Company/Depository Participants. Physical copies of the same were sent in the permitted mode only to members whose email addresses were unavailable.

Further MCA Circular dated May 5, 2022 and SEBI Circular dated May 13, 2022 exempts companies from the provision of dispatching hard copies of annual report for this fiscal 2022, Accordingly, soft copies of the Annual Report 2022 and the Notice of the General meeting will be emailed to shareholders, However, hard copy of full annual report will be sent to those shareholders who request for the same. Members whose email id is not registered with the Company may write to investor.relations@tdps.co.in or vijayalakshmi.ananthraman@linkintime.co.in for obtaining the soft copy of the Annual Report and Notice of AGM.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the contribution and support of the employees at all levels. They also place on record their appreciation of the continued support and faith extended during the year by the Company's customers, suppliers, bankers and shareholders.

For and on behalf of the Board of Directors

Ahmedabad
August 9, 2022

Mohib N Khericha
Chairman

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ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - 1

FORM AOC - 1

Statement containing the salient features of the Financial Statements of Subsidiaries / Associate Companies / Joint Ventures

[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

Name of the Subsidiary	Amount in ₹ Lakhs				
	DF Power Systems Pvt. Ltd.	TD Power Systems (USA) Inc.	TD Power Systems Japan Ltd.	TD Power Systems Europe GmbH	TD Power Systems Generator Sanayi Anonim Sirketi
The date since when subsidiary was acquired/ Incorporated	22/09/2008	20/02/2013	19/03/2013	13/01/2016	21/06/2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA
Reporting Currency and Exchange rate as on the last date of the relevant Fiscal in the case of foreign subsidiaries	INR	USD	JPY	EURO	Turkish Lira
Share Capital	600.00	481.78	122.44	414.12	159.35
Reserves and Surplus	186.56	(1364.62)	(113.00)	285.28	1,522.82
Total Assets	851.40	2,221.48	17.95	5,099.61	2,717.02
Total Liabilities	64.84	3,104.32	8.51	4,400.21	1,034.85
Investments	0	0	0	0	0
Total Revenue	15.53	3,095.07	0	8,766.42	6,592.89
Profit/(Loss) before taxation	762.26	181.91	(9.76)	264.71	493.24
Provision for taxation	0	0	1.12	105.60	98.04
Profit/(Loss) after taxation	762.26	181.91	(10.88)	159.11	395.20
Comprehensive income	0	(46.69)	(1.49)	2.76	(752.30)
Total Comprehensive income	762.26	135.22	(12.37)	161.87	(357.10)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil
Extent of shareholding (in percentage)	100	100	100	100	100

Note: There are no subsidiaries which are yet to commence operations, liquidated or sold during the fiscal 2022.

Part "B": Associates and Joint Ventures - The Company has no Associates or Joint Ventures.

August 9, 2022

For and on behalf of the Board of Directors

Mohib N. Khericha
Chairman
Ahmedabad

Nikhil Kumar
Managing Director
Frankfurt

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE – 2

FORM AOC – 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014).

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

All the transactions made during the fiscal 2022 were at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis for the fiscal 2022 as follows:

There have been material contract/arrangement/transactions with TD Power Systems Europe GmbH, one of the wholly owned subsidiaries of the Company. The details of transactions are as follows:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, if any
TD Power Systems Europe GmbH	Sale and purchase transactions	These contracts are limited by value of transactions and have no duration	Approved limit : ₹ 1,000,000,000/- payment terms: not exceeding 180 days Advance against purchase order - Back to back basis with subsidiary company terms. Advance/Performance guarantee - Back to back with subsidiary company terms	06.08.2020	Nil

Note: The definition of material contract or transaction is not defined under the Companies Act, 2013 therefore, the Company determines materiality of its transaction with related party based on the explanation provided under regulation 23 of SEBI (Listing Obligations and disclosure requirements), Regulations 2015.

For and on behalf of the Board of Directors

August 09, 2022

Mohib N. Khericha
Chairman
Ahmedabad

Nikhil Kumar
Managing Director
Frankfurt

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE – 3

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

[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A.	Conservation of Energy	Details as on March 31, 2022
	Steps taken or impact on conservation of energy	<p>The steps towards conservation of energy were taken at both the units of the Company with optimum use of energy by replacing the high voltage tube with lesser one and applied other measures. The details of steps taken & impact at the Company's units are as follows;</p> <p>At unit 1:</p> <ul style="list-style-type: none"> - Replacing tube 72W lights with 36W LED Light fixture - Paint booth contactor replaced with drive - Ovens contactors replaced with Thyristors - Ovens timer installed for automatic cut offs. <p>With the above measures, about 44,700 units of power were saved in Unit 1 and resultant in saving cost of ₹ 4.16 lacs p.a.</p> <p>At unit 2:</p> <ul style="list-style-type: none"> - Optimization of pneumatic line, - Air compressor usage in VPI process plant - Replacing MV Lamps with LED Light fixture - Reduction in Oven Volume <p>With the above measures, about 96,400 units of power were saved in Unit II and resultant in saving cost of ₹ 9.64 lacs p.a.</p>
	Steps taken by the company for utilizing alternate sources of energy	<p>Adoption of low power consumption electric components to conserve energy such as;</p> <ul style="list-style-type: none"> - Replacement of 60 nos. of 36*2 +72W tube lights with 36W LED lights at Unit 1 - Contactors replaced VFD 2 nos. in paint booth and thyristors 6 nos. replaced in Ovens at Unit 1 - Replacing 30 nos. of 400 HPSV lamps replaced with 200 WLED high bay lamps at Unit 2
	Capital investment on energy conservation Equipment	<p>Unit-1: Capital investment ₹ 6.1 Lacs. Payback will be in 1.5 years Unit-2: Capital investment ₹ 4.2 Lakhs. Payback will be in 2.5 years</p>
B	<p>Technology Absorption</p> <p>1 Efforts made towards technology absorption</p>	<p>TDPS always put its best efforts towards technology development, assimilation and utilization of technical knowledge. The Company also undertake R&D activities in know-how optimization and improvement of product/process/systems related equipment. The unit wise technology absorption is detailed below;</p> <p>At Unit 1:</p> <ul style="list-style-type: none"> - Major Technology absorption activities are at Winding and coil section. - Implementation of induction bearing heater resulting energy saving, efficiency improvement, user friendly, rugged construction and multiple dimension jobs suitable one.

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE - 3 (CONTD.)

		<ul style="list-style-type: none"> - Induction Brazing system in winding section instead Gas Brazing. - Rotor insulation manual cutting converted to automatic cutting machine. - Installation of 2 nos. of 2 tons small cranes for lifting material earlier was done by large cranes. This has increased productivity, energy saving and reduction in process time. <p>At Unit 2:</p> <ul style="list-style-type: none"> - Rotor Stacking Robot - In-house development of rolling curing systems and electrical panel for shop-2 new Oven - Heating systems for Wind Project - In-house development of 3 nos. JIB crane for Coil Looping machine Shop-2 and Alstom - Automation of Coil Looping machine
2	Benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> - In-house Design and Development of air to air and air to water cooler used in generators from 1 MW to 55MW. - In-house design and development of lube oil system, jack oil system used for steam/Hydro machines bearing lubrication. - Design development of 250Hz 15000 kVA Generator for transformer/Reactor testing application as an import substitution.
3	In case of imported technology (imported during the last three years reckoned from the beginning of the FY),	Not applicable
	a. Technology Imported	
	b. Year of Import	Not applicable
	c. Has technology been fully absorbed	Not applicable
	d. If not fully absorbed, areas where this has not taken place, reasons thereof	Not applicable
	Expenditure incurred on Research and Development	(₹ In Lakhs)
	a. Capital	Nil
	b. Recurring	₹ 554.03
	c. Total	₹ 554.03
	d. Total R&D expenditure as a percentage of turnover	0.77%

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

C Foreign Exchange Earnings and Outgo	
Earnings in foreign Exchange [Value of Exports on FOB basis]	₹ 22,834.49 Lakhs
Export of goods calculated on FOB basis	
Royalty, Knowhow, professional and consultancy fees	₹ 305.41 Lakhs
Total	₹ 23,139.91 Lakhs
Foreign Exchange outgo (Expenditure in foreign currency)*	₹ 7,561.89 Lakhs

*Note: foreign exchange outgo includes the cost of imported raw material procured during the year, whereas in the previous year the amount disclosed was limited expenditure other than import value of raw materials.

August 09, 2022

For and on behalf of the Board of Directors

Mohib N. Khericha
Chairman
Ahmedabad

Nikhil Kumar
Managing Director
Frankfurt

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ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE – 4

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

i	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Fiscal	Name of the Director	Ratio to the Median
		Mr. Nikhil Kumar - Managing Director	31:1
ii	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Fiscal.	Name of the Director	% Increase
		Mr. Nikhil Kumar - Managing Director	Nil
		Mr. N Srivatsa - Company Secretary	6%
		Ms. M N VaraLakshmi - CFO	6%
iii	The percentage increase in the median remuneration of employees in the Fiscal.	7%	
iv	The number of permanent employees on the rolls of Company	681	
v	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Fiscal and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salary of employees (including senior management, FTE/TT, workmen, MGT etc.) was in the range of 7-8 percent. The increase in remuneration is in line with the market trends. Increase in the managerial salary for the year was 6 percent.	
vi	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

For and on behalf of the Board of Directors

Mohib N. Khericha
Chairman
Ahmedabad

Nikhil Kumar
Managing Director
Frankfurt

August 09, 2022

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE – 5

Information in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The list top of 10 employees including employees in receipt of remuneration of ₹ 1.02 crore or more per annum are as follows:

Sl. No.	Name	Designation	Educational qualifications	Experience (in year)	*Remuneration in fiscal 2022 including perks (₹ pa)	Previous employment and designation
1	Nikhil Kumar	Managing Director	Bachelor of Engineering	31 Yrs	₹ 30,791,160/-*	Kirloskar Electric Company Limited
2	Srivatsa N	Company Secretary	FCS	40 Yrs	₹ 11,946,250/-	Kingfisher Airlines Limited
3	Prabhamani S	COO	M. Tech	38 Yrs	₹ 11,183,597/-	Kirloskar Electric Company Limited
4	Ramakrishna Varna	Head - SBU 2	BE, MBA	29 Yrs	₹ 96,56,280/-	Kirloskar Electric Company Limited
5	Vinay Hegde	Head – Marketing	BE	28 Yrs	₹ 96,56,269/-	Cummins Generator Technologies Limited
6	M N Varalakshmi	CFO	ICWA	29 Yrs	₹ 95,47,958/-	Kirloskar Electric Company Limited
7	Vishwanath U Hangari	Head Design & Development	M. Tech	33 Yrs	₹ 91,89,590/-	GE India Technology Private Limited
8	Vasudeva Murthy R	Head SBU 1	M.Com	32 Yrs	₹ 91,19,079/-	Kirloskar Electric Company Limited
9	Swapnil Kaushik	Business Development -Director	Mechanical Engineering	37 Yrs	₹ 8,528,804/-	WEG Industries India Pvt. Ltd.
10	Ramesh N S	Head Technical Support	DME	36 Yrs	₹ 80,78,840/-	Kirloskar Electric Company Limited

Notes:

- *The remuneration drawn above is disclosed on standalone basis and exclusive of commission & salary paid in the subsidiary Company i.e. TD Power Systems Europe GmbH.
- The remuneration from Sr. No. 2 to 8 & 10 as stated above Includes contribution to provident fund by employer & perquisite value of ESOPs exercised during the year.

For and on behalf of the Board of Directors

Mohib N. Khericha
Chairman
Ahmedabad

Nikhil Kumar
Managing Director
Frankfurt

August 09, 2022

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE – 6

Annual Report on Corporate Social Responsibility Activities (CSR) & CSR Policy

[Pursuant to Section 135 of the Companies Act, 2013 and other applicable rules thereof]

1. Brief outline on CSR Policy of the Company

The objective of the CSR policy is directed towards sustainable efforts resulting in a meaningful action to make a positive difference to society.

In order to realign with the provisions relating to CSR under the Companies Act 2013 (Act) as amended in January 2021, the Company's CSR initiative will be as may be mandated under the Act and not intended for an activity specifically. This will impart certain flexibility to the policy from time to time. The Company shall identify activities/ initiative from time to time in compliance of Schedule VII of the Act and Rules made thereunder, amended from time to time and shall be approved by the Board of directors based on the recommendations of the CSR Committee of the Board. Accordingly, the CSR policy of your Company has been revised effective March 13, 2021. The revised policy on CSR is uploaded on the Company's website.

Under the revised CSR policy, an initiative to support Education and education related projects was commenced during the year under report. This activity is a specified activity under Schedule VII of the Companies Act 2013.

The first project chosen under this initiative is the School Readiness Program in Community Schools aimed at improving Early Childhood Education mainly in Karnataka: Bengaluru, Mangalore, Mysore. In both urban and rural India, poor quality of Early childhood Education adversely affects the overall academic performance of the child in primary and secondary years and often leads to high levels of dropouts.

The objective is to Partner with low-income schools and deliver the "School Readiness Program". This program takes a three-pronged approach to ensure collective action of all stakeholders involved i.e. the child, the teacher and the parent & will;

1. Equip the Pre-Primary Classrooms with developmentally appropriate curriculum and teaching-learning materials that are play-based, safe and contextual.
2. Build the capacity of the teachers through targeted training and one-on-one coaching.
3. Empower parents to partner in the education of their child through workshops and weekly worksheets.

In this initiative, TDPS has partnered with Key Education Foundation (KEYED), a Bangalore based NGO working to improve the quality of Early Childhood Education for children from low-income communities. KEYED is a non-profit company approved under Section 12AA and registered under Section 80 G of the Income Tax Act 1961. Keyed have conceptualized the project and commenced implementation Since June 2020.

The second project chosen under this initiative is "Educational Empowerment of Girl Children of Scavenging community". The main purpose of this project is socio-economic development of under privileged girl children in the mainstream of the society by raising their dignity through education and to make the children of the Arunthathiyar community to understand the importance of the education by providing desirable environment (Tuition centers) and schooling materials (Uniforms, school bags and other stationeries). This is in association with Give India Foundation (NGO) supporting a project- "Educational Empowerment of Girl Children of Scavenging Community" in Tirunelveli City Corporation, Tamilnadu.

The third project chosen under this initiative is "School Infrastructure and Development Project" under which Government Schools within a radius of 10 KMs from our Manufacturing facilities in Dabaspeta, Nelamangala Taluk Bengaluru Rural District have been identified for support in upgradation of infrastructure, teaching aids and student welfare activities. Significant ongoing support is proposed in this project as any support will bring immense benefit to the Students and communities around these schools.

This Project has been undertaken directly by the Company out of the approved CSR budget for FY 2022. A pilot project has been initiated and will be enlarged to cover more schools in the following financial years enabling the Company to conduct CSR activities in the vicinity of our Units.

Accordingly, during the Fiscal 2022, mandated funds were deployed on the following projects:

- a. The School Readiness program
- b. Educational Empowerment of Girl Children of Scavenging community
- c. School Infrastructure and Development Project

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE - 6 (CONTD.)

2. Composition of CSR Committee:

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	Mr. Ravi Kanth Mantha	Chairman, Non-Executive Independent Director	No meeting was held during the Fiscal 2022. Matters related to CSR were considered through circular resolutions of CSR committee	
2	Mr. Nikhil Kumar	Member, Executive Director		
3	Mr. K G Prabhakar	Member, Non-Executive Director		
4	Ms. Prathibha Sastry	Member, Non-Executive Independent Director		

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

Composition of the CSR Committee Link: <http://tdps.co.in/investor-relations/corporate-governance/board-committees/>
 CSR Policy Link: <http://tdps.co.in/csr-policy/>
 CSR Projects Link: <http://tdps.co.in/corporate-social-responsibility/>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any;

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
1	2021-22	2,06,685/-	2,06,685/-

6. Average net profit of the company as per section 135(5).

₹ 14,12,52,150/-

7. (a) Two percent of average net profit of the company as per section 135(5)

₹ 28,25,043/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

(c) Amount required to be set off for the financial year, if any

₹ 2,06,685/-

(d) Total CSR obligation for the financial year (7a+7b-7c)

₹ 26,18,358/-

8. (a) 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
10,18,503/-	15,99,855/-	25-04-2022	-----Not Applicable-----		

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE - 6 (CONTD.)

8. (b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹ lacs)	(8) Amount spent in the current financial Year (in ₹ lacs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lacs)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
1	SCHOOL READINESS PROGRAM IN COMMUNITY SCHOOLS	(ii) Promoting Education	Yes	Karnataka	Bengaluru Mangalore & Mysore	Upto 3 Years	22.00/- and may be increased further, post assessment of effectiveness	3.90/-	15.99/-	No	KEYED FOUNDATION	CSR00001663
2	SCHOOL INFRASTRUCTURE AND DEVELOPMENT PROJECT	(ii) Promoting Education	Yes	Karnataka	Bengaluru	2 years		1.28/-		Yes	Not applicable since implemented by the Company	NA
3	EDUCATIONAL EMPOWERMENT OF GIRL CHILDREN OF SCAVENGING COMMUNITY	(ii) Promoting Education	No	Tamilnadu	Tirunelveli	13 months	5.00/-	5.00/-	Nil	No	Give India Foundation	CSR00000389

8.(c)Details of CSR amount spent against other than ongoing projects for the financial year:

1 Sl. No.	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act	4 Local area (Yes/No)	5 Location of the project		6 Amount spent for the project (in Rs.)	7 Mode of implementation - Direct (Yes/No)	8 Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
-----Not Applicable-----									

(d)	Amount spent in Administrative Overheads	Not applicable
(e)	Amount spent on Impact Assessment, if applicable	Not applicable
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 1018503/-

(g) Excess amount for set off, if any - Nil

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2825043
(ii)	Total amount spent for the Financial Year	2825043
(iii)	Excess amount spent for the financial year [(ii)-(i)] (being excess transferred to unspent CSR Bank Account at the end of the year)	Nil
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - 6 (CONTD.)

9. (a) 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 ₹)	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 ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2020-21	16,09,763/-	16,09,763/-	NA			Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative Amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
1	FY31.03.2021-1	School readiness program in community school	2021	36 months	35,00,000	3,90,237	25,00,000	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

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

In fiscal 2022, the Company has spent ₹ 12,25,188/- (including ₹ 2,06,685 spent additionally in the FY 2021 and available for set off for FY 2022) on the projects as stated above and transferred ₹ 15,99,855/- lakhs to Unspent CSR Account. Since CSR projects are ongoing disbursement to implementation agencies are released on being satisfied that the expected milestone is met.

For and on behalf of the Board of Directors

Nikhil Kumar
Managing Director
Frankfurt

Ravi Kanth Mantha
Chairperson-CSR Committee
Hyderabad

August 09, 2022

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

ANNEXURE - 7

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

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

To,
The Members,
TD Power Systems Limited
Bangalore

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TD POWER SYSTEMS LIMITED (CIN: L31103KA1999PLC025071) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of 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 March 31, 2022, 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 TD Power Systems Limited ("the Company") for the financial year ended on March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (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 (No instances for compliance requirements during the year);
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, (No instances for compliance requirements during the year);
 - (g) 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; and
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, (No instances for compliance requirements during the year);

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (No instances for compliance requirements during the year)
- (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- vi. All other Labour, Employee and Industrial or factory Laws to the extent of necessary permissions, licenses, compliance mechanisms, controls and any violations noted by the respective authorities as applicable to the Company;

I have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above wherever applicable.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice were given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and with necessary compliance wherever sent at shorter period and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried through majority and recorded in the minutes and there were no dissenting views.

I further report that there are adequate systems and processes in the company commensurate with size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were following specific actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

1. During the year ended 31st March 2022, 1,70,084 Equity Shares of ₹ 10/- each were issued & allotted to the TDPSL Employee Welfare Trust (Trust) in respect of the exercise of 2,26,760 ESARs by grantees. Consequently, the paidup capital of the Company as at March 31, 2022 stands at ₹ 3,110.35 Lakhs comprising 3,11,03,498 Equity Shares of ₹ 10/- each. As per the TDPSL Equity Based Compensation Plan 2019, the said shares were transferred by the Trust to the ESAR Grantees in settlement of the ESAR'S exercised.

Bangalore
09-08-2022

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS 6040 CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040D000766118

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

Annexure to Secretarial Audit Report (Auditors Responsibility)

To,

TD Power Systems Limited
Bengaluru

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

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

Bangalore
09-08-2022

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS 6040 CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040D000766118

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MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE – 8

MANAGEMENT DISCUSSION AND ANALYSIS

In tdps we make first class generators for the world

We have 5000 plus installations in 99 countries across continents which is a testimony to our growth and worldwide acceptability as a reliable & quality Indian manufacturer of AC Generators. Our design, manufacturing and quality capabilities honed over the last two decades meet OEM/customer requirements across a spectrum of applications – Hydro, Steam, Gas, wind, Geo thermal and special applications. Our generators cater to both conventional and renewable fuel based power plants for a diverse range of prime movers with output capacities ranging from 1 MW to 200 MW for steam gasturbine, up to 35 MW for hydro, up to 20 MW for diesel, gas engines and customized rating for wind turbines.

The Highlights of the performance in fiscal 22 reflecting the strides we have taken in growing the global foot print, achieving operational growth & special efforts in design and manufacturing capabilities are as follows:

In fiscal 2022, we crossed the landmark of 5000 plus generator installations since inception in 1999. As at end of fiscal 2022, 5376 generators have been supplied to over 98 countries. Majority of the Installations are in Asia (including Eurasia) & Middle East (4183) followed by Europe (620), Africa (227) Americas (229), & Oceania (117). The representative country wise installations for each of the continents as follows reflect our global footprint:

Asia & Middle East-India (3156), Thailand (123), Russia (from Eurasia) (120), Vietnam (117), Nepal (109), Indonesia (106), Japan (81), Pakistan(62), Philippines (50), China (45) Korea (30), Iraq(27), Bangladesh(27) & Singapore(18).

Africa- Nigeria (42), Kenya (41), South Africa (28), Uganda (24).

Europe-Turkey (140), Germany (108), Norway (78), Italy (44), Austria (30), Netherlands(40), Belgium (40),United Kingdom (32), France(12).

Americas-United States (124), Central America-(39)-Costa Rica, Honduras, Nicaragua, Canada (18), Columbia (16).

Oceania-Australia (107), other countries (10) like Fiji, Solomon Islands and Nauru.

- Our Generators cater to different applications, specifications, geographical and climatic challenges which proves our design, manufacturing and quality capabilities over the years.
- A network of 57 service centers covering every continent - to ensure that a service representative who is conversant with the local language is available within 24 to 48 hours from reporting of an issue.
- A record manufacturing turnover of ₹ 70,155 lakhs clocking a growth of 47 % resulting in a profit after tax

and other comprehensive income of ₹ 5,441.49 lakhs in fiscal 2022 – an increase of over 211%.

- An impressive order book growth of 28.6% led by a robust growth of 33.70 % & 52.29% in domestic & export orders respectively.
- In fiscal 22, we received important break through orders & qualification from OEM's/Customers as follows:
 - Reputed Japanese OEM for the supply of 2 units of 32.3 MW, 11kV, 1500rpm Gas Turbine Generators for installation in Uzbekistan.
 - a leading OEM in Germany for the supply of 3 units of 24.5MW, 11kV, 600rpm Hydro Turbine Generators for a 75MW power plant which is one of the largest in Nepal.
 - A large engineering company in India for the supply of 6 units of 8.2MW, 11kV, 428rpm Vertical Synchronous motors for installation in India.
 - A renowned EPC company from Germany for supply of 1 unit of 2.519MW, 6.6kV, 1500rpm Generator for Geothermal application for installation in Australia.
 - An OEM in the USA for supply of 1 unit of 3.5MW, 6.3kV, 1500rpm Steam Turbine Generator for installation in Argentina.
 - Qualified as approved supplier for the supply of Gas Engine Generators in range of 0.8MW to 4.5MW for OEM based in Europe.
 - Qualified as approved supplier for the supply of Gas Turbine Generators for OEM based in USA.
 - Supply of 2.09MW, 6.6kV prototype Gas Engine Generator for OEM in Spain. System integration tests/Qualification with engine is planned shortly.
 - Supply of 6 units of 2.5MVA and 4 units of 3.75MVA for installation in Diving Support Vessel being built a leading PSU for the Defence sector marking our presence in marine applications.
 - Supply and Commissioning 2 units of 34MVA Generators, installed in Germany. End-user had 9 units of European make Generators and this is the first time worked with a Non-European Make Generator Supplier by choosing TDPS.
 - Supply of 4 Units of 5.6MW, 167rpm Generators to a leading power producer in Turkey. These are the largest Vertical Hydro Generators manufactured at TDPS, Turkey. All the 4 units are successfully commissioned in March-2022.
 - Continuing our growing recognition & foothold in the Turkish market, we executed breakthrough orders from locally reputed OEMs as well as global companies for steam and Hydro application generators.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

- Prestigious proto type order under execution for Indian Railways for the supply of stators for traction motors.

We continued to pursue innovative process automation initiatives like Automatic robotic stator stack welding stations, Semi-automatic connection ring insulating station, introduction of induction heating process for all brazing joints, conversion of manual Stator lead cleaning process to semi-automatic process to improve weld & insulation taping quality. These initiatives will contribute to enhanced safety, quality & productivity in the manufacturing operations.

As the country was emerging from the worst of the pandemic, a more intense second wave of COVID-19 emerged during the first quarter of fiscal 22. The Government of India, with learnings of the first wave, fast tracked the world's largest vaccination drive to counter the pandemic helping restoring normalcy earlier than anticipate denabling the economy stage a sharp recovery. With management approach focused on business continuity planning, our operations were conducted without any interruptions throughout the year. Safety and CoVid related protocol were continued in the operations including those relating to movement of work men & staff, materials & shipment of finished goods. This was particularly important to deliver on our commitments to both domestic and overseas customers.

Our opening order book for fiscal 2022 was ₹ 1,09,522 Lakhs (₹ 1,02,359 lakhs for India and ₹ 7,163 lakhs for Turkey), including traction business of ₹ 68,574. Domestic order book stood at 30% and Export including deemed exports orders stood at 70% excluding traction business. Steam, Hydro & Gas contributed 44%, 21% & 5% of the order book excluding traction business. In the overseas market, the increase in orders in the gas engine segment as well as in steam turbines coupled with improvement in the hydro market contributed to a big up tick in our executable orders in fiscal 2022. In the existing traction business, our customer returned to peak production leading to full volume & this business contributed significantly to the top line in this fiscal 2022.

The strong order book continued in this fiscal 2022 with an order inflow was ₹ 63,941 lakhs including ₹ 3,474 lakhs for the Turkey subsidiary. Our domestic orders accounted for 38%, while Export including deemed exports orders was 62% of the order inflow. Steam, Hydro, Diesel & Gas segments contributed to about 42%, 19%, 3% & 20% to our order book. Led by a strong demand from the overseas markets along with the significant up tick of order booking and sales in the domestic segment, we achieved a record manufacturing revenue ₹ 70,426 lakhs (an increase of 45%) in fiscal 2022.

While top 10 customers contributed 81% of our consolidated revenues in fiscal 2022 (86% in fiscal 2021), we continue to add new customers in Hydro (Germany), Gas (Japan) & synchronous motors (India).

In our quest to have our Generators enlisted widely, we continue to undergo audits by OEMs for supply to Defense, nuclear, wind and Diesel applications. We have been granted registration by Indian Register of shipping for supply of generators in marine application.

Fiscal 2022 witnessed an unprecedented rise in prices of steel and copper. We engaged in negotiations with our long-term customers both in India and outside with an objective to preserve the long-term relationship, not lose market share and ultimately pass on the full cost increases to the market. In this process, while we absorbed some cost increases in a few cases, full price increases were finalized with the certain customers effective last quarter of fiscal 22 which will see the full pass through of the price increases in fiscal 23.

STANDALONE BASIS

The manufacturing revenue was higher by 45% at ₹ 70,426 lakhs in fiscal 2022 as compared to ₹ 48,539 lakhs in fiscal 2021. Exports and deemed exports contributed 50% while domestic sales (including Railways business) contributed 50% of manufacturing revenues in fiscal 2022. Considering Generator business only, export & deemed export & domestic segments contributed 61% & 39% of manufacturing revenues respectively. Steam & Hydro contributed 47% & 20% of manufacturing revenue respectively in fiscal 2022 as compared to 41% & 31% in fiscal 2021 while Gas contributed 25% as against 19%. Thus, steam and hydro contributed to 92% of our revenues in fiscal 2022. Contributions from diesel, gas, wind & geo thermal applications was subdued. The traction business contributed 18% of our revenues at ₹ 12,786 lakhs in fiscal 2022 compared to ₹ 6,013 lakhs in fiscal 2021, a rise of over 112%. The project business revenues was ₹ 1,726 lakhs in fiscal 2022 as compared to ₹ 2,027 lakhs in fiscal 2021.

The total income for fiscal 2022 was ₹ 73,637.03 lakhs as compared to ₹ 51,209.93 lakhs for fiscal 2021, an increase of 43.79%. The profit after tax and other comprehensive income is ₹ 5,317.62 lakhs in fiscal 2022 as compared to ₹ 1,793.85 lakhs in fiscal 2021, an increase of 196%.

CONSOLIDATED BASIS

The manufacturing revenues are higher by 36% at ₹ 78,106.95 lakhs in fiscal 2022 as compared to ₹ 57,095.82 Lakhs in fiscal 2021. The Project business revenues decreased by 23% to ₹ 1,725.51 Lakhs in Fiscal 2022 from ₹ 2,262.61 Lakhs in Fiscal 2021 wing to subdued market conditions.

The total income item is ₹ 81,413.88 lakhs in fiscal 2022 as compared to ₹ 60,290.68 lakhs in fiscal 2021-an increase of 35%. The profit after tax including comprehensive & exceptional income is ₹ 6,143.32 lakhs in fiscal 2022 as compared to ₹ 4,366 lakhs in fiscal 2021. During fiscal 2022, a write back of ₹ 757.72 lakhs was accounted in the Indian subsidiary (DFPS) in respect of dues to certain project related

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

creditors. The said profits are after accounting for a forex translation loss of ₹ 752.30 lacs which is notional in nature in the Turkish subsidiary due to sharp depreciation of Turkish lira to Indian Rupees - from ₹ 8.84 (TL to INR) at the beginning of the year to ₹ 5.16 (TL to INR) at the end of the

year, a drop of 42%. However, it is important to note that the said subsidiary posted an actual Profit after tax of ₹ 395.20 lacs.

The performance review of the overseas subsidiaries is covered in the Directors' Report to the Members.

Key Financial Ratios

Key financial ratios as follows are for TD Power Systems Limited on standalone basis

Particulars	2022	2021	Change in %
Debtors Turnover Ratio	3.42	2.76	23.99
Inventory Turnover Ratio	4.26	3.68	15.91
Current Ratio	1.88	1.91	-1.13
Operating Profit Margin (%)	11.06	7.26	52.34
Net Profit Margin (%)*	7.57	3.50	116.32
Return on Net Worth (%)*	10.41	3.68	182.61

* Ratios change between fiscal 22 and fiscal 21 are more than 25% as defined under the SEBI Listing Regulations.

*Standalone basis

- Net Profit Margin- due to improved sales realization, cost reduction and interest cost savings.
- Return on Net worth - due to higher sales revenue & operating profits

As the Company does not have any debt on its standalone balance sheet, Debt Equity and Interest Coverage ratios are not applicable and have not been calculated.

The Company continues to remain debt free and maintains a healthy cash position.

Outlook

Despite the highly volatile situation in the global markets caused by the war in Ukraine, rising inflation and consequent interest rate increases, there is a significant increase in order inflow and pipeline in Q1 fiscal 23 compared to anytime in the past. The factors driving the order inflow are somewhat different in India compared to overseas. In India, there is a major upswing of capex cycle led by demand from steel, metals, distilleries, cement and other industrial sectors. The severe under investment in the power sector is leading to an increasing reliance on captive power plants by these industrial sectors to support their capex cycle. Power prices are at an all-time high and unless an industry has captive power, it is difficult to ensure reliability of operations. Railways is another major area where huge investments are being driven by the Government of India. We are bidding for a number of projects with our OEM partner and with our track record, we expect to capture a good slice of the market.

The export opportunities in fiscal 23 continue to be promising. The war in Ukraine has increased the focus on renewable power – waste to energy, bio mass, hydro and geo thermal. In the US, the fracking industry is staging a big revival and since we are working with both the major gas turbine manufacturers in this segment, more orders are expected from the mobile power units segment. We are well positioned to capture business in the above segments.

In addition, the market is picking up in the Hydro segment and our current order book is higher than fiscal 22 sales. All Hydro sales are 100% export & we are confident of sales growth in the hydro segment in fiscal 23. In this segment, an order has been received from a new OEM from Germany for 3 large vertical generators.

Every year more and more machines that we have supplied around the world age & require spare parts and replacement. TDPS is already seeing good orders for first half of fiscal 23 in this after-market business. Our railway customer has also increased the forecast for the current fiscal 23. Both exports and the domestic market continue to see strong pipelines. Considering the opportunities and order pipeline, we are confident of a manufacturing top line in excess of ₹ 85000 lacs in fiscal 23 including Turkish subsidiary and a project business topline of ₹ 400 lacs. It is expected that all the subsidiaries will continue to be profitable.

The full effect of price increases in this fiscal is expected to contribute to the increase in the gross contribution. Steps have been taken to secure our receivables from recent

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

weakness of the Euro negating any impact gross margins. We continue to focus on increasing the gross contribution by pricing, cost reduction and increased productivity for which an investment of about ₹ 2,200 lacs is proposed only on automation & software upgrades.

Barring unforeseen events, we expect to have a higher level of profit driven by higher top line & improved contribution in fiscal 23.

Risk Management and Mitigation

The Company's business relates to manufacture and sale of generators falling under capital goods sector and is dependent on national & global economic growth, investment climate and business confidence as well as the sectors in which the Company's products are used.

Our significant overseas presence helps us to weather the vagaries in the domestic market & we are well placed to capitalize on any upswing in domestic demand as a leading manufacturer of Generators in India. Our focus on exports and ongoing association with leading global leaders are the drivers imparting sustainability & growth for the company's operations. This will also help the Company in mitigating risk arising out of dependence on either domestic or overseas markets.

Some of the major risks being faced by the Company are described below:

Economic slowdown and market concentration

A conducive investment climate and interest rate regime, global economic and market conditions drive growth and performance of the industrial sector which forms the Company's customer base. An economic slowdown directly impacts the demand for capital goods, including the products of the Company.

Further, over dependence on any market/s may adversely affect the performance of the Company consequent to varying economic or market factors. While dominant presence has been achieved in the domestic markets, impressive strides have been taken in the overseas markets. Strategic focus over the years on marketing products in the global markets continues resulting in top notch customer references worldwide & a firm foothold in the overseas markets. In fact, we are gradually moving towards a dominant player in certain verticals in the overseas market. We have consistently grown our export base, by adding new OEM's & increased market share in existing verticals through better pricing, customization etc. and diversifying into introducing new product verticals. The Company continues to direct significant resources in growing its global footprint

to mitigate the risk of over dependence on certain countries/regions. Share of exports to the total turnover has significantly grown and provided sustainability to our revenues. The leadership in the Turkey & increasing acceptance and ordering by European customers on our Europe subsidiary reflects the success of our overseas marketing focus.

Product concentration

Steam turbine generators continue to be a major contributor of our standalone net sales year on year. Advanced technology relating to steam turbine generators or the development of steam turbine generators that prove superior in quality or effectiveness to our generator could affect our dominant market position in this segment. However, our R& D & design capabilities support technological & design upgrades to meet customer specifications & requirements.

Even though Steam generators accounted for a significant portion of the revenues, the contribution of hydro, gas and other applications is consistently growing de-risking the products mix. The continuing efforts to diversify offerings in product verticals catering to horizontal hydro generators, vertical hydro generators, diesel engine generators, wind turbine generators, gas engine generators, gas turbine generators, high voltage motors and generators for Geo thermal and Solar thermal applications enables market presence across the spectrum of generator market in India and overseas, moderates dependence on any particular industry or market segment.

While we grow our generator business across a spectrum of applications and globally, our foray into new products in the electric rotating machines as a diversification continues with a view to enlarge our product offerings.

Technology Risk

Response to and adoption of advanced technology and emerging power generation industry standards and practices on a cost-effective and timely basis is critical to sustaining and growing market reach of the Company. The Company operates in the engineered-to-order capital goods industry where product efficiency, critical product features and overall life cycle costs play an important role.

Generators are designed based on industry standards incorporating customer requirements/specifications. It is an ongoing design activity to develop generators for special applications. Technology absorption continues and orders are being received for generators with special applications and varied specifications. As a part of the technology

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

agreements, the Company receives updation of technology and processes from OEM customers. The Company's R&D effort focuses on adoption of new technology and development of superior designs enhancing performance, quality and reducing cost. Our generators are approved by reputed and leading engineering consultants, Indian Railways & defence establishments.

Competition Risk

Given the increasing exposure to overseas OEM'S, the Company continues to face competition from large overseas corporations in Europe, America and in South East. These large corporations have access and derive significant benefit of advanced technologies, greater global reach, technology or brand preference and larger financial resources enabling them to sell products at competitive prices compelling the Company to quote aggressively impacting its margins & growth of Company's market share.

With a view to mitigate this risk, the Company continues to provide value proposition to customers with products which meet the benchmark efficiencies at a competitive price and shorter delivery time. Our proven ability to meet customer specifications, quality & performance expectations across a spectrum of applications – Hydro, Steam, Gas, wind, Geo thermal and special applications has enabled us to weather competition across markets & we are gradually moving to be a dominant player in certain verticals in the overseas market. A responsive customer support policy with a network of service providers situated in vantage locations across continents has enhanced in market acceptance.

The Company continues to upgrade design capabilities by incorporating latest technologies in its products and improvements in the design of generators enabling it to offer more efficient machines meeting customer requirements from time to time. Reduction in production, distribution costs and improvement in operating efficiencies are continuously pursued enabling it to offer competitive prices. The Company prioritizes sourcing good quality raw materials and other inputs at competitive prices with high reliability in meeting delivery timelines from its supply chain.

Risk arising from transnational sale of products

In view of exports of product to several countries in various continents, there is a risk of claims from customers & third parties related to performance of product or any events arising out of the use of the product as well as non-compliance of laws in those countries.

The Company follows a strict quality control policy which ensures that products supplied must meet the contractual parameters including applicable laws. It is ensured that the contracts with customers clearly specify the obligations of the Company. In addition, the Company takes appropriate insurance coverage in respect of such risks.

Manufacturing facilities & Manpower

We have 2 manufacturing units, both located at Bangalore equipped with advanced automation/ machines which help in delivering quality products at competitive prices. One of the facilities is a dedicated large generator manufacturing unit with state-of-the-art machines and equipment. Both the manufacturing units are ISO 9001:2015 compliant. We invest in upgradations, modernization and automation of processes and design on an ongoing basis to ensure that our facilities are state of the art contributing to efficiency, quality and cost effective. Well trained and experienced manpower focus on design, planning, manufacturing & quality enabling production of top class generators for customers around the world.

Internal Control Systems and their adequacy

The Company has established adequate internal control system, commensurate with the nature of its business and size of its operations in order to ensure quality and reliability of underlying processes focused towards achieving operational efficiency, supported by Management reviews. All audit observations and follow up actions thereon are initiated for resolution by the finance function and Reported to the Audit Committee. Attention is also drawn to the statement on internal financial control in the Directors Report.

Environment, Health and Safety

The Company's environmental, occupational health and safety management systems fulfill ISO 14001-2015 and ISO 45001-2018 for OH & S Management system. Our operations incorporate due care and responsibility towards environment, health and safety of employees, customers, suppliers and the community in large and is a zero-discharge facility. In fulfilling this commitment, we maintain and continually improve all our process and complying with legal and other requirements, in order to

- a. Ensure safety and Health of our employees, associated stakeholders and focus on how to make the world a better place to live.
- b. Comply with all applicable legal Safety and Health performance of individuals at different levels while

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

considering their career advancement in the organization.

- c. Enhance Safety, Health and Environment (SHE) awareness amongst employees and associated stakeholders through effective communication and training.
- d. Ensure SHE responsibility amongst all the employees in their practices, promote and value their involvement in achieving the goals of this policy.
- e. Fix responsibility of SHE policy and procedures on the contractors, Sub-Contractors, Transporters and all other agencies operating with the Company.
- f. Integrate Health & Safety in all decision-making processes of the company including those dealings with purchase of plant equipment, machinery & materials as well as selection and placement of personnel.

Adopt all the relevant techniques & methods such as risk assessment and safety audits at appropriate intervals of time to assess the status on Quality, Environment and Health & Safety and take relevant remedial measures to overcome problems encountered.

Human Resources

Continuous skill development and enhancement is important for the Company with its focus on quality & export markets. The Company is committed to training, skilling and up skilling its work force on an ongoing basis which ensures that its work force is able to adopt evolving technologies, processes and techniques.

Over 40 training / awareness & management development programs were conducted covering various aspects in manufacturing process Safety, quality and statistical analysis, testing & design correlation, basic electrical concepts in generator design, statistical process control & applications, lead management, maintenance of material movement equipment, finance, prevention of sexual harassment (POSH), communication skills, Safety, waste handling and disposal covering the entire spectrum of employees.

The Company believes in equal opportunity in recruitment and in the course of the employment among employees regardless of color, race, gender, social origin, caste or religion. Efforts are continuously made to create an inclusive

working environment for women and to integrate them in organizational functions. Women employees are continuously encouraged and supported to take new roles of responsibility ensuring career growth and retention. Recruitment & technical training of women in manufacturing operations is pursued on an ongoing basis. Crucial functions in the Company like Chief of operations, Finance, HR & Procurement are helmed by women leaders.

The Company firmly believes that every woman employee of the Company has a right to work in an environment free from sexual harassment, intimidation or offensive behavior and in which issues of harassment will be resolved without fear of reprisal. In this direction a Policy on prevention/prohibition of sexual harassment of woman at Company's workplace ("Policy") is in place to take effective measures to avoid and eliminate and if necessary to impose punishment for any sexual harassment in the Company's work place integrated with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company's leadership engages affirmatively in employee development and engagement activities such as involvement in the 'Corporate Responsibility' initiatives, active participation of work force in safety initiatives, quality improvement programs, language skills, leadership development programs, training programs and training under license agreements, on an ongoing basis. Employee relations continue to remain peaceful and cordial. At end of fiscal 2022, the total strength of employees, including permanent, contract basis and trainees stood at 1199.

The Company continues to reinforce the Code of Business Conduct across functions/workforce. In order to enhance communications and to create a congenial environment, the organizational leadership and the shop floor employees of the company have invested significant amount of time and effort.

FORWARD-LOOKING STATEMENT

Statements in the Management Discussion and Analysis describing the Company's plans, estimates and projections may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results may materially differ from those expressed or implied in the report. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)
Financial Review
Consolidated basis

The results of operations for the year ended March 31, 2022 and 2021 on a consolidated basis is as follows:

Particulars	Fiscal 2022		Fiscal 2021	
	(₹ in Lakhs)	% of Total Income	(₹ in Lakhs)	% of Total Income
Income:				
Sales	79,742.46	97.95%	59,358.43	98.45%
Other Income	1,671.42	2.05%	932.25	1.55%
Total Income	81,413.88	100.00%	60,290.68	100.00%
Expenditure:				
Consumption of Raw Material, Stores, Spare parts and Components	56,047.33	68.84%	38,587.15	64.00%
Purchases for Project Business	940.96	1.16%	1,002.01	1.66%
Operating and Other Expenses	13,566.14	16.66%	13,174.40	21.85%
Interest and Finance Charges	205.70	0.25%	446.54	0.74%
Depreciation Amortization of Technical Knowhow	2,203.96	2.71%	2,149.76	3.57%
Total Expenditure	72,964.09	89.62%	55,359.86	91.84%
Profit Before Tax & Exceptional item	8,449.79		4,930.82	-
Exceptional item	757.72		717.51	-
Profit Before Tax	9,207.51		5,648.33	-
Provision for Taxation	1,977.59		1,150.51	-
Deferred Tax	165.01		(22.62)	-
Profit/(Loss) After Tax	7,064.91		4,520.44	-
Other Comprehensive Income				
Exchange difference on translation of foreign operations	(858.48)		(255.78)	-
Re-measurement of defined benefit plans	(84.34)		136.13	-
Deferred tax on the above	21.23		(34.26)	-
Total	(921.59)		(153.91)	-
Total Comprehensive Income	6,143.32		4,366.53	-

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Fiscal 2022 compared to Fiscal 2021

INCOME

Total income increased by ₹ 21,123.20 Lakhs, or 35.04%, to ₹ 81,413.88 Lakhs in fiscal 2022 from ₹ 60,290.68 Lakhs in fiscal 2021.

SALES

Sales increased by ₹ 20,384.03 Lakhs, or 34.34%, to ₹ 79,742.46 Lakhs in fiscal 2022 from ₹ 59,358.43 Lakhs in fiscal 2021, predominantly due to increased sales volume in manufacturing business.

Sales from our manufacturing business increased by ₹ 20,921.13 Lakhs, or 36.64%, to ₹ 78,016.95 Lakhs from ₹ 57,095.82 Lakhs & contributed 95.83% and 94.70% of our Total Income in fiscal 2022 and 2021, respectively.

However, Sales from our project business decreased by ₹ 537.10 Lakhs, or 23.74%, to ₹ 1,725.51 Lakhs from ₹ 2,262.61 Lakhs & contributed 2.12% and 3.75% of our Total Income in fiscal 2022 and 2021, respectively due to subdued market opportunities.

The contribution of Sales as a percentage of total income was 97.95% in fiscal 2022 as compared to 98.45% in fiscal 2021 mainly due to increase in other Income.

OTHER INCOME

Other income increased by ₹ 739.17 Lakhs, or 79.29%, to ₹ 1,671.42 Lakhs from ₹ 932.25 Lakhs & contributed 2.05% and 1.55% of our total income in fiscal 2022 and 2021, respectively, mainly due to higher gains of ₹ 750.54 lakhs from foreign currency hedging in fiscal 2022.

EXPENDITURE

Total expenditure increased by ₹ 17,604.23 Lakhs, or 31.80%, to ₹ 72,964.09 Lakhs in fiscal 2022 from ₹ 55,359.86 Lakhs in fiscal 2021.

CONSUMPTION OF RAW MATERIAL, STORES, SPARE PARTS AND COMPONENTS

Consumption of raw material, stores, spare parts and components expenses increased by ₹ 17,460.18 Lakhs, or 45.25% to ₹ 56,047.33 Lakhs in fiscal 2022 from ₹ 38,587.15 Lakhs in fiscal 2021, primarily due to higher manufacturing volumes & unprecedented rise in material cost & as a percentage of total income it contributed 68.84% in fiscal 2022 compared to 64.00% in fiscal 2021.

PURCHASES FOR PROJECT BUSINESS

Purchases for Project Business including Japan Subsidiary decreased by ₹ 61.05 Lakhs, or 6.09%, to ₹ 940.96 Lakhs in

fiscal 2022 from ₹ 1,002.01 Lakhs in fiscal 2021 due to lower business volumes.

OPERATING AND OTHER EXPENSES

Operating and other expenses increased by ₹ 391.74 Lakhs, or 2.97%, to ₹ 13,566.14 Lakhs from ₹ 13,174.40 Lakhs but as a percentage of total income it was lower by 5.15% i.e. 16.66% in fiscal 2022 compared to 21.85% in fiscal 2021 respectively.

Some of the notable increases in the costs were on account of the following:

Manufacturing expenses increased by ₹ 91.22 Lakhs, or 68.53%, to ₹ 224.32 Lakhs in fiscal 2022 from ₹ 133.10 Lakhs in fiscal 2021 due to increase in production volumes.

Power and fuel expenses increased by ₹ 116.99 Lakhs, or 16.43%, to ₹ 828.98 Lakhs in fiscal 2022 from ₹ 711.99 Lakhs in fiscal 2021 on account increased volume of production.

Personnel expenses through salaries, wages and bonuses increased by ₹ 86.65, or 1.42%, to ₹ 6,182.77 Lakhs in fiscal 2022 from ₹ 6,096.12 Lakhs in fiscal 2021 on account of salary revisions & additional manpower to meet increased production.

Welfare expenses increased by ₹ 103.58 Lakhs, or 9.15%, to ₹ 1,235.87 Lakhs in fiscal 2022 from ₹ 1,132.29 Lakhs in fiscal 2021 due to increased resumption of operations post CoVid, higher transport and canteen expenses.

Repair expenses increased by ₹ 48.03 Lakhs, or 14.45%, to ₹ 380.51 Lakhs in fiscal 2022 from ₹ 332.48 Lakhs in fiscal 2021 due to refurbishment and maintenance of plant and machinery.

Insurance expenses increased by ₹ 22.85 Lakhs, or 23.36%, to ₹ 120.65 Lakhs in fiscal 2022 from ₹ 97.80 Lakhs in fiscal 2021 mainly due to additions to plant & machinery and Stocks.

Selling expenses increased by ₹ 79.38 Lakhs, or 6.10%, to ₹ 1,379.88 Lakhs in fiscal 2022 from ₹ 1,300.50 Lakhs in fiscal 2021 due to increase in sales volumes, higher freight & insurance costs relating mostly to export sales.

Travelling expenses increased by ₹ 108.26 Lakhs, or 16.24%, to ₹ 774.98 Lakhs in fiscal 2022 from ₹ 666.72 Lakhs in fiscal 2021 due to increased business travel post relaxation of Covid 19 restrictions and quarantine requirements.

Consultancy and Professional charges increased by ₹ 81.76 Lakhs, or 23.00%, to ₹ 437.20 Lakhs in fiscal 2022 from ₹ 355.44 Lakhs in fiscal 2021.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Royalty charges increased by ₹ 11.43 Lakhs, or 171.62%, to ₹ 18.09 Lakhs in fiscal 2022 from ₹ 6.66 Lakhs in fiscal 2021 due to sale of product under license agreement.

Direction charges including other expenses increased by ₹ 100.33 Lakhs, or 21.03%, to ₹ 577.34 Lakhs in fiscal 2022 from ₹ 477.01 Lakhs in fiscal 2021.

Rates and taxes decreased by ₹ 118.61 Lakhs, or 68.74% to ₹ 53.93 Lakhs in fiscal 2022 from ₹ 172.54 Lakhs in fiscal 2021

Software expenses increased by ₹ 31.55 Lakhs, or 15.14% to ₹ 239.99 Lakhs in fiscal 2022 from ₹ 208.44 Lakhs in fiscal 2021 due to renewal of AMC's and new software acquisition.

INTEREST AND FINANCE CHARGES

Interest and finance charges decreased by ₹ 240.84 Lakhs, or 53.93%, to ₹ 205.70 Lakhs in fiscal 2022 from ₹ 46.54 Lakhs in fiscal 2021, due to reduced interest cost on account of FCNR denominated working capital loans.

DEPRECIATION AND AMORTIZATION OF TECHNICAL KNOW-HOW

Depreciation and amortization of technical know-how expense increased by ₹ 54.20 Lakhs, or 2.52%, to ₹ 2,203.96 Lakhs in fiscal 2022 from ₹ 2,149.76 Lakhs in fiscal 2021 due to additions to capitalization.

PROFIT BEFORE TAX AND EXCEPTIONAL ITEM

Profit before tax and exceptional items was higher by ₹ 3,518.97 Lakhs, or 71.37% at ₹ 8,449.79 Lakhs in fiscal 2022

compared to ₹ 4,930.82 Lakhs in fiscal 2021 on the back of profits in the Holding and subsidiaries.

EXCEPTIONAL ITEM

Exceptional item includes certain write back of creditors in the Indian subsidiary amounting to ₹ 757.72 lakhs in fiscal 2022 as compared to ₹ 717.51 in fiscal 2021.

PROFIT BEFORE TAX

Profit before tax was higher by ₹ 3,559.18 Lakhs, or 63.01%, at ₹ 9,207.51 Lakhs in fiscal 2022 compared to ₹ 5,648.33 Lakhs in fiscal 2021.

TAXATION

Tax expense increased by ₹ 1,014.71 Lakhs, or 89.97%, to ₹ 2,142.60 Lakhs in fiscal 2022 from ₹ 1,127.89 Lakhs in fiscal 2021 due higher profits in the holding Company and Europe & Turkey subsidiaries.

PROFIT AFTER TAX

Profit after tax was higher by ₹ 2,544.47 Lakhs, at ₹ 7,064.91 Lakhs in fiscal 2022 compared to ₹ 4,520.44 Lakhs in fiscal 2021.

The consolidated net worth stands at ₹ 52,716.43 Lakhs i.e. an increase of ₹ 5,648.79 Lakhs over fiscal 2021.

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MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Stand-alone basis

The results of operations for the year ended March 31, 2022 and 2021 on a standalone basis is as follows:

Particulars	Fiscal 2022		Fiscal 2021	
	(₹ in Lakhs)	% of Total Income	(₹ in Lakhs)	% of Total Income
Income:				
Sales	71,880.55	97.61%	49,941.43	97.52%
Other Income	1,756.48	2.39%	1,268.50	2.48%
Total Income	73,637.03	100.00%	51,209.93	100.00%
Expenditure:				
Consumption of Raw Material, Stores, Spare parts and Components	50,749.97	68.92%	33,649.25	65.71%
Purchases for Project Business	940.96	1.28%	778.32	1.52%
Operating and Other Expenses	12,237.37	16.62%	11,888.09	23.21%
Interest and Finance Charges	205.70	0.28%	445.85	0.87%
Depreciation and Amortization of Technical Knowhow	2,123.70	2.88%	2,096.83	4.08%
Total Expenditure	66,257.70	89.98%	48,858.34	95.41%
Profit Before Tax	7,379.33		2,351.59	-
Current Tax	1,772.83		626.46	-
Deferred Tax	165.01		(22.62)	-
Profit After Tax	5,441.49		1,747.75	-
Other Comprehensive Income			-	-
Exchange difference on translation of foreign operations	(60.76)		(55.77)	-
Re-measurement of defined benefit plan	(84.34)		136.13	-
Current tax on the above	21.23		(34.26)	-
Total	(123.87)		46.10	-
Total Comprehensive Income	5,317.62		1,793.85	-

Fiscal 2022 compared to Fiscal 2021**INCOME**

Total income was higher by ₹ 22,427.10 Lakhs, or 43.79%, at ₹ 73,637.03 Lakhs in fiscal 2022 compared to ₹ 51,209.93 Lakhs in fiscal 2021, predominantly due to increase in sales volume in manufacturing business.

TOTAL SALES

Sales increased by ₹ 21,939.12 Lakhs, or 43.93%, to ₹ 71,880.55 Lakhs in fiscal 2022 from ₹ 49,941.43 Lakhs in fiscal 2021 contributing 97.61% of total income in fiscal 2022 versus

97.52% in fiscal 2021 predominantly led by higher sales volume from manufacturing business.

Sales from manufacturing business increased by ₹ 22,240.75 Lakhs, or 46.42%, to ₹ 70,155.04 Lakhs from ₹ 47,914.29 Lakhs contributing 95.27% and 93.56% of our Total Income in fiscal 2022 and 2021, respectively.

However, Sales from project business decreased by ₹ 301.63 Lakhs, or 14.88%, to ₹ 1,725.51 Lakhs from ₹ 2,027.14 Lakhs contributing 2.34% and 3.96% of our total Income in fiscal 2022 and 2021, respectively due to subdued market opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

OTHER INCOME

Other income increased by ₹ 487.98 Lakhs, or 38.47%, to ₹ 1,756.48 Lakhs from ₹ 1,268.50 Lakhs contributing 2.39% and 2.48% of our total income in fiscal 2022 and 2021 respectively, mainly due to higher gains of ₹ 750.54 lakhs in fiscal 2022 from hedging of foreign currency.

EXPENDITURE

Total expenditure increased by ₹ 17,399.36 Lakhs, or 35.61%, to ₹ 66,257.70 Lakhs in fiscal 2022 from ₹ 48,858.34 Lakhs in fiscal 2021.

CONSUMPTION OF RAW MATERIAL, STORES, SPARES PART AND COMPONENTS

Consumption of raw material, stores, spare parts and components increased by ₹ 17,100.72 Lakhs, or 50.82% to ₹ 50,749.97 Lakhs in fiscal 2022 from ₹ 33,649.25 Lakhs in fiscal 2021, primarily due to increase in sales volume & as a percentage of total income it amounts to 68.92% in fiscal 2022 from 65.71% in fiscal 2021, led by an unprecedented increase in input costs.

PURCHASES FOR PROJECT BUSINESS

Purchases for project business decreased by ₹ 162.64 Lakhs, or 20.90%, to ₹ 940.96 Lakhs from ₹ 778.32 Lakhs in fiscal 2021, due to lower sales volumes & as a percentage of total income it accounted for 1.28% of total income in fiscal 2022 compared to 1.52% in fiscal 2021.

OPERATING AND OTHER EXPENSES

Operating and other expenses increased by ₹ 349.28 Lakhs, or 2.94%, to ₹ 12,237.37 Lakhs from ₹ 11,888.09 Lakhs & expressed as a percentage of total income, it accounted for 16.62% & 23.21% of total income of fiscal 2022 & fiscal 2021 respectively.

Some of the notable increases in the costs were on account of the following:

Manufacturing expenses increased by ₹ 89.89 Lakhs, or 67.54%, to ₹ 222.99 Lakhs in fiscal 2022 from ₹ 133.10 Lakhs in fiscal 2021 due to increased production.

Power and fuel expenses increased by ₹ 116.99 Lakhs, or 16.43%, to ₹ 828.98 Lakhs in fiscal 2022 from ₹ 711.99 Lakhs in fiscal 2021 on account of increased production.

Personnel expenses through salaries, wages and bonuses increased by ₹ 72.26 Lakhs, or 1.28%, to ₹ 5,702.06 Lakhs in fiscal 2022 from ₹ 5,629.80 Lakhs in fiscal 2021 on account of salary revisions & additional manpower to meet increased

production. Welfare expenses increased by ₹ 136.27 Lakhs, or 13.23%, to ₹ 1,166.21 Lakhs in fiscal 2022 from ₹ 1,029.94 Lakhs in fiscal 2021 due to increased resumption of operations post CoVid, higher transport and canteen expenses.

Repair expenses increased by ₹ 45.23 Lakhs, or 13.66%, to ₹ 376.23 Lakhs in fiscal 2022 from ₹ 331.00 Lakhs in fiscal 2021 due to refurbishment and maintenance of plant and machinery.

Insurance expenses increased by ₹ 23.34 Lakhs, or 34.31%, to ₹ 91.36 Lakhs in fiscal 2022 from ₹ 68.02 Lakhs in fiscal 2021 mainly due to additions to plant & machinery and Stocks.

Selling expenses increased by ₹ 81.06 Lakhs, or 6.25%, to ₹ 1,377.97 Lakhs in fiscal 2022 from ₹ 1,296.91 Lakhs in fiscal 2021 due to increase in sales volumes, higher freight & insurance costs relating mostly to export sales.

Travelling expenses increased by ₹ 113.42 Lakhs, or 17.99%, to ₹ 743.72 Lakhs in fiscal 2022 from ₹ 630.30 Lakhs in fiscal 2021 due to relaxing in quarantine restriction compared to fiscal 2021 due to Covid.

Consultancy & Professional charges increased by ₹ 36.68 Lakhs, or 14.11%, to ₹ 296.65 Lakhs in fiscal 2022 from ₹ 259.97 Lakhs in fiscal 2021.

Royalty charges increased by ₹ 11.43 Lakhs, or 171.62%, to ₹ 18.09 Lakhs in fiscal 2022 from ₹ 6.66 Lakhs in fiscal 2021 due to sale of product under license agreement.

Direction charges including other expenses decreased by ₹ 70.07 Lakhs, or 17.02%, to ₹ 341.65 Lakhs in fiscal 2022 from ₹ 411.72 Lakhs in fiscal 2021.

Software expenses increased by ₹ 31.55 Lakhs, or 15.14%, to ₹ 239.99 Lakhs in fiscal 2022 from ₹ 208.44 Lakhs in fiscal 2021 due to renewal of AMC's and new software acquisition.

INTEREST AND FINANCE CHARGES

Interest and finance charges decreased by ₹ 240.15 Lakhs, or 53.86%, to ₹ 205.70 Lakhs in fiscal 2022 from ₹ 445.85 Lakhs in fiscal 2021, due to reduced interest cost on account of FCNR denominated working capital loans.

DEPRECIATION AND AMORTIZATION OF TECHNICAL KNOW-HOW

Depreciation and amortization of technical know-how expense increased by ₹ 26.87 Lakhs, or 1.28%, to ₹ 2,123.70 Lakhs in fiscal 2022 from ₹ 2,096.83 Lakhs in fiscal 2021.

PROFIT BEFORE TAX

Profit before tax was higher by ₹ 5,027.74 Lakhs, or 213.80%, to ₹ 7,379.33 Lakhs in fiscal 2022 from ₹ 2,351.59 Lakhs in fiscal 2021

TAXATION

Tax expense including deferred tax increased by ₹ 1,334.00 Lakhs, or 220.92%, to ₹ 1,937.84 Lakhs in fiscal 2022 from ₹ 603.84 Lakhs in fiscal 2021 due higher profits.

PROFIT AFTER TAX

Profit after tax increased by ₹ 3,693.74 Lakhs to ₹ 5,441.49 Lakhs in fiscal 2022 from ₹ 1,747.75 Lakhs in fiscal 2021 due higher profit.

Net worth stands at ₹ 52,265.72 Lakhs i.e. an increase of ₹ 4,823.09 Lakhs over fiscal 2021.

For and on behalf of Board of Directors

Mohib N Khericha
Chairman
Ahmedabad

Nikhil Kumar
Managing Director
Frankfurt

M N Varalakshmi
Chief Financial Officer
Bangalore

N Srivatsa
Company Secretary
Bangalore

August 09, 2022

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ANNEXURE - 9

CORPORATE GOVERNANCE REPORT

Company's Philosophy

Your Company i.e. TD Power Systems Limited (“we”)/ (“The Company”)/ (“TDPS”) is committed to ethical business practices and regulatory compliances and continues to practice good Corporate Governance. We have complied with the requirements of corporate governance contained in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations/LODR), particularly those relating to composition of Board of Directors (“The Board”), constitution of Committees such as an Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee & Risk Management Committee.

Our Corporate Governance Report for fiscal 2022 forms part of this Annual Report.

I. Board of Directors and Procedures

The composition of the Board of Directors as on March 31, 2022 comprised of six directors consisting of a Non-Executive Chairman, a Managing Director (“MD”), a Non-Executive Non-Independent Director and three Independent Directors including a Women Director. The positions of the Chairman of the Board and the Managing Director (Chief Executive Officer) of the Company are held by separate individuals. The Chairman of the Board is a Non-Executive Non-Independent Director and one of the Promoters of the Company.

A. Composition & Category of Directors, Attendance at Board Meetings & Annual General Meeting, Membership of other Boards / Committees as of March 31, 2022:

Name	Category	Board Meeting entitled or held during the tenure	Board meetings attended during the tenure	Attendance at Last AGM	*Directorship in companies including (Pls refer note 2)	Chairmanship/ Committee membership in other Companies	
						Chairman	Member
Mr. Mohib N. Khericha	Non-Executive Chairman	4	4	Yes	7	2	5
Mr. Nikhil Kumar	Managing Director	4	4	Yes	4	Nil	Nil
Mr. Nithin Bagamane	Independent Director	4	4	Yes	4	1	2
Mr. Ravi Kanth Mantha	Independent Director	4	4	No	8	Nil	1
Ms. Prathibha Sastry	Independent Director	4	4	Yes	1	Nil	2
Mr.K G Prabhakar	Non-Executive Non Independent Director	4	4	Yes	2	Nil	Nil

*** Directorship:**

- I Mr. Mohib N Khericha holds directorship (including TDPS) in five public companies and two private companies.*
- ii Mr. Nikhil Kumar holds directorship (including TDPS) in two public Companies and two private companies.*
- iii Mr. Nithin Bagamane holds directorship in a public Company i.e., TDPS and three private companies.*
- iv Mr. Ravi Kanth Mantha holds directorship ((including TDPS) in two public Companies and six private companies.*
- v Mr. K G Prabhakar holds directorship (including TDPS) in two public Companies.*

Notes:

1. As required under Regulation 26 of the LODR, disclosure considers chairpersonship (in Listed Companies) and membership of the Audit Committee & Stakeholders' Relationship Committee of Public Limited companies.
2. Number of Directorship held in Companies includes public (listed/unlisted) Limited Companies and private limited companies and excludes Foreign Companies and Companies under Section 8 of the Companies Act, 2013 (“The Act”) in which he/she is a Director.
3. The necessary disclosure regarding change in Committee positions, if any, have been made by all the

CORPORATE GOVERNANCE REPORT (CONTD.)

Directors, during the year under review. None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees across all Indian Listed public limited Companies in which he/she is a Director.

4. None of the Directors had any relationship inter-se.
5. Mr. Mohib N. Khericha and Mr. K G Prabhakar being Non-Executive Director holds 38,30,960 and 4,500 Equity Shares of the Company respectively.
6. The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company.
7. None of the Non-executive Directors held convertible instruments of the Company during the fiscal 2022.

A(i). Details of directorship of Board Members in other listed entities:

Sl. No.	Particulars	Name of other listed entity	Category
1	Mr. Mohib N. Khericha	Chartered Capital and Investment Limited	Managing Director
		Mazda Limited	Independent Director

Note: Except the above, none of the directors of TDPS holds directorship in any other listed entity as of March 31, 2022.

B. Board Meetings

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. During the year, the Board met four times on May 19, 2021, August 12, 2021, November 10, 2021 and January 27, 2022. The maximum gap between any two Board Meetings was less than one hundred and twenty days. Agenda papers and minutes of Board meetings were circulated to directors. It contains vital and adequate information facilitating deliberations at the meetings.

All material information was circulated to the directors before the meetings or placed at the meetings, including the following minimum information as mentioned in the Part B of Schedule II of LODR, as and when occasion arises:

Annual Business Plan which includes capital expenditure and manpower budget. The capital expenditure proposals sanctioned and actual amounts incurred are Reported on a quarterly basis.

Reasons for variance between the budget and actuals are also explained.

Information on recruitment of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary if any.

Report on statutory compliance, show cause notices, penalties, suits filed by/against the company and shareholders grievances, etc.

Quarterly financial results for the Company and for the group companies with analysis of performance.

Minutes of the meetings of Committee of the Board of Directors.

Significant labor problems, if any, and their proposed solutions, wage agreements etc.

Safety issues - fatal or serious accidents in the plants, dangerous occurrences, any material effluent or pollution problems if any.

Any material default in financial obligations if any to and by the Company.

Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

Matters relating to related party transactions and statutory compliance.

Minutes of meeting of the Board of Directors, financial statements and significant transactions relating to wholly owned subsidiaries.

C. Code of Conduct

The Company has in place a comprehensive Code of Conduct ("the Code") applicable to all the employees and Non-executive Directors including Independent Directors. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been placed on the Company's website (www.tdps.co.in). The Code has been circulated to Directors and Management Personnel and its compliance is affirmed by them annually. A declaration signed by the Managing Director forms part of this Report. The code of conduct has incorporated the duties of independent directors as laid down in the Companies Act, 2013.

CORPORATE GOVERNANCE REPORT (CONTD.)

D. Disclosure regarding Appointment or Reappointment of a Director

I. Mr. K G Prabhakar (DIN: 07187463) retires by rotation:

Pursuant to provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. K G Prabhakar (DIN: 07187463) retires by rotation at the ensuing 23rd Annual General Meeting of the Company in his place Ms S Prabhamani is proposed to be appointed as Director.

Ms. S Prabhamani holds 51,195 Equity Shares of the Company. She does not have any relationship inter-se other directors. A brief profile of Ms S Prabhamani is stated in the notice of ensuing Annual General Meeting of the Company.

E. Independent Directors

1. Independent Director means a Non-Executive Director, who fulfills the criteria as laid down in Regulation 16 read with regulation 25 of the LODR.
2. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies.
3. The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.
4. During the year, separate meeting of the Independent Directors was held on February 22, 2022 without the attendance of non-independent directors and members of the management. All Independent Directors attended the said meeting.
5. The Company issues formal letter of appointment to its Independent Directors and the terms and conditions of said Letter are published on the website of the Company www.tdps.co.in.

F. Familiarization Programme for Non-Executive/ Independent Directors of the Company

In terms of LODR, the Company adopted a Familiarization Programme for its Non-Executive Directors including Independent Directors comprising two segments:-

1. Familiarization upon induction of new Directors

Inductee was provided with a copy of all the applicable codes and policies formulated and adopted by the Company.

An orientation on the Company's, products, markets, customers and functions.

Introduction to and interaction with certain key members of the senior management of the Company.

A detailed briefing to the inductee on the roles and responsibilities as Director/Independent Director.

2. Annual Familiarization Programme

On an annual basis, the Company brief its Directors inter alia about the Company's business model, shareholder profile, financial details, their roles, rights and responsibilities in the Company. The Board is also be periodically briefed on the various changes in the regulations governing the conduct of Independent Directors. The above familiarization program is placed on our website <https://tdps.co.in/corporate-governance/>

CORPORATE GOVERNANCE REPORT (CONTD.)

G. Skills, expertise and competence of Directors

The table given below described the core skill, expertise and competence of directors of the Company as required and possessed in the context of operations of the Company:

Particulars	List of core Skills/Expertise/Competencies identified by the Board				
	Planning	Finance & Taxation	Legal	Administration	Technical
Mr. Mohib N Khericha	✓	✓	✓	✓	✓
Mr. Nikhil Kumar	✓	✓	✓	✓	✓
Mr. K G Prabhakar	✓	✓	✓	✓	✓
Mr. Nithin Bagamane	✓	✓	✓	✓	✓
Mr. Ravi K Mantha	✓	✓	-	✓	-
Ms. Prathibha Sastry	✓	✓	-	✓	-

Note: The mark is allocated based upon their competencies in the respective areas as stated above. However, in view of the experience and current positions in respective business, the directors possess working knowledge in all the aforesaid areas.

H. Board Evaluation

The Board monitors and reviews the Board evaluation framework. The board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of executive/non-executive/independent directors. The questionnaire of the survey is a key part of the process of reviewing the functions and effectiveness of the board and identifying possible path for improvement. Each Board member is requested to evaluate the effectiveness of the board dynamics and relationship, information flow, decisions making of the directors, relationship with the stakeholders, company performance and strategy, and the effectiveness of the whole board and its various committees. Feedback on each director is encouraged. The evaluation process for fiscal 2022 has been completed.

An independent directors' meeting was held to review the following:

Review the performance of non-independent directors and the Board as a whole.

Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.

Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

I. Remuneration of Directors

There is no pecuniary relationship or transactions with the non-executive directors excepting payment of sitting fees which is paid for attending Board/Committee Meetings. The sitting fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. No commission/share of profit is payable to them.

Disclosures with respect to remuneration paid to Individual Directors

i) Details of the remuneration (sitting fee) to Non-executive Directors for the year ended March 31, 2022:

(₹ in Lakhs)

Name	Mohib N. Khericha	Nithin Bagamane	KG Prabhakar	Prathibha Sastry	Ravi K Mantha
Sitting fee	4.40	4.40	2.00	3.80	3.20

ii) Details of the remuneration to Executive Director (Managing Director) for the year ended March 31, 2022:

(₹ in Lakhs)

Name	Salary & Allowances	Employer PF contribution	Perquisites	Commission	Service Contract/Tenure	Notice Period	Severance fees	Stock options
Nikhil Kumar	172.42	16.36	0.40	118.74*	5 Years	Nil	Nil	Nil

*Note: The remuneration drawn above is disclosed on standalone basis and exclusive of commission & salary paid in the subsidiary Company i.e. TD Power Systems Europe GmbH.

CORPORATE GOVERNANCE REPORT (CONTD.)

J. Remuneration Policy

Policy relating to the Remuneration for the Whole time Director, KMP and Senior Management Personnel

The remuneration / compensation / commission etc. to the Whole-time Director, Key Managerial Personnel (KMP) and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the approval of the Shareholders of the Company, if required.

The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the provisions of the Act.

Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Financial Officer ("CFO"), the Company Secretary ("CS") and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time Director, KMP and Senior Management Personnel

Remuneration

The Whole-time Director/KMP and Senior Management Personnel shall be eligible for fixed and /or variable remuneration payable monthly or annually as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee. In the case of whole time director including Managing Director, the breakup of remuneration and quantum of perquisites including, employer's contribution to P.F, medical expenses etc. shall be decided and approved by the Board/the person authorized by the Board on the recommendation of the Committee and approved by the shareholders if required.

Minimum Remuneration

If, in any fiscal year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act (in the form as stated under "remuneration" aforesaid) and if it is not able to comply with such provisions, with the approval of shareholders by special resolution.

Provisions for excess Remuneration

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in

excess of the limits prescribed under the Act or without the prior sanction of the shareholders, where required, he /she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by shareholders by special resolution within two years from the date the sum becomes refundable.

Criteria of making payments to non-executive directors

Non-Executive Directors are paid sitting fees for attending Board/Committee Meetings. Provided that, the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time and no commission/share of profit is payable to them.

Profit-linked Commission

The profit-linked Commission or incentive remuneration may be paid within the monetary limit approved by shareholders.

Severance fees

In the event of determination of the contract by the Company before the contract period the Company shall pay executive director a compensation for the unexpired period of the contract at equal to and same terms had the contract been continued.

Stock Options

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to stock options of the Company.

II Board Committees

A. Audit committee

The Audit Committee ("Committee") presently consists of three Independent Directors and a non-Independent Director. Mr. Nithin Bagamane, Independent Director is the chairman, and Ms. Prathibha Sastry, Mr. Ravi Kanth Mantha (all Independent Directors) and Mr. Mohib N. Khericha are the other members of the Committee. The constitution of the committee meets with the requirements of section 177 of the Companies Act, 2013 along with Regulation 18 of SEBI LODR 2015.

All the current members of the Committee have relevant experience in financial matters and Mr. Mohib N. Khericha is a Chartered Accountant.

The Company Secretary Mr. N. Srivatsa is the Secretary of the Audit Committee.

CORPORATE GOVERNANCE REPORT (CONTD.)

The Chairman of the Audit Committee Mr. Nithin Bagamane attended the 22nd Annual General Meeting held on Monday, September 27, 2021.

The Audit Committee met four (4) times during the fiscal ended March 31, 2022 on May 19, 2021, August 12, 2021, November 10, 2021 and January 27, 2022.

Particulars of attendance by the members of the Committee during the year ended March 31, 2022 are as follows:

Date of meeting	Members Present
May 19, 2021	Mr. Nithin Bagamane
August 12, 2021	Mr. Mohib N. Khericha
November 10, 2021	Ms. Prathibha Sastry
January 27, 2022	Mr. Ravi Kanth Mantha

The Managing Director and the Chief Financial Officer attends Audit committee meetings by invitation. The Statutory Auditors attended Audit committee meetings as special invitees to provide comments and share concerns, if any, with the Audit committee. Recommendations made by the audit committee during the year were accepted by the Board.

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 177 of the Companies Act, 2013, as applicable, besides other terms may be referred by the Board of Directors including the following:

Review of Management Discussion and Analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters / letters of internal control weaknesses issued by the statutory auditors, Internal Audit Reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the internal auditor.

Review inter alia related party transactions and the financial statements, minutes of Board meetings of the Company's unlisted Wholly Owned Subsidiaries ("WOS") and all significant transactions and arrangements entered into by the said Subsidiary.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("Committee") presently consists of Mr. Nithin Bagamane Independent Director is the Chairman of the Committee and Ms. Prathibha Sastry and Mr. Mohib N. Khericha are the members of the Committee.

The Company Secretary Mr. N Srivatsa is the Secretary of the Nomination and Remuneration Committee.

During the fiscal 2022, one meeting was held on August 10, 2021. Particulars of attendance by the members of the Committee during the year ended March 31, 2022 are as follows:

Date of meeting	Members Present
August 10, 2021	Mr. Nithin Bagamane, Mr. Mohib N. Khericha & Ms. Prathibha Sastry

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 and Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 178 of the Companies Act, 2013 and includes the following:

Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

Formulation of criteria for evaluation of Independent Directors and the Board.

Devising a policy on Board diversity.

Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Performance evaluation criteria for independent directors

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation, the Directors who are subject to evaluation did not participate.

C. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee ("The Committee") presently consists of Mr. Mohib N. Khericha, Non-Executive Director - the Chairman, Ms. Prathibha Sastry and Mr. Nithin Bagamane-Independent Directors are the members of the committee. During the year one meeting was held on March 01, 2022 and all the members were present.

The Company Secretary Mr. N Srivatsa is the Secretary of the Stakeholders' Relationship Committee.

CORPORATE GOVERNANCE REPORT (CONTD.)

The Committee met once during the year and the Company has not received any complaint from shareholders during the fiscal 2022.

Role of the Stakeholders' Relationship Committee covers the areas as contemplated under Regulation 20 and Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

D. Risk Management Committee

During the year, the Company featured in the top 1000 companies by Market Capitalization (as per NSE List), and in terms of Regulation 21 of SEBI LODR Regulations 2015 a Risk Management committee (constituted earlier as per Clause 49 (VI) of Listing Agreement) was reconstituted in term of Regulation 21 of SEBI LODR Regulations 2015.

The Committee consist of Nithin Bagamane, Independent Director - the Chairman, Mr. Mohib N. Khericha, Non-Executive Director, Mr. Nikhil Kumar – Managing Director, Mr. Ravi Kanth Mantha – Independent Director and Ms. M N Varalakshmi – CFO, are the members of the Committee. During the year two meetings were held on March 22, 2022 and March 29, 2022 and all the members were present except Mr. Ravi Kanth Mantha.

III. Subsidiaries

As per provision of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of the subsidiaries are as follows:

The Company has five Wholly Owned Subsidiaries (WOS) i.e. one Indian and four overseas subsidiaries as detailed below:

Indian Subsidiary

DF Power Systems Private Limited (DFPS) is an Unlisted Indian Subsidiary. Mr. Mohib N Khericha, Mr. Nikhil Kumar and Mr. K G Prabhakar are the directors of the Company.

The Board monitors performance of DFPS, inter alia, as follows:

The Audit Committee of the Company reviews the financial statements of DFPS.

All minutes of Board meetings of DFPS are placed before the Company's Board meetings and taken on record.

A statement containing all significant transactions and arrangements entered into by DFPS is placed before the Company's Board, if any

This subsidiary does not have income or net worth exceeding 10% of the consolidated income or net worth respectively of TD Power Systems Limited - the holding company and its subsidiaries, in the immediately preceding accounting year. Accordingly, it is not a material subsidiary.

Overseas Subsidiaries

USA Subsidiary

TD Power Systems (USA) Inc. (TDPS USA) was incorporated on February 20, 2013 as a Delaware Corporation and the principal place of business of the Company located in Ohio, USA. Two Directors of the Company Mr. Mohib N. Khericha and Mr. Nikhil Kumar are Directors of TDPS USA.

The financial statements of TDPS USA are reviewed by the Audit Committee and overall operational performance is reviewed by the Board.

Japan Subsidiary

TD Power Systems Japan Limited (TDPS Japan) was incorporated on March 19, 2013 and principal place of business of the company is located in Tokyo, Japan. Mr. Mohib N. Khericha and Mr. Nikhil Kumar Directors of the company. The financial statements of TDPS Japan are reviewed by the Audit Committee and overall operational performance is reviewed by the Board.

German Subsidiary

TD Power Systems Europe GmbH. (TDPS Europe) Office of the company is located at Paul - Ehrlich - Strasse 1a, 63225 Langen. Mr. Nikhil Kumar, Managing Director of TD Power Systems Limited is the Managing Director of TDPS Europe.

The financial statements of the TDPS Europe are reviewed by the Audit Committee and overall operational performance is reviewed by the Board.

In terms of Regulation 16 of SEBI LODR, TD Power Systems Europe GmbH is a material subsidiary of the Company for the FY 2022 on account of its income exceeding 10% of the consolidated income of TD Power Systems Limited, the holding Company and its subsidiaries

Turkey Subsidiary

TD Power Systems Jenerator Sanayi Anonim Sirketi was incorporated in Turkey on June 21, 2017 under the Turkish Commercial code and its registered office is located at Esentepe Mahallesi Kore Sehitleri Cad. No.37/6 Susli/Istanbul. Turkey. Mr. Nikhil Kumar, Managing Director, Ms. Prathibha Sastry, Independent Director and Mr. N. Srivatsa, Company Secretary of TD Power Systems Limited are Directors of TDPS Turkey.

The financial statements of the TDPS Turkey are reviewed by the Audit Committee and overall operational performance is reviewed by the Board.

In terms of Regulation 16 of SEBI LODR, TD Power Systems Jenerator Sanayi Anonim Sirketi is a material subsidiary of the Company for the FY 2022 on account of its income exceeding 10% of the consolidated income of TD Power Systems Limited, the holding Company and its subsidiaries.

CORPORATE GOVERNANCE REPORT (CONTD.)

The Company has formulated a policy on determining material subsidiaries which is available on our website <https://tdps.co.in/corporate-governance/>

IV. Related party transaction

During the fiscal 2022, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large.

V. General Body Meetings

The details of the last three Annual General Meetings held and summary of Special Resolutions passed therein are furnished below:

Fiscal Ended	Date & Time	Venue	Special Resolutions passed
31.03.2021	27.09.2021 & 10.30 AM	Through video conferencing ("VC")/ other audio-visual means ("OAVM")	i. Approve modification in the remuneration of the Managing Director of the Company
31.03.2020	25.09.2020 & 11.30 AM	Through video conferencing ("VC")/ other audio-visual means ("OAVM")	i. Approve payment of remuneration to the Managing Director of the Company ii. Re-appoint Managing Director of the Company for a further term of five year
31.03.2019	12.08.2019 & 11.00 AM	Hotel Le Meridien, No. 28, Sankey Road (Opp Bangalore Golf Course), Bangalore 560 052	i. Approve TDPSL Equity Based Compensation Plan 2019. ii. Approve grant of employee stock options to the employees of subsidiary company(ies) of the Company iii. Approval of secondary acquisition of shares through Trust route for the implementation of "TDPSL, Equity Based Compensation Plan 2019". iv. Provision of money by the Company for purchase of its own shares by the Trust for the benefit of employees under TDPSL Equity Based Compensation plan 2019.

During the year, no special resolution was passed through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require special resolution through postal ballot.

VI. Means of Communication**Quarterly/Half Yearly/Yearly Results**

Pursuant to provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, periodical financial results of the Company are being published in widely circulated English newspaper (Business Standard - All India editions) and vernacular Eesanje News Paper (Bangalore edition).

Financial results, duly approved by the Board, are filed with the Stock Exchanges (BSE & NSE) and also displayed on Company's Website www.tdps.co.in. Along with the financial results, other information as per the SEBI (Listing Obligations and Disclosure Requirements)

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policy is made available on the website of the Company at <https://tdps.co.in/corporate-governance/>

Details of transactions with related parties are provided in **Annexure 2** of the Directors Report in Form AOC 2 as required under the provisions of Section 188 of the Companies Act, 2013 and note No. 43 to the Annual Accounts.

Regulations, 2015 such as Annual Report, Shareholding Pattern and official news/press releases are filed with BSE on <http://listing.bseindia.com> and with NSE through [https://www.connect2nse.com/LISTING/\(NSE Electronic Application Processing System \(NEAPS\)\)](https://www.connect2nse.com/LISTING/(NSE%20Electronic%20Application%20Processing%20System%20(NEAPS))) or digitalexchange.nseindia.com (Digital Exchange) and also on company's website www.tdps.co.in. The Company conducts earnings calls after the board meeting to discuss financial results of the Company for the quarter, half year and year ended as the case may be. The presentations made to the institutional investors or analysts, if any, are sent to Stock Exchanges and also made available on the website of the Company at www.tdps.co.in.

CORPORATE GOVERNANCE REPORT (CONTD.)

VII. General Shareholder Information

a	Annual General Meeting Date, Time and Venue	Tuesday, 27 th day of September 2022, at 12.00 Noon through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"),
b	Fiscal	A twelve-month period starting from April 1, 2021 to March 31, 2022.
c	Dividend Payment Date	The final dividend, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid within the statutory period of 30 days.
d	Date of Book closure/Record date	As mentioned in the Notice of this AGM.
e	Listing on Stock Exchanges	The Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE) BSE LIMITED, P J Towers, Dalal Street, Mumbai 400 001 NATIONAL STOCK EXCHANGE OF INDIA LIMITED, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 The listing fees dues as on the date has been paid to the respective stock exchanges.
f	Stock Code	BSE – 533553 NSE – TDPOWERSYS
g	ISIN No.	INE419M01019
h	Market Price Data	(As per Annexure A)
i	Stock Performance in comparison to BSE Sensex and NSE Nifty	(As per Annexure B)
j	Registrar and Transfer Agents (RTA)	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000
k	Share Transfer System	Share transfers are registered and returned in the normal course within a period of 15 days from the date of receipt.
l	Distribution of shareholding as on March 31, 2022	(As per Annexure C)
m	Shareholding Pattern as on March 31, 2022	(As per Annexure D)

CORPORATE GOVERNANCE REPORT (CONTD.)

n	Dematerialisation of Shares and Liquidity as on March 31, 2022	<table border="1"> <thead> <tr> <th>Description</th> <th>No. of Holders</th> <th>No. of Shares</th> <th>% of Equity</th> </tr> </thead> <tbody> <tr> <td>Physical</td> <td>1</td> <td>2</td> <td>0.0074</td> </tr> <tr> <td>NSDL</td> <td>4545</td> <td>17969913</td> <td>33.4905</td> </tr> <tr> <td>CDSL</td> <td>9025</td> <td>13133583</td> <td>66.5021</td> </tr> <tr> <td>Total</td> <td>13571</td> <td>31103498</td> <td>100.00</td> </tr> </tbody> </table>	Description	No. of Holders	No. of Shares	% of Equity	Physical	1	2	0.0074	NSDL	4545	17969913	33.4905	CDSL	9025	13133583	66.5021	Total	13571	31103498	100.00
Description	No. of Holders	No. of Shares	% of Equity																			
Physical	1	2	0.0074																			
NSDL	4545	17969913	33.4905																			
CDSL	9025	13133583	66.5021																			
Total	13571	31103498	100.00																			
o	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	No outstanding GDRs/ADRs/Warrants or any Convertible Instruments																				
p	Commodity price risk or Foreign exchange risk and hedging activities	Nil																				
q	Registered Office & Factory (Plant Location)	<p>Unit I: # 27, 28 & 29 KIADB Industrial Area, Dabaspet, Nelamangala Taluk, Bangalore, Karnataka - 562 111</p> <p>Unit II: Sy. No. 59/2, Yedehalli Village Nelamangala Taluk, Sompura Hobli Dabaspet, Bangalore, Karnataka - 562 111</p>																				
r	Compliance Officer & Company Secretary	N. Srivatsa																				
s	Address for correspondence	<p>Shareholders/Beneficial owners are requested to correspond with the Company's RTA (Registrar & Share Transfer Agents) with respect to any query, request, information or clarification pertaining to shares and are further advised to quote their folio number, DP & Client ID number as the case may be, in all correspondence with it. In addition to the RTA, the shareholders may correspond at the following addresses;</p> <p>Registered Office & Factory TD POWER SYSTEMS LIMITED # 27, 28 & 29 KIADB Industrial Area Dabaspet, Nelamangala Taluk Bangalore, Karnataka - 562 111 Ph.: 080-2299 5700 Fax: 080-2299 5718</p>																				

CORPORATE GOVERNANCE REPORT (CONTD.)

Annexure A

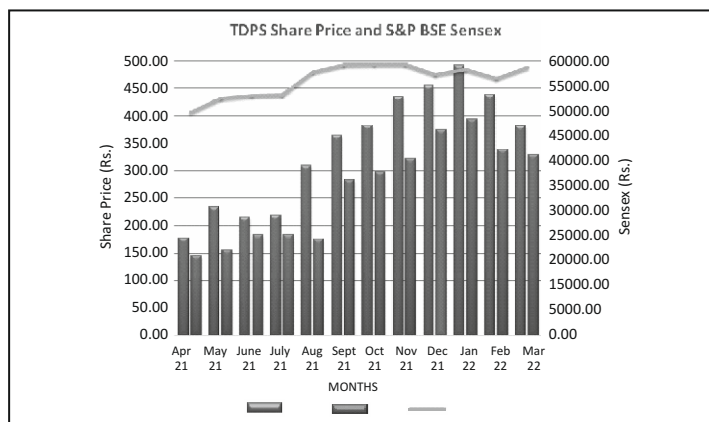
Market Price Data: High, Low, close, volume during each month of the fiscal 2022

A summary containing monthly high/low/close and total volume of share prices at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) is as under:

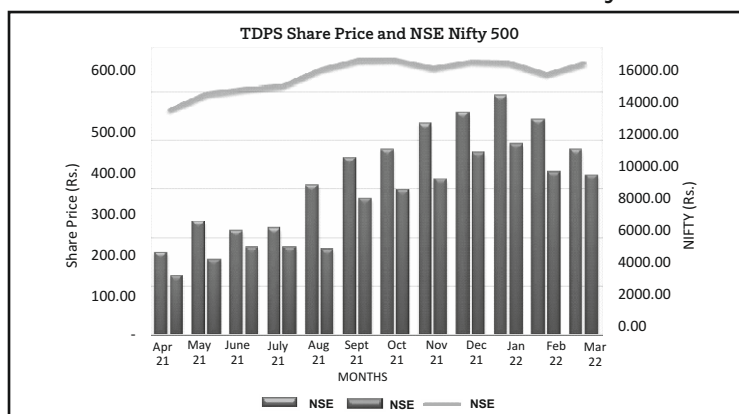
Months	BSE				NSE			
	High (₹)	Low (₹)	Close (₹)	Volume (Qty.)	High (₹)	Low (₹)	Close (₹)	Volume (Qty.)
Apr - 21	177.70	145.00	159.90	51,225	169.30	121.00	159.95	7,06,486
May - 21	233.85	156.40	195.70	2,88,108	234.00	155.60	196.10	37,49,306
Jun - 21	214.80	183.00	184.10	1,31,158	215.00	181.60	184.55	15,17,708
Jul - 21	218.60	183.25	193.95	1,73,173	219.00	181.00	192.95	27,72,026
Aug - 21	309.00	174.90	276.75	6,70,588	308.00	176.05	277.25	68,29,585
Sep - 21	365.00	283.30	308.75	4,05,652	364.80	281.05	309.40	35,32,120
Oct - 21	382.20	298.05	337.00	1,81,448	381.95	298.25	335.75	12,72,689
Nov - 21	435.00	322.10	396.00	2,64,194	435.00	321.00	396.95	19,50,499
Dec - 21	455.00	374.25	447.25	2,20,717	456.70	375.00	448.50	13,70,786
Jan - 22	492.60	393.45	426.05	1,29,504	492.45	393.70	425.35	11,91,987
Feb - 22	438.70	338.25	364.60	66,271	442.70	335.20	364.40	5,66,359
Mar - 22	381.50	329.00	344.75	32,992	382.50	328.10	344.65	5,76,956

Annexure B

Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty



Annexure B - TDPS Share Price and NSE Nifty 500



CORPORATE GOVERNANCE REPORT (CONTD.)

Annexure C

Distribution of shareholding as on March 31, 2022

Shareholding of Nominal Shares	Shareholders	% to Total Shareholders	Total Shares	% of Paid up Capital
1 to 500	12030	88.6449	892915	2.8108
501 to 1000	660	4.8633	513481	1.6509
1001 to 2000	379	2.7927	568083	1.8264
2001 to 3000	151	1.1127	384393	1.2359
3001 to 4000	75	0.5526	264177	0.8493
4001 to 5000	50	0.3684	231371	0.7439
5001 to 10000	96	0.7074	667710	2.1467
Above 10000	130	0.9579	27581368	88.6761
Total	13571	100.00	31103498	100.00

Annexure D

Shareholding pattern as on March 31, 2022

Sl. No.	Category	Number of Shares	% of Holding
(A)	Promoters & Promoters Group		
1	Promoters		
1(a)	Individual (Indian Nationals)	8469624	27.23
1(b)	Individual (Foreign National)	3235254	10.40
1(c)	Body Corporate	5026433	16.16
2	Promoters Group	1511008	4.86
	Total (A1 + A2)	18242319	58.65
(B)	Public Shareholdings		
1	Mutual Funds	3689184	11.86
2	Alternate Investment Funds	33634	0.11
3	Foreign Portfolio Investor (Corporate)	637091	2.05
4	Financial Institutions	0.00	0.00
5	Individuals	7017103	22.56
6	Others	1296205	4.17
	Total B	12673217	40.75
(C)	Non Promoter - Non Public shareholder		
	TDPSL Employee Welfare Trust	187962	0.60
	Grand Total (A +B+C)	31103498	100.00

VIII. Other Disclosure

1. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange(s)

The equity shares of the Company are listed on BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai, and the Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

However, vide letter List/COMP/ 533553/Reg.34-Mar 19/ 206/ 2018-19 dated October 15, 2019 the BSE Limited imposed a fine of ₹ 84,960 for non-compliance of regulation 34 of SEBI LODR-non-submission of annual report for the year ended March 2019. In response, the Company vide its letter dated October 18, 2019 clarified as follows:

- i) The BSE filing portal faced technical issues and was not allowing us to attach full Annual Report. Accordingly, due to compliance urgency the Company got in touch with the BSE and was advised "to file the annual report by mode of link to the Company's website and the stock exchange will come back for further assistance and clarification.

CORPORATE GOVERNANCE REPORT (CONTD.)

ii) The Company uploaded its Annual Report for the Year ended March 31 2019 along with the Notice of the Annual General Meeting (AGM) on July 22, 2019 and provided the link to the Company's website as advised by BSE.

Till date, no action has been initiated further in this regard by BSE.

Similarly, the NSE vide its letter dated January 23, 2021 sent notice regarding non-compliance of regulation 34 of SEBI LODR as referred above and levied a penalty thereon. However, based on the representation by the Company, the said notice was withdrawn by the NSE vide its letter dated March 19, 2021 and penalty was waived off. The response from BSE is still awaited.

2. Whistle Blower Policy / Vigil Mechanism

The Company is committed to ethical and lawful business conduct which is not only essential to the Company's success, but also a fundamental shared value of its Board of Directors (the "Board"), senior management personnel and employees. Consistent with these principles, the Board has adopted a Code of Business conduct and Ethics (the "Code") as a guide to the principles and standards that should govern the actions of its Board and senior management personnel.

Any actual or potential violation of the Code or any deviation from the key company policies howsoever insignificant or perceived as such, is a matter of serious concern for the Company and should be reported appropriately for remedial / penal action.

To enable reporting (Whistle blower) of actual or potential violation of the Code or any deviation from the key company policies, a fair and proactive mechanism is imperative fortified by an appropriate protection policy.

This Whistle Blower Policy & Vigil Mechanism ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for Directors/Employees of the Company to approach the Chairperson of the Audit Committee of the Company or Chairman of the Company. Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed is implemented through this Whistle Blower Policy to provide for adequate safeguards to the whistle blowers against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in terms of Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Section 177 of the Companies Act, 2013. The above policy is available on our website www.tdps.co.in.

3. CEO / CFO Certification

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Managing Director and Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls

for the financial reporting purpose as required under the SEBI LODR, for the year ended March 31, 2022. The said certificate forms part of this report.

4. Compliance certificates from Practicing Company Secretary

As required by schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR), a separate certificate from Mr. Sudhir V. Hulyalkar, Practicing Company Secretary, Bangalore, confirming that:

- i. Compliance of conditions on Corporate Governance and
- ii. None of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The said certificates form part of this Report.

5. Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to statutory auditor is as follows:

(₹ in lakhs)

Particulars	Fiscal 2022	Fiscal 2021
Audit Fees (including audit of consolidated financial statements)	13.70	15.20
Limited Review (quarterly financial results including consolidated financial results)	7.75	6.75
Taxation related services	-	-
Other services - Certifications fees	3.36	4.31
Other expenses	-	0.08

Note : During the year, there was no payment to any entity in the network firm/network entity of which the statutory auditor is a part.

6. Disclosure in relation to the Sexual Harassment

The details relating to complaint filed, disposed of and pending during the fiscal pertaining to sexual harassment of Women at Workplace is as under:

a	No. of complaints filed during the fiscal	Nil
b	No. of complaints disposed of during the fiscal	
c	No. of complaints pending as on end of the fiscal	

CORPORATE GOVERNANCE REPORT (CONTD.)

7. Loans and advances in the nature of loans to Companies in which directors are interested by name and amount are provided in note 43 of the financial statements.

8. Accounting treatment in preparation of Financial Statements (Ind As)

The guidelines / Accounting Standards (AS) laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in preparation of the financial statements of the Company in all material respects.

9. Code for prevention of Insider Trading/Fair Disclosure

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"), the Company has adopted a Code for Prevention of Insider Trading. The objective of the code is to restrict an insider from dealing in the shares of the Company either directly or indirectly when in possession of unpublished price sensitive information (UPSI) and also to restrict communication of such UPSI. The code is applicable to the directors and designated employees. The code enumerates the procedure to be followed for dealing in the shares of the Company and periodic disclosures to be made. It also restricts the insiders from dealing in the company's shares during the period when the 'Trading Window' is announced closed. The Company Secretary has been designated as the Compliance Officer.

In terms of the SEBI PIT Regulations a Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information has been formulated by the Company and made available on company's website at www.tdps.co.in.

10. Management Discussion and Analysis Report

The Management Discussion and Analysis report forms part of Directors' Report as **Annexure 8**.

11. Board Diversity

The Company recognizes the benefits of a Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company.

The Company maintains that Board appointment should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

The Nomination and Remuneration Committee (the "Committee") is responsible for reviewing and assessing the composition and performance of the Board, as well as

identifying appropriately qualified persons to occupy Board positions.

The Board of Directors of the Company have an optimum combination of Executive and Non-Directors with at least one Woman Director and the composition of the Board is in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, Listing Regulation and the statutory, regulatory obligations of the Company. The Board Diversity Policy is available on our website at www.tdps.co.in.

12. E-Voting

In compliance of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 the Company provides e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meeting. The procedure / instructions for e-voting are included in the Notice of the ensuing Annual General Meeting of the Company.

13. Mandatory Requirements

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (m) and (o) of sub regulation (2) of Regulation 46 of the Listing Regulations. The company has complied compliance requirement of corporate governance under Sub para 2 to 10 of corporate governance report in respect of schedule V of LODR.

14. Discretionary Requirements

The status of adoption of the discretionary requirements as specified in Regulation 27(1) of the Listing Regulations are as follows:

Separate posts of Chairman and CEO – The Chairman and Managing Director / CEO are two separate persons.

Reporting of Internal Auditor - The Internal Auditor reports directly to the Audit Committee.

Audit Qualifications - The Company has unmodified opinion on financial statements for the fiscal 2022.

15. Information through Company's Website

The disclosure as stipulated under Clause (b) to (i) of Regulation 46(2) of the SEBI LODR has been disseminated on the company's website.

For and on behalf of the Board of Directors

Ahmedabad
August 09, 2022

Mohib N. Khericha
Chairman

CORPORATE GOVERNANCE REPORT (CONTD.)

Compliance certificate by Managing Director / Chief Executive Officer and Chief Financial Officer as per Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors

TD Power Systems Limited (Company)

27, 28 & 29, KIADB Industrial Area

Dabaspet, Nelamangala Taluk

Bangalore 562111

This is to certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 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. That there have been no significant changes in internal control over financial reporting during the year;
 - 2. That there have been no significant changes in accounting policies during the year needing specific disclosure in the notes to the financial statements; and
 - 3. There have been no instances of significant fraud of which we have become aware and confirmed that no member of the management or an employee having a significant role in the Company's internal control system over financial reporting is involved therein.

Frankfurt
May 10, 2022

Nikhil Kumar
Managing Director

M N Varalakshmi
Chief Financial Officer

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CORPORATE GOVERNANCE REPORT (CONTD.)

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding adherence to the Code of Business Conduct and Ethics**The Board of Directors****TD Power Systems Limited (Company)**

27, 28 & 29 KIADB Industrial Area

Dabaspet, Nelamangala Taluk

Bangalore 562 111

On the basis of the written declarations received from members of the board and senior management personnel in terms of Regulation 26(3) read with Schedule V of Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that, for the year ended March 31, 2022, both the members of the board and the senior management personnel of the company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company, as laid down by the board.

Frankfurt
May 10, 2022

Nikhil Kumar
Managing Director

Certificate on Corporate Governance

To
The Members,

TD Power Systems Limited

Bangalore

I have examined the compliance of conditions of corporate governance, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by TD Power Systems Limited (the Company) for the year ended on March 31, 2022.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with all the applicable conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Bangalore
August 09, 2022

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS No: 6040. CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040D000766107

Certificate on directors appointment and continuation on the Board of Directors of TD Power Systems Limited (the Company)**(In terms of Regulation 34(3) read with Para C, Sub Para 10 (i) of the Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015)**

I have examined the relevant records of the Company and disclosures made by the directors of the Company, relevant information on disqualification and proclaimed offenders as declared by Courts and disseminated on the website of Ministry of Corporate affairs, the Orders and other information available on the website of Security and Exchange Board of India and the stock exchanges, Reserve Bank of India and information on wilful defaulters as declared by the banks and made available at the websites of credit information companies registered with the Reserve Bank of India and based upon such examination, I hereby certify that none of the directors on the board of **TD POWER SYSTEMS LIMITED** (CIN: L31103KA1999PLC025071) as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Security and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India and other statutory authorities.

Bengaluru
August 09. 2022

Sudhir V Hulyalkar
Company Secretary in Practice
Membership No. : FCS 6040. CP No: 6137
Peer Review Certificate No. 607/2019
UDIN: F006040D000766074

ANNEXURE – 10

Disclosure with respect to Employees Stock Option Scheme (ESOS) & Stock Appreciation Rights scheme (SAR) of the Company as on March 31, 2022 (Pursuant to regulation 14 of the SEBI (Share Based Employee Benefits) Regulations 2014 read with SEBI circular dated June 16, 2015 as on March 31, 2022)

Sl. No.	Particulars	TDPSL Equity Based Compensation Plan 2019	
		ESOP	ESAR
A	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Please refer to Note No 1.13 and No.49 of Standalone Financial Statements for the Financial Year ended on March 31, 2022	
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Please refer to Note No.1.24 and No.37 of Standalone Financial Statements for the Financial Year ended on March 31, 2022	
C	Details related to ESOS & SAR		
(i)	A description of each ESOS/SAR that existed at any time during the year, including the general terms and conditions of each ESOS/SAR, including –	The Company has a collective Scheme for ESOP and SAR namely, TDPSL Equity Based Compensation Plan 2019	
	(a) Date of shareholders' approval	12.08.2019	
	(b) Total number of options/SARs approved under ESOS/SAR	5,63,884 Options.	3,99,216 ESAR
	(c) Vesting requirements	<p>Stock Options / ESAR granted under TDPSL Equity Based Compensation Plan 2019 vests not earlier than one year from the date of grant at the rate of 33.33% (every anniversary from the date of grant) granted subject to continued employment with the Company and fulfilment of conditions as stated in the said plan and performance criteria as may be decided by Nomination and Remuneration Committee (NRC).</p> <p>The specific Vesting schedule and Conditions thereof subject to which stock Options/ESAR would vest are detailed in writing and provided to the Stock Option/ESAR Grantee at the time of the Grant</p>	
	(d) Exercise/SAR price or pricing formula	<p>The exercise price decided by NRC for each Option and ESAR is ₹ 67.25/- and face value of share i.e ₹ 10/- respectively.</p> <p>The exercise Price per ESOP is determined by the NRC considering the 50% discount on market price per share as on date of Grant of options (i.e. August 16, 2019).</p>	

ANNEXURE - 10 (CONTD.)

	(e) Maximum term of options/SAR granted	Stock Options / ESAR granted under TDPSL Equity Based Compensation Plan 2019 shall be exercised within a period not more than four years from the date of vesting of respective employees' stock options/ESAR.	
	(f) Source of shares (primary, secondary or combination)	Secondary	Primary
	(g) Variation in terms of options /Scheme	None	
(ii)	Method used to account for ESOS/SAR - Intrinsic or fair value	Fair value	
(iii)	Where the company opts for expensing of the options/SAR using the intrinsic value of the options/SAR, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options/SAR shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not applicable	
(iv)	Option/SAR movement during the year		
	Number of options/SAR outstanding at the beginning of the period i.e. 01.04.2021	Nil	133,072 ESARs
	Number of options/SAR granted during the year i.e. 2021-22	Nil	
	Number of options/SAR forfeited / lapsed during the year i.e. 2020-21	Nil	
	Number of options/SAR vested during the year i.e. 2021-22	187,961 Options	133,072 ESARs.
	Number of options/SAR exercised during the year i.e. 2021-22	187,961 Options	226,760 ESARs
	Number of shares arising as a result of exercise of options during i.e. 2021-22	During the year 187,961 equity shares held by TDPSL trust have been transferred to ESOP allottees. Further on account of exercise of ESAR, 170,084 Equity Shares were issued & allotted by the Company.	
	Money realized by exercise of options (INR), if scheme is implemented directly by the company during 2021-22	Not applicable as the scheme is implemented by TDPSL Trust.	
	Loan repaid by the Trust during the year from exercise price received	₹ 1,33,12,878/-	
	Number of Stock options/SAR outstanding at the end of the year	187,962 Options	1,72,456 ESARs
	Number of options/SAR exercisable at the end of the year	Nil	39,384 ESARs
(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted Average exercise price for ESOP & ESAR is ₹ 67.25 and ₹ 10/- respectively. ₹ 78.92 -Weighted-Average fair values	

ANNEXURE - 10 (CONTD.)

(vi) Employee wise details (name of employee, designation, number of options/SAR granted during the year, exercise price) of options//SAR granted to – Not applicable as during the year no options / SARs were granted.

- a) Any other employee who receives a grant in any one year of option//SAR amounting to 5% or more of option granted during that year – Not applicable
- b) Identified employees who were granted option/SAR, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant; - Nil

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information

(a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Refer Note no.49 of Standalone Financials Statement.
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	Not applicable
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Since each vesting has been considered as a separate grant, the volatility for periods corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years,
(d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	There are no market conditions attached to the grants or vests. There are no other specific features of the option except option grant price and Vesting period that were incorporated in to the measurement of fair value.

Details related to Trust

The following details, *inter alia*, in connection with transactions made by the Trust meant for the purpose of administering the TDPSL Equity Based Compensation Plan 2019 scheme under the regulations are as follows:

(i) General information

Sl. No.	Particulars	Details
1	Name of the Trust	TDPSL EMPLOYEE WELFARE TRUST
2	Details of the Trustee(s)	1. Ms. Prabhamani S 2. Mr. R Vasudeva Murthy
3	Amount of loan disbursed by company / any company in the group, during the year	₹ Nil
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	₹ 2,79,85,082/-
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Not applicable
6	Any other contribution made to the Trust during the year	₹ 10,000/-

Note: The sources of repayment of loan by trust is from the dividend received in respect of shares held and exercised price paid by grantees. Any shortfall in the loan repayable by the trust represents the options cost already accounted by the Company.

ANNEXURE - 10 (CONTD.)

(ii) Brief details of transactions in shares by the Trust

Sl. No.	Particulars	Details
1	Number of shares held at the beginning of the year;	3,75,883 Equity Shares
2	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	<p>Primary Issuance: During the year under ESAR, 170,084 Equity Shares being 0.55% of paid up capital as on March 31, 2021 were issued & allotted by the Company to TDPSL Trust and thereafter it was transferred to ESAR allottees through off-market transaction.</p> <p>The weighted average cost of acquisition was ₹10/- per share.</p> <p>Secondary Acquisition: During the year, 40 Equity Shares were acquired by the TDPSL Trust against the requirements of ensuing ESOP exercise. The weighted average cost of acquisition was ₹353.13/- per share.</p>
3	Number of shares transferred to the employees / sold along with the purpose thereof;	During the year, 358045 Equity shares were transferred to employees by TDPSL Trust including 1,70,084 shares which were issued & allotted by the Company on account of exercise by ESAR allottees.
4	Number of shares held at the end of the year.	187,962 Equity Shares

(iii) In case of secondary acquisition of shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval (i.e. August 12, 2019) was obtained.
Held at the beginning of the year	1.21%
Acquired during the year	40 shares bought equivalent to 0%
Sold during the year	Nil
Transferred to the employees during the year	0.61%
Held at the end of the year	0.61%

For and on behalf of the Board of Directors

Ahmedabad
August 9, 2022**Mohib N. Khericha**
Chairman

ANNEXURE - 11

THE BUSINESS RESPONSIBILITY REPORT (BRR) 2021-22

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L31103KA1999PLC025071			
2	Name of the Company	TD Power Systems Limited			
3	Registered address	# 27, 28 and 29, KIADB Industrial Area, Dabaspet, Nelamangala Taluk, Bangalore – 562111			
4	Website	www.tdps.co.in.			
5	E-mail id	srivatsa.n@tdps.co.in			
6	Fiscal Reported	April 01, 2021 - March 31, 2022			
7	Sector(s) that the Company is engaged in (industrial activity code wise)	Code No. 271 - Manufacturers of AC Generators and Electric Motors Aforesaid code is as per National Industrial Classification 2008 - Ministry of Statistics and Programme Implementation, Government of India.			
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	AC Generators manufacture, Customized Electric Motors manufacture, Project business			
9	Total number of locations where business activity is undertaken by the Company	The Company carries out its business directly and through its subsidiary companies as below: 1. National locations - The manufacturing facilities, Corporate & Registered offices are situated in Dabaspet, Nelamangala Taluk, Bangalore Rural District Karnataka India catering to customers in the domestic & International customers. 2. International locations - The Company operates in USA, Germany, Japan & Turkey through its wholly owned foreign subsidiaries. Turkey is the first overseas manufacturing location.			
10	Markets served by the Company –Local/State/National/International	Local	State	National	International
		✓	✓	✓	✓
		The Company has its footprint in both National and International market. In domestic market the company serves countrywide. In the international markets the Company has installations in more than 80 countries and continues to grow.			

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ In Lakhs)

Sl. No.	Particulars	For the Fiscal 2021-2022	
		Standalone	Consolidated
1	Paid up Capital (INR)	3110.35	3110.35
2	Total Turnover (INR)	71880.55	79742.41
3	Total Profit after taxes (INR)	5441.49	7064.91
4	Total comprehensive income (INR)	5317.62	6143.32
5	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer Annexure No.6 of the Annual Report for CSR activities 2021-22.	
6	List of activities in which expenditure in 5 above has been incurred	Refer as above.	

ANNEXURE - 11 (BRR CONTD.)

SECTION C: OTHER DETAILS

1	Does the Company has any Subsidiary Company/ Companies	The Company has one Indian and 4 overseas wholly owned subsidiaries viz – Turkey, Japan, USA & Germany
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiaries are overseas jurisdictions and adopt requirements as prescribed. However, all the 3 overseas subsidiaries adopt same practices generally as the parent company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The suppliers or service adopt best practices as advised by the Company from time to time. Some medium & large suppliers pursue their own BR initiatives.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION**1. Details of Director/Directors / BR head responsible for BR**

a)	Details of the Director/Director responsible for implementation of the BR policy/policies	The BR initiatives are informally led by the Managing Director with inputs from an internal committee.
b)	Details of the BR head:	
1	DIN Number	00062243
2	Name	Mr. Nikhil Kumar
3	Designation	Managing Director
4	Telephone number	080-22995700
5	e-mail id	Tdps@tdps.co.in

2. Principle-wise (as per NVGs) BR Policy/policies:

The Nine areas of Business Responsibility (Principles) in the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVGs) released by Ministry of Corporate Affairs are as follows:

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

ANNEXURE - 11 (BRR CONTD.)

a. Details of Compliance

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	The Company's Integrated Management policy broadly integrates most of the above principles. Code of ethics and transparency, the HR policies, policy on conflict materials, quality policy and the CSR policy, safety and health policies currently in practice combined together represent the Business responsibility policy of the Company. A comprehensive BR policy is under preparation.								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Policies / practices, SOP's and best practices have been formulated by considering input, feedback, sensitivities of the stakeholders as well business & operational imperatives wherever applicable.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are mapped against the principles of NVGS & compliant with applicable laws, business & operational needs.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Certain policies are based on requirements of applicable law. The Company's CSR policy is approved by the Board of Directors. All policies are signed by the MD or a functional head so authorised.								
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Yes.								
6	Indicate the link for the policy to be viewed online?	http://tdps.co.in/investor-relations/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The internal & external stakeholders have been informed of the policies as applicable.								
8	Does the company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	There is an internal system to ensure effective implementation of policies currently inforce.								

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year	A comprehensive BR policy combining all the policies currently in practice is being reviewed to harmonise the same with BRSR requirements from April 2022.								
6	Any other reason (please specify)	Not applicable								

ANNEXURE - 11 (BRR CONTD.)

3. Governance related to BR

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The policies are reviewed by the Managing Director Half yearly with the Functional heads. The CSR policy is reviewed annually the CSR committee.

- b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this Report? How frequently it is published?**

As stated above, the Company's Integrated Management policy broadly integrates most of the above principles. Code of ethics and transparency, the HR policies, policy on conflict materials, quality policy and the CSR policy, safety and health policies currently in practice combined together represent the Business responsibility policy of the Company.

SECTION E: PRINCIPLE-WISE PERFORMANCE**PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

TDPS's business philosophy is built on the key foundational values of ethics, transparency and accountability. The Company firmly believes that trust, integrity and credibility are key elements in creating value for its stakeholders. To ensure that these principles are adhered to, TDPS adopted a Company-wide 'Code of Conduct' (CoC) which describes integrity, cultural and good working norms as well as the process to address any violations. All employees of TDPS are required to adhere the CoC's requirements.

In order to enable employees to raise concerns to the Company's Management, the Company has also adopted a 'Whistle Blower Policy' to Report any unethical practice, fraud etc. suspected to be taking place for appropriate action. No employee is restricted from access to the Audit committee & all disclosures, non-compliance is Reported to the Audit committee.

The Code of conduct and Whistle blower policy are uploaded on the Company's web site at www.tdps.co.in.

All Directors and Senior Management personnel on annual basis are required to affirmed compliance of the CoC. A declaration to this effect, signed by the Managing Director, is given in the Annual Report. Also apart from above, the Senior Management personnel on annual basis also affirmed that they do not have any personal interest that may have a potential conflict with the interest of the company at large in material financial and commercial transactions of the Company.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

The policy relating to ethics, bribery and corruption is applicable to the company and all it's subsidiaries –both Indian & Overseas. The suppliers, service providers and contractors are encouraged to adopt these practices as a business partner.

2. **How many stakeholder complaints have been received in the past Fiscal and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the year 140 queries/ complaints were received from customers relating to manufacturing, design, quality of generators within and after warranty period & packing and other issues of which 92.14% have been satisfactorily resolved and the balance have been attended to by the Company and is under various stages of resolution. To resolve customer complaints speedily, we have a network of service partners around the globe to serve the needs of customers backed by a strong service & engineering department.

To assess customer satisfaction, a customer service satisfaction feedback form is obtained for each service visit which ranks our service on a rating scale of 1 to 5. The feedback forms also collect the observation and suggestion from the customer which are circulated to the concerned department to initiate necessary corrective action for avoiding recurrence of complaints. The feedback and suggestions are used for Root cause analysis & resultant design and manufacturing improvements. No complaints were received from the company's shareholders during the Year under Report.

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PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

As a leading Generator manufacturer TDPS conducts all its operations in a manner that provides products and services to meet customer expectations, protects environment, and ensures health and safety needs of employees and other interested parties. It is the strategic decision of TD Power systems Ltd to implement and integrate ISO 9001 : 2015, ISO 14001 : 2015 and BS ISO 45001 : 2018.

The company manufactures Electrical generators & Spare parts related thereto. It also provides refurbishment of used generators of certain makes. These Generators are used with various prime mover applications fueled by steam, hydro, oil & also non fossil / renewable fuels like bagasse, biomass, municipal waste, waste heat from process plants, wind & gas contributing to social and environmental causes. As a part of our conflict mineral policy, it is ensured that our products or parts do not contain that conflict minerals such as Tin, Tungsten or Tantalum. Through our sourcing protocol it is ensured that no conflict materials are procured & we guide suppliers and vendors about our policy. We also partner with our customers in helping them to comply with disclosure requirements regarding such materials.

The Generators are manufactured with focus on performance efficiency improvements to meet customer expectations. Our generators are designed to last at least 15-20 years, are environment friendly & help customers to produce power at competitive costs for captive consumption as well as for third party sale. Our design & R&D efforts are focused on developing social and environment friendly Generators & are continuously upgraded to produce high performance generators.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The R& D, design and engineering functions constantly focus on value engineering to achieve significant reductions in consumption of material & consumables & the supply chain is a partner in this effort. The critical materials procurement is decentralized enabling the company to take advantage of both price and currency trends – both long term and short term. The efficiencies in the functionalities and performance of the generators enables cost savings for both the customer and the company.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year ?

As stated above, optimization of materials and processes both at the design, procurement and manufacturing levels through value engineering enables the company to stay competitive without compromising the quality of the machines. Supply of High quality generators at competitive prices enabled customer to maximize their return on investment and contributes to revenues.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

As stated above, in order to have a sustainable sourcing, procurement is decentralized enabling the company to take advantage of both price and currency trends – both long term and short term. The company is continuously strengthening its procurement efforts to have a sustainable policy for sourcing and procurement. The company is conscious of the expectations of various stake holders to take responsibility for the suppliers environmental, social an ethical practice. In order to meet these expectations & manage risks the company monitors procurement and supply chain processes continuously.

a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

It is difficult to quantify exactly in terms of percentage of inputs that was sourced sustainably, the Company is increasingly focused on sustainable sourcing and it is on rise.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The manufacturing units of the Company are located in a rural area with no ancillary industrial activity. However, due to its proximity to certain industrial areas, the company procures its component requirements from small / medium units

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located in some of the industrial estates in and around Bangalore. During the year under Report, about 47% of total procurement in value terms are procured from sources including small / medium units located in around Bangalore where its manufacturing units are located.

a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The company engages in continuous training & skill improvement with its vendors to ensure sustainable quality of the components. We also support some of the critical vendors with Machinery / equipment support on easy terms to upgrade their manufacturing capabilities.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The manufacturing process does not involve recyclable materials. The main materials are electrical grade steel & copper rods which are drawn into strips and enamel wires which cannot be recycled. Other components comprise of steel fabrications like forgings etc. which undergo certain machining process and the metal residue arising out of such machining is sold as metal scrap. The resin used for the vacuum pressure impregnation process has a certain life after which it loses its properties, becomes unusable & is disposed with required process.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL BEING OF ALL EMPLOYEES

Sl. No.	Category	comment
1.	Please indicate the Total number of employees.	1199*
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	274
3.	Please indicate the Number of permanent women employees.	33
4.	Please indicate the Number of permanent employees with disabilities	NIL
5.	Do you have an employee association that is recognized by management.	Yes (TDPSWU)
6.	What percentage of your permanent employees is members of this recognized employee association?	270

**Including figures of sr. no. 2 as stated above.*

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Fiscal and pending, as on the end of the Fiscal 2022.

There were no complaints during the Fiscal 2022 relating to the above.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Category	Safety training (%)	skill up-gradation training (%)
a) Permanent Employees	100%	86%
b) Permanent Women Employees	100%	65%
c) Casual/Temporary/Contractual Employees	100%	60%
d) Employees with Disabilities	NIL	NIL

PRINCIPLE 4 : BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

1. Has the company mapped its internal and external stakeholders ?

Yes, the key stakeholders of the Company are employees, customers, shareholders, suppliers & contractors, government authorities, trade & chamber association, communities around the location of the company's facilities.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Interests of all the stake holders are to be taken into consideration for a sustainable business eco system.

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3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

As part of its CSR activities, the company has initiated multiple projects “school readiness program in community schools’ for early childhood Education, Educational Empowerment of Girl Children of Scavenging community and School Infrastructure & Development Project to support in upgradation of School infrastructure, teaching aids and student welfare activities. The details of the same are provided in Annexure 6 of the Directors Report. Also the company provides employment to people of the rural area in which it is located. The company prioritizes engaging with small & medium vendors for its components and also involves in skill and financial support as may be required.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Policies on this aspect including on Health, rewards & recognition, growth opportunity, in house social activities, learning, development & education are primarily applicable to the Company. However, the company encourages it's business partners, vendors and service providers to adopt these policies as may be best suited to them.

2. How many stakeholder complaints have been received in the past Fiscal and what percent was satisfactorily resolved by the management?

The Company has not received any complaint with respect to human rights in the Fiscal 2021-22.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The policy applies to the wholly owned subsidiaries & all the stake holders.

2. Does the company has strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The manufacturing process does not have any environmental issues such as effluent, chemical or gas discharges. Our product- AC generators support green, renewable & waste to energy initiatives. One of the critical parts of the company's integrated management systems is it's Safety, Health and Environment (SHE) policy. The Company focuses on "SHE" responsibility amongst all the employees in their practices, promote and value their involvement in achieving the goals of this policy. Fix the responsibility of "SHE" with the contractors, Sub-Contractors, Transporters and all other external providers operating with the TDPS. The company is concerned about global environmental issues such as climate change, global warming etc. & supports all efforts in these areas.

The Environment Management System adopted by TDPS adopted is certified with ISO 14001-2015 by a reputed certification agency.

3. Does the company identify and assess potential environmental risks?

Basically, the manufacturing process does not have potential environmental risks. However, the Company continuously evaluates its processes to identify, assess & minimize environmental risks if any, in its manufacturing operations. The design and development efforts of the company are directed towards designing machines with high level of efficiency for renewable energy, green power and waste to energy applications which contribute to mitigating environmental risks.

4. Does the company has any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance Report.

The company is not part of any Clean Development Mechanism (CDM) projects. However, the generators manufactured by the company cater to renewable energy including wind energy & other climate friendly energy sources thus contributing indirectly to CDM.

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5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

As stated aforesaid, the company is constantly involved in design improvements to bring about energy efficiency of its machines. Our generators cater to renewable energy and clean energy applications. As part of energy saving initiatives LED lighting system has been installed enhancing ambient lighting as well as significant savings in energy consumption.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Fiscal being Reported?

Basically, the manufacturing process does not give rise to emissions. The waste generated as stated earlier are not polluting or harmful. The manufacturing units are compliant of the Consents by the SPCB. An effluent and Sewage treatment plant is installed to recycle the waste water and use it for plantation inside the Factory premises for upkeep of the trees. TDPS conducts environmental day on June 5th every year and plants trees inside the factory and its surroundings in which Employees are also involved. Environmental compliance is monitored as per KSPCB regulations and Ambient Air quality is met as per the regulations.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Fiscal.

No show cause notices were received as on the end of the year under Report.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a member of Bangalore Chamber of Industry and Commerce, Federation of Karnataka Chamber of commerce & Industry, Indo German chamber of commerce & Karnataka Employers' Association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) .

The company generally participates and shares ideas with the associations regarding economic reforms and sustainable business eco system.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**1. Does the company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8 ? If yes details thereof.**

The policies detailed at various points above represent the company's focus along with partners, vendors and service providers in meeting the above objectives. The Company's social projects as detailed in Annexure 6 to the Directors Report represent its intent in supporting these objectives.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization ?

The CSR program for Fy22 was implemented in partnership with an external CSR agency having requisite competence.

3. Have you done any impact assessment of your initiative ?

Our initiatives under various policies as aforesaid have enabled in promoting a safe, healthy & environment friendly operations and product. The focus on vendor skill development and financial support have enabled the company in promoting quality components and a sustainable vendor source. The impact of our CSR initiative is as Reported under Annexure 6 of the Directors Report.

ANNEXURE - 11 (BRR CONTD.)

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

The details of projects undertaken and contribution therein by the Company have been disclosed in Annexure 6 of the Directors Report 2022.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

An important objective of our CSR initiative is emphasis on Institutional capacity building & educational campaigns. The CSR projects initiated by the Company were successfully implemented and assessment of each project was carried out by our implementing agencies. Each project was benefited for the stakeholders and adoptable by them. The above initiatives are a step towards development in community which will eventually take ownership of the programs and make it sustainable.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/consumer cases are pending as on the end of fiscal.

As on March 31, 2022, about 7.8% of the customer queries / complaints are pending of which about 2.1% have been resolved until the date of this Report. The balance 5.7% of the complaints minor in nature & are open mostly awaiting customer confirmation as well as due to the ongoing Pandemic.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

The product information in compliance of IEC (Europe), NEMA (USA) and BIS standards (India) are displayed on the product label fixed to the generators depending on the customer/ user origin.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of Fiscal. If so, provide details thereof.

Not such cases were filed against the company.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

In addition to what is stated under Principle 1 above, the Company has a well-established system in place for dealing with customer feedback. Multiple options like email, telephone, website, feedback form etc. are available to the customer to communicate with the Company's marketing & service functions around the clock.

For and on behalf of the Board of Directors

Ahmedabad
August 9, 2022

Mohib N. Khericha
Chairman

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To

THE MEMBERS OF
TD POWER SYSTEMS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **TD Power Systems Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements") in which are included the financial statements of the Japan Branch for the year ended on that date audited by the Branch Auditor of the Company located at Japan.

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit, total Comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No. 50 in the standalone financial statements, which describes the basis on which the going concern assumption in the preparation of financial

statements of two subsidiaries and the evaluation of the carrying value of investment in one subsidiary and that no further provision for impairment in the carrying value of the investment in that subsidiary is considered necessary by the management.

We draw attention to Note no. 53 in the standalone financial statements, which describes the impact of COVID-19 pandemic, carried out by the management of the company on the company's business operations, financial position, carrying value of various assets and the uncertainties associated with such an evaluation in the present circumstances and that the impact may be different from that assessed as the date of approval of these standalone financial statements.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition for contracts with customers

Reasons why the matter was determined to be a key audit matter: The Company generates a significant portion of the business by manufacturing AC Generators and Electric Motors for various applications which are specifically designed and tailor-made to suit the needs of the customers based on their requirements and specifications. The Company recognizes revenue in accordance with IND AS 115 Revenue from contracts with customers, generally when or as the entity satisfies a performance obligation by transferring a promised goods, services to a customer; i. e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account the creditworthiness of the customers. These assessments include, in particular, the scope of deliveries and services required to fulfill contractually defined obligations.

Auditor's response: As part of our audit, we obtained an understanding of the Company's internally established methods, processes and control mechanisms from order to delivery. We have also assessed the design and operating effectiveness of the internal controls by obtaining an understanding of such business transactions, and testing controls over these processes.

As part of our substantive audit procedures, we evaluated the management's assumptions based on a risk-based selection of a sample of contracts. We have carried out verification of documents relating to these sales that include the documents

INDEPENDENT AUDITORS' REPORT (CONTD.)

for final testing dispatch of goods or acknowledgment of acceptance of the goods. We performed cut-off procedures to ensure that year-end sales are in accordance with the revenue recognition policy of the Company. The performance of obligations is considered complete, generally when the testing of goods is completed/customer has accepted the goods.

We have also discussed with the management the likelihood of any changes in the terms of non-fulfilment of obligation by the customers, arising from the impact of COVID-19.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board of Directors' report, Corporate Governance Report and other information published along with but does not include the standalone financial statements and the consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board of Directors' report, Corporate Governance Report etc., is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not and will 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 identified above 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. When we read the Management Discussion and Analysis, Board of Directors' report, Corporate Governance Report etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. In case of uncorrected material misstatement, we are required to communicate to other stakeholders as appropriate as well as to take action, applicable under applicable laws and regulations, if any.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with relevant rules issued thereafter.

This responsibility also includes the maintenance of adequate accounting records in accordance with the

provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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.

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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

INDEPENDENT AUDITORS' REPORT (CONTD.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 upto 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

We did not audit the financial statements of Japan Branch included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs. 1,947.52 lakhs as at 31st March, 2022 and total revenues of Rs. 1,509.78 lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements of the Branch have been audited by the branch auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts and

disclosures included in respect of the Branch, is based solely on the report of such Branch Auditors.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the '**Annexure A**' a statement on the matters specified in the paragraph 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branch not visited by us, but audited by the Branch Auditors.
 - c. The report on the accounts of one branch office audited under section 143 by a person other than the company's auditor has been forwarded to us as required by sub-section (8) of section 143 and have been properly dealt with in preparing our report in the manner considered necessary by us;
 - d. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us, but audited by the Branch Auditors.
 - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - f. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**';
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us and as per

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

the verification of the records of the company, the remuneration paid by the Company to its directors during the year is within the limit laid down under the provisions of section 197(16) of the Act.

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

i. the Company has disclosed pending litigations in its standalone financial statements, the impact if any on the final settlement of these litigations on its financial position is not ascertainable at this stage – Refer Note No 35 of standalone financial statements;

ii. the Company did not have any long-term contracts for which there were any material foreseeable losses. Refer Note No. 40(b) of the standalone financial statements;

iii. there has been no delay in transferring amounts, to be transferred to the Investor Education and Protection Fund by the Company during the year - Refer Note 40(c) of standalone financial statements.

iv. (a) The Management has represented that, to the best of their knowledge and belief, as disclosed in Note No. 40(d) of the 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of their knowledge and belief, as disclosed in

Note No. 40(e) of the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and

v. As stated in Note 46 to the standalone financial statements

a) During the year, the final dividend proposed, declared and paid by the Company relating to FY2020-21 is in accordance with Section 123 of the Act, as applicable.

(b) The Board of directors of the Company has not declared interim dividend.

(c) The Board of Directors of the Company have proposed final dividend for the financial year 2021-22 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

K.P.SRINIVAS
Partner

M. No. 208520

Place : Delhi

Date : 10th May 2022

UDIN : 22208520AISKSK5975

Annexure referred to in paragraph 1 under the heading 'report on Other Legal and Regulatory Requirements' of our Independent Auditor's Report of even date on the Standalone Financial Statements of TD Power Systems Limited for the year ended 31st March 2022.

I. In respect of its Property, plant and equipment:

a) The Company has maintained proper records which are showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a programme of physical verification of Property, plant and equipment of the

Company, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, there were no material discrepancies identified on such verification when compared with available records of the Company.

(c) According to the information and explanations given to us and as per the verification of the records of the Company, the title deeds of the immovable properties

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

(other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements, are held in the name of the Company.

- d) The Company has not revalued any of its Property, Plant and Equipment or intangible assets or both during the year.
- e) According to the information and explanations given to us and as per our verification of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. a) The inventory has been physically verified by the management during the year and at the year end. In our opinion, the frequency of verification is reasonable and the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.
- b) According to the information and explanations given to us and as per our verification of the records of the company, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks on the basis of security of current assets and quarterly statements filed by the company with banks are in agreement with the books of account of the Company.
- iii. According to the information and explanations provided to us and based on our verification of the records of the Company, during the year, the Company has not made any investments in, provided any financial guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- a) According to the information and explanations given to us, during the year, the Company has not provided advances in the nature of loans, or financial guarantee, or provided security to any other entity. Hence reporting under clause 3(iii)(a) of the Order is not applicable.
- b) The company has not made investments, provided guarantees or given securities. Hence reporting under clause 3(iii)(b) of the Order is not applicable.
- c) In respect of loans granted by the Company to its two wholly owned subsidiaries in the earlier years, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular except for ₹ 376.80 Lakhs which was renewed during the year.
- d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

- e) Loan granted by the Company which has fallen due during the year, was renewed on maturity. However no fresh loans has been granted to settle the overdues of existing loans given to the same parties. The details of loans renewed during the year is given below:

(Amount in ₹ Lakhs)

Name of the parties	Aggregate amount of overdues of existing loans renewed	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
TD Power Systems Generator Sanayi Anonim Sirketi	INR 75.36	Not Applicable No fresh loans were granted during the year.
TD Power Systems USA Inc	INR 301.44	Not Applicable No fresh loans were granted during the year.

- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- 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 loans granted, investments made and guarantees and securities provided to the subsidiaries as applicable. There was no loan granted or guarantee provided to other parties.
- v. According to the information and explanations given to us, the Company has not accepted any deposit and there were no amounts which are deemed to be deposits. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government, for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the accounts and records with a view to determining whether they are accurate or complete.
- vii.(a) According to the information and explanations given to us and as per our verification of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of customs, duty of excise, Value Added Tax, cess and any other statutory dues to the appropriate authorities during the year to the extent applicable. There are no arrears of undisputed statutory dues of a

material nature outstanding as at the last day of the financial year for a period of more than six months from the date on which they became payable.

- b) According to the information and explanations given to us and as per our verification of the records of the Company, there were no disputed amounts of statutory dues referred to in sub-clause (a) that have not been deposited with appropriate authorities as at 31st March 2022, except for the following:

Name of the Statute	Nature of the dues	Amount (₹ in Lakhs)	Period (financial year) to which the amount relates to	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15.80	2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	27.56	2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1942.67	2016-17	High Court of Karnataka

viii. According to the information and explanations provided to us and based on our verification of records of the Company, there were no transactions not recorded in the books of account which were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, the paragraph 3(viii) of the order is not applicable.

- ix. a. According to the information and explanations provided to us and based on our verification of the records of the Company, Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the financial year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

- f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. a. According to the information and explanations given to us and as per our verification of records of the Company, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3(x)(a) of the Order are not applicable.
- b) According to the information and explanations given to us and as per our verification of records of the Company, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable. (As stated in Note 49 of the financial statements, the company has issued shares under ESOP Scheme during the year.)
- xi. a. According to the information and explanations given to us and as per our verification of records of the Company, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b) According to the information and explanation given to us and as per our verification of the records of the company, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) According to the information and explanations given to us and as per our verification of records of the Company, no whistle-blower complaints have been received during the year by the Company.
- xii. According to the information and explanations provided to us and based on our verification of the records of the Company, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and as per our verification of records of the Company,

- transactions with the related parties are in compliance with the sections 177 and 188 of the Act and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv. a) In our opinion the Company has an internal audit system which is commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company.
- xv. According to the information and explanations given to us and as per our verification of records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with the directors. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. a) According to the information and explanations given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) According to the information and explanations given to us the Company has not conducted Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) According to the information and explanations given to us the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.
- xvii The Company has not incurred cash losses during the financial year and the immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors of the Company during the year.
- xix On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b. In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.
- In respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount as at the end of the financial year, to a Special Account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

K.P. SRINIVAS
Partner

Place : Delhi
Date : 10th May 2022

M. No. 208520
UDIN : 22208520AISKSK5975

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE REFERRED TO IN PARA 2 (g) "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF THE INDEPENDENT AUDITOR'S REPORT REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **TD Power Systems Limited** ("the Company") as of 31 March 2022 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

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 issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- (1.) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2.) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3.) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

K.P. SRINIVAS
Partner

Place: Delhi
Date : 10th May 2022

M No. 208520
UDIN : 22208520AISKSK5975

BALANCE SHEET AS AT MARCH 31, 2022

		Amount in ₹ Lakhs			
Note No.	As at 31.03.2022			As at 31.03.2021	
I. ASSETS					
Non - current assets					
Property, plant and equipment	2	15,388.79		16,561.42	
Capital work in progress	3	63.47		25.15	
Intangible assets other than goodwill	4	586.91		399.29	
Intangible assets under development	5	-		32.10	
Financial assets					
Investments	6	3,771.63		3,771.63	
Loans to subsidiaries	7	1,017.36		1,017.38	
Other financial assets	8	122.80		122.80	
Other non-current assets	9	1,853.97	22,804.93	1,782.37	23,712.14
Current assets					
Inventories	10	19,152.93		14,574.46	
Financial assets					
Trade receivables	11	24,508.09		17,578.02	
Cash and cash equivalents	12	3,846.35		3,777.81	
Bank balances other than cash and cash equivalents	13	10,594.99		11,685.58	
Other financial assets	14	2,247.90		1,947.87	
Other current assets	15	5,154.18	65,504.44	2,619.59	52,183.33
TOTAL			88,309.37		75,895.47
II. EQUITY AND LIABILITIES					
Equity:					
Equity share capital	16	3,110.35		3,093.34	
Other equity	17	49,155.37	52,265.72	44,349.29	47,442.63
Non - current liabilities					
Provisions	18	499.39		452.59	
Deferred tax liabilities (Net)	19	792.22	1,291.61	627.21	1,079.80
Current Liabilities					
Financial Liabilities:					
Borrowings	20	7,096.51		5,199.60	
Trade payables					
- total outstanding dues of micro enterprises and Small enterprises	21	64.34		60.26	
- total outstanding dues of creditors other than micro enterprises and Small enterprises		14,613.91		10,139.40	
Other financial liabilities	22	7,834.73		7,258.38	
Other current liabilities	23	3,983.92		3,777.67	
Provisions	24	432.50		322.58	
Current tax liability - Net	25	726.13	34,752.04	615.15	27,373.04
TOTAL			88,309.37		75,895.47

The accompanying notes form an integral part of the financial statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

This is the balance sheet referred to in our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

		Amount in ₹ Lakhs			
		Note No.	Year ended 31.03.2022		Year ended 31.03.2021
I	Revenue from operations	26	71,880.55		49,941.43
II	Other income	27	1,756.48		1,268.50
III	TOTAL REVENUE (I+II)		73,637.03		51,209.93
IV	Expenses				
	Cost of materials consumed	28	52,580.48		35,077.29
	Purchases for project business, net of changes in inventories of stock in trade	29	940.96		778.32
	Changes in inventories of finished goods, work in progress and stock in trade	30	(1,830.51)	51,690.93	(1,428.04) 34,427.57
	Employee benefits expense	31	7,273.31		7,308.72
	Finance costs	32	205.70		445.85
	Depreciation and amortization expense	33	2,123.70		2,096.83
	Other expenses	34	4,964.06		4,579.37
	TOTAL EXPENSES		66,257.70		48,858.34
V	Profit/(loss) before tax (III-IV)		7,379.33		2,351.59
VI	Tax expense: (Refer Note No. 38(a) & (b))				
	Current tax		1,772.83		626.46
	Deferred tax		165.01	1,937.84	(22.62) 603.84
VII	Profit/(loss) for the year (V-VI)		5,441.49		1,747.75
VIII	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Remeasurement of defined benefit plans		(84.34)		136.13
	Income tax on defined benefit plans				
	-Current Tax (Refer Note No. 38(a))	36	21.23	(63.11)	(34.26) 101.87
	Items that will be reclassified to profit or loss				
	Exchange difference on translation of foreign operations		(60.76)		(55.77) (55.77)
	Total		(123.87)		46.10
IX	Total comprehensive income for the year (VII+VIII)		5,317.62		1,793.85
X	Earnings per equity share of ₹ 10/- each:				
	Basic (in ₹)	37	17.68		5.73
	Diluted (in ₹)		17.56		5.65

The accompanying notes form an integral part of the financial statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt
Date: 10th May 2022

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

This is the statement of profit and loss referred to in our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

Particulars	Equity Share Capital (Equity Shares of Rs.10 each issued, subscribed and fully paidup)	Other Equity							Total other equity attributable to equity share holders of the company
		Reserves and surplus				Stock option Outstanding Account	Shares Purchased by ESOP Trust	Exchange difference on translation of foreign operations	
		Securities Premium	Retained earnings	General reserve	Capital Redemption Reserve				
As at 1st April 2020	3,093.34	19,027.49	20,558.34	2,939.63	230.42	281.34	(822.13)	139.54	42,354.63
Profit for the year 1 st April 2020 to 31 st March 2021	-	-	1,747.75	-	-	-	-	-	1,747.75
Remeasurement of defined benefit plans for the year (net of tax)	-	-	101.87	-	-	-	-	-	101.87
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(55.77)	(55.77)
Transfer to Stock Options Outstanding account during the year (Refer Note No.49)	-	-	-	-	-	303.74	-	-	303.74
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	126.41	-	126.41
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	(141.40)	141.40	-	-
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	(6.26)	-	-	-	6.26	-	-
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	2.68	-	2.68
Dividend for the year (Refer Note No. 46)	-	-	(232.02)	-	-	-	-	-	(232.02)
As at 31st March 2021	3,093.34	19,027.49	22,169.68	2,939.63	230.42	443.68	(545.38)	83.77	44,349.29
As at 1st April 2021	3,093.34	19,027.49	22,169.68	2,939.63	230.42	443.68	(545.38)	83.77	44,349.29
Shares issued during the year to ESOP Trust	17.01	-	-	-	-	-	-	-	-
Profit for the year 1 st April 2021 to 31 st March 2022	-	-	5,441.49	-	-	-	-	-	5,441.49
Remeasurement of defined benefit plans for the year (net of tax)	-	-	(63.11)	-	-	-	-	-	(63.11)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(60.76)	(60.76)
Transfer from Share Option Outstanding to Securities premium on exercise of ESAR	-	173.55	-	-	-	(173.55)	-	-	-
Transfer to Stock Options Outstanding account for the year (Refer Note No. 49)	-	-	-	-	-	133.60	-	-	133.60
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	126.40	-	126.40
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	(146.80)	146.80	-	-
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	(3.68)	-	-	-	3.68	-	-
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	4.95	-	4.95
Dividend for the year (Refer Note No.46)	-	-	(776.49)	-	-	-	-	-	(776.49)
As at 31st March 2022	3,110.35	19,201.04	26,767.89	2,939.63	230.42	256.93	(263.55)	23.01	49,155.37

The accompanying notes form an integral part of the financial statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

This is the statement of changes in equity referred to in our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

K P Srinivas
Partner
Membership No.208520

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt
Date: 10th May 2022

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Place:Delhi
Date: 10th May 2022

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	7,379.33	2,351.59
Adjustments for		
Depreciation	1,934.62	1,962.77
Amortisation	189.08	134.06
(Profit) / Loss on disposal of Property, Plant and Equipments (including amount considered as exceptional item)	(0.06)	(10.50)
Unbilled revenue	26.68	53.10
Interest income on bank deposits	(642.22)	(634.70)
Interest income on financial assets (Non-convertible debentures carried at amortised cost)	(81.10)	(80.87)
Interest income accrued on financial assets (Non-convertible debentures carried at amortised cost)	(94.43)	(94.19)
Interest on the loan given to subsidiaries	(41.18)	(47.76)
Interest expenses (including foreign exchange difference recorded as adjustment to borrowing cost)	205.70	445.85
Compensation expenses under Employee Stock Option Scheme	133.61	303.74
Unrealised foreign exchange loss / (gain) (net)	(1,154.21)	(295.10)
Provision for warranty claims	102.36	8.48
Provision for leave encashment	54.36	22.20
	633.21	1,767.08
Operating profit before working capital changes	8,012.54	4,118.67
Adjustments for		
Decrease/(Increase) in trade receivables	(6,897.93)	1,015.30
Decrease/(Increase) in other receivables	(976.32)	(3,006.57)
Decrease/(Increase) in inventories	(4,578.47)	(1,987.97)
(Decrease)/Increase in trade payables	4,511.71	(3,024.50)
(Decrease)/Increase in other payable & provisions	612.20	3,533.55
	(7,328.81)	(3,470.19)
Cash generated from operations	683.73	648.48
Direct taxes paid including TDS	(1,623.07)	(678.54)
Net Cash from/(used in) Operating Activities	(939.34)	(30.06)
B Cash flow from investing activities		
Payment for property, plant and equipments (net of transfer of CWIP to fixed assets)	(802.75)	(1,050.31)
Payment for intangible assets	(376.70)	(343.02)
Proceeds from disposal of property, plant and equipments	2.50	19.52
Proceeds from repayment of loan given to subsidiary	37.68	85.36
Interest received on loan given to subsidiary	41.18	47.76
Interest received on bank deposits	958.95	667.23
Net Cash from/(used in) investing activities	(139.14)	(573.46)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

	Amount in ₹ Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
C. Cash flow from financing activities		
Proceeds from / (Repayment of) working capital borrowings (net)	1,865.84	(1,561.15)
Proceeds from ESOP exercised received	126.40	126.41
Proceeds from issue of shares to ESOP Trust	17.01	-
Interest paid	(149.60)	(306.89)
Dividend Received by ESOP Trust	4.95	2.68
Dividend Paid	(776.49)	(232.02)
Net Cash from/(used in) financing activities	1,088.11	(1,970.97)
Net Foreign exchange difference on translation of foreign operations	60.76	55.77
Net increase/(decrease) in cash and cash equivalents	70.39	(2,518.72)
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(1.85)	(52.39)
Cash and cash equivalents at the beginning of the year	3,777.81	6,348.92
Cash and cash equivalents at the end of the year	3,846.35	3,777.81
Cash and cash equivalents at the end of the year- constitute		
Balances with banks		
In current accounts	1,430.28	2,174.74
In EEFC account	701.21	507.72
In Cash Credit Account	-	412.85
In deposit accounts with less than 3 months maturity	1,709.54	680.00
Cash on hand	5.32	2.50
	3,846.35	3,777.81

Note: Cash flows are reported using the indirect method. Cash and cash equivalents is after adjusting translation gain/loss.

The accompanying notes form an integral part of the financial statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

This is the cash flow statement referred to in our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2022

SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

The Company is incorporated and domiciled in India. Consequent to a Special Resolution of the Members, passed at the Company's Extra Ordinary General Meeting held on 17th January 2011, the Company was converted to a Public Limited Company by altering its Articles of Association in terms of Section 31 read with Section 44 of the Companies Act 1956, and a fresh Certificate of Incorporation dated 4th February 2011 was issued by the Registrar of Companies, Karnataka. The registered office of the Company is located at Dabaspet, Nelamangala Taluk Bangalore - 562 111. The Company is engaged in manufacturing AC Generators and Electric Motors for various applications which are specifically designed and tailor-made to suit the needs of the customers based on their requirements and specifications.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on 10th May 2022.

The company's subscription to the Share Capital of its Wholly Owned Subsidiaries included in investment under non-current assets as at 31st March 2022 are as follows:-

- 80,100 Equity Shares of USD 10- each in TD Power Systems USA Inc, USA
- 2000 Equity Share of JPY 10,000 each in TD Power Systems Japan Limited, JAPAN
- 550,000 *Equity Share of Euro 1 each in TD Power Systems Europe GmbH, EUROPE
(*erstwhile Platin 1255 GmbH acquired by the company during January 2016)
- 59,99,998 Equity Shares of ₹ 10 each in D F Power Systems Private Limited (excluding beneficial interest relating to two shares held by the Directors of the Company).
- 12,782 shares of Turkish Lira of 100 - each in TD Power System Generator Sanayi Anonim Sirketi which was incorporated on 21st June 2017

1.1 Basis of preparation of financial statements

The financial statements have been prepared on going concern basis and on accrual method of accounting in accordance with Indian Accounting Standards. Historical cost is used except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The standalone financial statements are presented in Indian Rupees ("₹/INR/₹") and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

1.2 Use of estimates and judgments

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires management of the Company to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses for the period presented. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period and actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

a An asset is treated as current when it is

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

b A liability is treated as current when it is

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

- c Deferred tax assets / liabilities are classified as non-current assets/liabilities.
- d Based on the nature of products/activities of the Company and the normal time between acquisition of the assets and the realization in cash and cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.4 Critical Accounting Estimates

a. Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its service contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c Intangible Assets

The capitalization of cost in intangible asset under development is based on judgement of the management that technological and economical feasibility is confirmed and that the assets will generate economic benefits in future. Based on

the evaluations carried out the Company's management has determined that there is no factor which indicate that these assets have suffered any impairment loss.

d Investment in subsidiaries

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. The management of the Company is confident that the investment does not require further provision for impairment based on the future projections.

e Provision and Contingent liability

The Company reviews pending cases, claims by third party and other contingencies, if any on an on-going basis. For contingent losses that are considered probable, estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed in the financial statements as contingent liabilities. Contingencies the likelihood of which are remote, are not disclosed in the financial statements. Gain contingencies are not recognized until the contingencies are resolved and the amounts are received or recoverable.

f Provision for Credit loss

The Company reviews the position of trade receivable and ascertains a provision for life time credit loss after considering the industry and economic conditions in which customer operate, the profile of the customer and the past experience.

1.5 Revenue Recognition

The company recognises revenue, when or as the entity satisfies a performance obligation by transferring a promised goods or services to a customer; i. e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account our customer's creditworthiness. With regards to the sale

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

of products (a) where delivery is not considered to have occurred, and therefore no revenues are recognized, until the customer has taken title to the products and assumed the risks and rewards of ownership of the products specified in the purchase order or sales agreement. (b) Where dispatch has not been done but tests have been completed as per the terms agreed with the customer, revenue is the transaction price the company expects to be entitled to. Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment is substantial and there is a significant financing benefit either to the customer or Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those. Revenue is recognized for each performance obligation either at a point in time or over the time.

Sales from construction-type contracts

Revenues are recognized over time under the percentage-of-completion method, based on the percentage of costs incurred to date compared to total estimated costs. An expected loss on the contract is recognized as an expense immediately.

The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total estimated costs, total estimated revenues, contract risks, including technical, political and regulatory risks, and other judgments. Under the percentage-of-completion method, changes in estimates may lead to an increase or decrease of revenue. In addition, the company needs to assess whether the contract is expected to continue or to be terminated. In determining whether the continuation or termination of a contract is expected to be the most likely scenario, all relevant facts and circumstances relating to the contract are considered on an individual basis.

Revenues from services

Revenues are recognized over time on a straight-line basis or, if the performance pattern is other than straight-line, as services are provided, i. e. the

progress towards complete satisfaction using input method or output method.

Dividend Income

Revenue is recognised when the Company's right to receive the payment is established.

Interest Income

Interest income is recognised using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of financial asset.

1.6 Export Incentives

Export incentives are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

1.7 Property, plant and equipment (PPE)

Initial Measurement

Free hold land is carried at historical cost. All other items of Property, Plant and Equipment's are carried at cost of acquisition/construction net of recoverable taxes, less accumulated depreciation / amortization and impairment losses, if any. The cost includes incidental expenses relating to the acquisition and finance cost till assets are put to use, are capitalized. Stores, spares and parts which can be used only in connection with an item of plant or equipment and whose useful life is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Property, Plant and Equipment manufactured internally are capitalized at Factory Cost.

Capital Work in Progress

Property, Plant and Equipment which are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses. Advances paid towards acquisition of PPE outstanding at each balance sheet date are classified as Capital advances under other non-current assets.

Depreciation and amortization

I. Depreciation on Property, Plant and Equipment's is provided using straight line method (SLM) with reference to the estimated useful life of the Property, Plant and Equipment less its residual

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

value as prescribed under Schedule II of The Companies Act 2013, or useful life of the asset as estimated by the management, whichever is lower. Property, Plant and Equipment costing below ₹ 5,000/- are depreciated fully. Depreciation is charged for complete quarter on addition / deletion.

- ii. Freehold land is not depreciated.
- iii. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

The estimated useful lives are as mentioned below:

Type of Assets	Useful Life
Factory Building	30 Years
Non-factory Buildings	60 Years
Plant & Machinery - Double shift basis	10 Years
Office Equipments	5 Years
Furniture and Fixtures	10 Years
Computers	3 Years
Computer Server	6 Years
Communication Equipment	5 Years
Motor Vehicles	8 Years

Derecognition

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

1.8 Intangible Assets

Intangible assets with finite lives that are acquired are carried at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment losses, if any. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets consist of technical knowhow / license fees / softwares which are amortized over a period of 5 years on a straight-line basis being the estimated useful life.

1.9 Research & Development

Expenditure on research activity undertaken is charged to the Statement of Profit & Loss as and when incurred during the year to their natural head of accounts. The expenditure incurred includes cost of materials, salaries & wage and other revenue expenditure.

Development costs are capitalized only after the technical and commercial feasibility of the asset for sale or use has been established.

Capital Expenditure is categorized and disclosed separately as Research & Development Property Plant and Equipment and depreciation is charged as disclosed in Sl. No.1.7 above.

1.10 Impairment of Assets

a. Financial assets (other than at fair value)

The Company assesses at the end of each reporting period, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b. Non-Financial Assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

1.11 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Raw materials and bought out items are valued on first in first out basis and includes material cost, carriage inward, insurance and purchase related expenses. Cost in respect of work in progress and finished goods include appropriate portion of overhead. Net realizable value represents the estimated selling price for inventory less all estimated cost of completion and cost necessary to make the sale.

1.12 Employee Benefits

Employee benefits include provident fund, pension fund, employee state insurance scheme, compensated absences and gratuity.

a. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

b. Long-term employee benefits

Long term employee benefits include compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation as at balance sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

c. Defined Benefit Plans

For defined benefit plans in the form of Gratuity (funded), the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at the end of each reporting period, taking effect of actuarial gains and losses which is recognised in Other Comprehensive Income. The amount is funded to gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

Re-measurement of net defined benefit liability/asset pertaining to gratuity comprise of actuarial gains / losses (i.e. changes in the present value

resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Past service cost is recognized immediately in the statement of profit and loss. The benefits obligation in respect of gratuity recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for present value plan assets including refunds and reductions if any available as against future contributions to the scheme.

d. Defined Contribution Plans

The Company has contributed to provident fund and employee state insurance scheme which is defined contribution plan. The contribution paid/payable under the scheme is charged to Statement of Profit and loss during the year in which an employee renders the related service. Company has no further obligation beyond making the payment.

e. Termination benefits are recognized as an expense as and when incurred.

1.13 Share based payments

The Company recognises compensation expense relating to share-based payments in net profit using fair-value in accordance with IND AS 102, Share Based Payment. The estimated fair value of awards is charged to income on straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding credit to Employee Stock Option / Rights outstanding Reserve.

The Company has created an Employee Stock Options Trust (ESOP) for providing share-based payment to its employees. The Company uses ESOP as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP Trust buys shares of the company from the market, for giving shares to employees in addition to allotment of shares by the Company as per the requirements of the scheme. The Company treats ESOP as its extension and shares held

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

by ESOP are treated as treasury shares. Treasury shares are recognized at cost of acquisition and included under other equity. No gain or loss is recognized in profit or loss on the purchase or issue of the Company's own equity shares. Share options exercised during the reporting period are deducted from treasury shares.

1.14 Leases**Company as a Lessee**

Contracts with third party, which give the company the right of use in respect of an Asset, are accounted in line with the provisions of Ind AS 116 – Leases, if the recognition criteria as specified in the Accounting standard are met.

Lease payments associated with Short terms leases and Leases in respect of Low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of “right of use” is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset and presented as part of Plant, property and equipment.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments and presented as Borrowing. Subsequent measurement, if any, is made using Cost model.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the 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.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate.

Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

Company as a lessor

Leases are classified as operating lease or a finance lease based on the recognition criteria specified in Ind AS 116 – Leases

a) Finance Lease

At commencement date, amount equivalent to the “net investment in the lease” is presented as a Receivable. The implicit interest rate is used to measure the value of the “net investment in Lease”. Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the Statement of Profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in Lease. The asset is tested for de-recognition and impairment requirements as per Ind AS 109 – Financial Instruments. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

b) Operating Lease

The company recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis, if required. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

1.15 Income Taxes

The Company's major tax jurisdictions are in India. Significant judgements are involved in determining the provision for income tax credits, including the amount to be paid or refunded.

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a. Current Income Taxes

The current income tax expense includes income taxes payable by the Company and its overseas branches.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis or where it has legally enforceable right to set off the recognized amount.

b. Deferred Income Taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses, if any can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

1.16 Foreign Currency

a. Functional and presentation currency

The Standalone financial statement is presented in Indian Rupee (₹ / ₹), which is also the Company's functional currency. Transaction in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction

b. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying foreign currency exchange rates between the reporting currency and the foreign currency prevailing at the dates of the transactions.

c. Measurement of foreign currency monetary items and Non-monetary items at the balance sheet date

Monetary items outstanding at the balance sheet date are restated at the rate as on reporting date.

Non – monetary items which are carried in terms of historical cost denominated in a foreign currency are not restated and hence is reported using the exchange rate prevailing at the date of transactions.

d. Treatment of exchange differences on monetary items

Exchange differences arising on settlement / restatement of foreign currency assets and liabilities of the Company are recognized as income or expense in the statement of profit and loss in the period in which they arise.

e. In respect of overseas branch, financial statements are translated as if the transactions are those of the Company itself i.e. Indian Rupees as the functional currency since the overseas branch is primarily involved in selling/marketing goods manufactured by the Company in India. The net impact of the foreign exchange difference of foreign operations is recognised in Other Comprehensive income.

1.17 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of any entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Cash and Cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii. Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

assets in order to collect contractual cash flows 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.

iii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Financial liabilities at Fair value through profit and Loss are stated at fair value, with any gains or losses arising on re-measurement in Profit and loss statement.

v. Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

vi. De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

vii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected

lifetime losses to be recognised from initial recognition of the receivables.

viii. Investments in subsidiary

Investments in subsidiary are carried at cost less accumulated impairment, if any.

ix. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.18 Accounting for Derivatives

Derivatives are initially recognized at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains/losses is recognized in the statement of profit and loss of that period.

1.19 Borrowing Cost

General and specific borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are charged to statement of Profit and Loss in the period in which they are incurred.

1.20 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

1.21 Cash Flow statement

Cash flows are reported using Indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activity of the company are segregated.

1.22 Provision and Contingencies

The Company reviews pending cases, claims by third party and other contingencies, if any on an on-going basis. For contingent losses that are considered probable, estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed in the financial statements as contingent liabilities. Contingencies the likelihood of which are remote, are not disclosed in the financial statements. Gain contingencies are not recognized until the contingencies are resolved and the amounts are received or recoverable.

Provision for Warranty

Provision for warranty related cost are recognized when the product is sold. Initial recognition is based

on historical experience and future estimates of claims by the management. The estimate of such warranty related cost is revised annually.

Provision for Credit Loss

The Company reviews the position of trade receivable and ascertains a provision for life time credit loss after considering the industry and economic conditions in which customer operate, the profile of the customer and the past experience.

1.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.24 Earnings per share

Basic earnings / (loss) per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares after adjustments for treasury shares, outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other changes or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of shares which could have been issued on the conversion of all dilutive potential equity shares.

The number of equity shares is adjusted retrospectively for all periods presented for any share splits and bonus shares issued.

1.25 Dividend Distribution

Dividend paid (including income tax thereon) is recognized in the period in which the interim dividend is approved by the Board of Directors, or in the respect of the final dividend when approved by shareholders.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE-2: PROPERTY, PLANT AND EQUIPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2021	Additions	Disposal	As at 31.03.2022	As at 01.04.2021	For the year	Disposal	As at 31.03.2022	As at 31.03.2022
Free hold land	1,950.92	-	-	1,950.92	-	-	-	-	1,950.92
Buildings	11,178.98	-	-	11,178.98	3,369.82	322.09	-	3,691.91	7,487.07
Plant and machinery	22,349.27	596.26	1.69	22,943.84	16,427.06	1,285.50	1.09	17,711.47	5,232.37
Office equipments	357.95	3.73	4.44	357.24	265.84	17.89	4.22	279.51	77.73
Furniture and fixtures	358.97	1.97	-	360.94	293.39	21.86	-	315.25	45.69
Computers	743.69	125.12	28.55	840.26	567.32	86.27	27.15	626.44	213.82
Communication equipments	16.84	0.07	-	16.91	16.17	0.07	-	16.24	0.67
Motor vehicles	491.47	37.28	4.37	524.38	223.54	41.70	4.15	261.09	263.29
TOTAL - A	37,448.09	764.43	39.05	38,173.47	21,163.14	1,775.38	36.61	22,901.91	15,271.56

PROPERTY, PLANT AND EQUIPMENT - RESEARCH & DEVELOPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2021	Additions	Disposal	As at 31.03.2022	As at 01.04.2021	For the year	Disposal	As at 31.03.2022	As at 31.03.2022
Plant and machinery	1,600.92	-	-	1,600.92	1,324.45	159.24	-	1,483.69	117.23
TOTAL - B	1,600.92	-	-	1,600.92	1,324.45	159.24	-	1,483.69	117.23
TOTAL - C=A+B	39,049.01	764.43	39.05	39,774.39	22,487.59	1,934.62	36.61	24,385.60	15,388.79

NOTE - 2: PROPERTY, PLANT AND EQUIPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	For the year	Disposal	As at 31.03.2021	As at 31.03.2021
Free hold land	1,817.60	133.32	-	1,950.92	-	-	-	-	1,950.92
Buildings	11,169.53	9.45	-	11,178.98	3,047.73	322.09	-	3,369.82	7,809.16
Plant and machinery	21,692.58	704.48	47.79	22,349.27	15,120.22	1,348.10	41.26	16,427.06	5,922.21
Office equipments	319.64	42.56	4.25	357.95	252.04	17.74	3.94	265.84	92.11
Furniture and fixtures	357.96	1.01	-	358.97	272.12	21.27	-	293.39	65.58
Computers	666.24	81.82	4.37	743.69	509.65	61.93	4.26	567.32	176.37
Communication equipments	16.84	-	-	16.84	16.17	-	-	16.17	0.67
Motor vehicles	416.13	117.06	41.72	491.47	230.79	32.40	39.65	223.54	267.93
TOTAL - A	36,456.52	1,089.70	98.13	37,448.09	19,448.72	1,803.53	89.11	21,163.14	16,284.95

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

PROPERTY, PLANT AND EQUIPMENT - RESEARCH & DEVELOPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	For the year	Disposal	As at 31.03.2021	As at 31.03.2021
Plant and machinery	1,600.92	-	-	1,600.92	1,165.21	159.24	-	1,324.45	276.47
TOTAL - B	1,600.92	-	-	1,600.92	1,165.21	159.24	-	1,324.45	276.47
TOTAL - C=A+B	38,057.44	1,089.79	98.13	39,049.01	20,613.93	1,962.77	89.11	22,487.59	16,561.42

Note:

The borrowings and non fund based facilities from Bank of Baroda & Kotak Mahindra Bank are secured by way of:

- 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-1 of Company comprises of land and buildings situated at plot nos. 27,28,29 & 30A area, 25304 sq. mts Phase-I KIADB Dabaspeta Industrial Area, Yedahalli Village, Bengaluru Rural District, Bengaluru.
- 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-II of Company comprises of land and buildings situated at Sy.No.59/2, area 4 acres 33 gunta (19526 Sq. mts including 7 gunta kharaba land) yedahalli village Dabaspeta, Bangalore.
- 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-II of Company comprises of land and buildings situated Sy.No. 55 (Part1), 56/1, 56/2, 57 & 58 Yedahalli Village, Dabaspeta Bangalore Rural District, Bangalore measuring 12.55 acres.
- 1st Pari passu hypothecation charge with Kotak Mahindra Bank on entire plant and machinery of the company.

Amount in ₹ Lakhs

3 CAPITAL WORK-IN-PROGRESS

Plant and Machinery

Land

TOTAL**Capital work-in-progress ageing schedule****Projects in progress - Less than 1 year**

Plant and Machinery

Projects in progress - More than 3 year

Land

TOTAL**4 INTANGIBLE ASSETS - (OTHER THAN GOODWILL)****Softwares:**

Gross block (at deemed cost)

Additions during the year

Gross block at the end of the year

Accumulated amortisation at the beginning of the year

Amortisation for the year

Accumulated amortisation at the end of the year**NET CARRYING VALUE - A**

	As at 31.03.2022	As at 31.03.2021
	63.47	24.52
	-	0.63
TOTAL	63.47	25.15
	63.47	24.52
	-	0.63
TOTAL	63.47	25.15
	73.00	73.00
	32.10	-
Gross block at the end of the year	105.10	73.00
	18.25	3.65
	3.33	14.60
Accumulated amortisation at the end of the year	21.58	18.25
NET CARRYING VALUE - A	83.52	54.75

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

INTANGIBLE ASSETS - (OTHER THAN GOODWILL) Contd...

	As at 31.03.2022	As at 31.03.2021
Other Intangible assets - Technical know how		
Gross block (at deemed cost)	1,213.06	870.05
Additions during the year	344.60	343.02
Gross block at the end of the year	1,557.66	1,213.07
Accumulated amortisation at the beginning of the year	868.52	749.07
Amortisation for the year	185.75	119.46
Accumulated amortisation at the end of the year	1,054.27	868.53
NET CARRYING VALUE - B	503.39	344.54
NET CARRYING VALUE - A+B	586.91	399.29
5 INTANGIBLE ASSETS UNDER DEVELOPMENT		
Software customisation	-	32.10
TOTAL	-	32.10
Intangible assets under development ageing schedule		
Projects in progress-Less than 1 year		
Software customisation	-	32.10
	-	32.10

FINANCIAL ASSETS

6 INVESTMENTS

Details of Investments	Currency	Per Security	Number of Securities		Amount in Lakhs	
			As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Non current investments *						
A Investments in equity instruments of subsidiaries - unquoted - carried at cost						
D F Power Systems Private Limited ** (Refer Note No. 50)	INR	10.00	59,99,998	59,99,998	2,040.75	2,040.75
TD Power Systems USA Inc (Refer Note No. 50)	USD	10.00	80,100	80,100	481.78	481.78
TD Power Systems Japan Limited	JPY	10,000.00	2,000	2,000	122.44	122.44
TD Power Systems Europe GMBH	Euro	1.00	5,50,000	5,50,000	414.12	414.12
TD Power Systems Jenerator Sanayi Anonim Sirketi	Lira	100.00	12,782	12,782	159.35	159.35
Less: Provision for diminution in the value of D F Power Systems Private Limited (Refer Note No. 50)					(1,440.75)	(1,440.75)
Total investment in equity of subsidiaries - A					1,777.69	1,777.69
B Investments in Non-convertible Debentures carried at amortised cost -						
Tata Capital Financial Services Limited @ 8.90% (Maturity on 27.09.2023)	INR	1,000.00	1,00,000	1,00,000	995.48	995.48
Tata Capital Financial Services Limited @ 8.50% (Maturity on 26.08.2024)	INR	1,000.00	1,00,000	1,00,000	997.96	997.96

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

FINANCIAL ASSETS

6 INVESTMENTS CONTD...

Details of Investments	Currency	Per Security	Number of Securities		Amount in Lakhs	
			As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
C Investment carried at fair value through Profit and Loss (FVTPL)						
Investments in Equity Shares - (fully paid up) (unquoted)						
The Shamrao Vithal Co-operative Bank Ltd. A Scheduled Bank (Cost per share is ₹ 25)	INR	25.00	2,000	2,000	0.50	0.50
Grand Total (A+B+C)					3,771.63	3,771.63
Additional Information:						
Aggregate Carrying value of quoted Non-convertible debentures					1,993.44	1,993.44
Market value of quoted Non Convertible Debentures					2,174.00	2,197.99
Aggregate amount of unquoted shares					3,218.94	3,218.94
Amount of impairment in the value of investments in unquoted shares (Refer Note 50)					(1,440.75)	(1,440.75)
Aggregate carrying value of unquoted shares (net of provision for impairment)					1,778.19	1,778.19

* Non-current investments are stated at cost. Provision for diminution if any, in the value of investments is made, to recognise a decline, other than temporary decline.

** Excluding two shares held by Company through the directors of the Company.

7 LOANS

(Unsecured, considered good)

Loans to related parties	1,017.36	1,017.38
TOTAL	1,017.36	1,017.38

Details of Loans

Particulars	Rate of Interest	Period of loan	Currency	As at 31.03.2022	% of Loan	As at 31.03.2021	% of Loan
TD Power Systems USA Inc	Libor + 3% p.a.	24 Months	USD	942.00	92.59	944.71	92.86%
TD Power Systems Jenerator Sanayi Anonim Sirketi	12% p.a.	36 Months	USD	75.36	7.41	72.67	7.14%

Unsecured loan given to wholly owned subsidiary is to meet their operating expenses and working capital requirement.

Amount in ₹ Lakhs

8 OTHER FINANCIAL ASSETS

(Unsecured, considered good)

Security deposits- electricity deposit	116.79	116.79
Others - VAT input credit refund receivable	6.01	6.01
TOTAL	122.80	122.80

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
9 OTHER NON CURRENT ASSETS (Unsecured, considered good)		
Capital advances*	895.45	900.63
Advance tax (net of provision)	665.63	649.73
Gratuity - Excess of fair value of plan assets over defined benefit obligation	292.89	232.01
TOTAL	1,853.97	1,782.37
<p>*The company had entered into an agreement/MOU for purchase of land during 2009 & 2010 and accordingly, amount aggregating to ₹ 3,372.75 lakhs was paid from time to time in pursuance of this agreement. Pending execution of sale deed and completion of certain works related to the land the balance amount is carried under capital advance. The management of the company is of the view that considering the nature of the transaction, the registration of the sale of the land would be completed in due course and on completion, the said amount would be capitalised. The total advances of ₹ 856.63 lakhs (PY ₹ 881.63 lakhs) represents ₹ 156.63 lakhs (PY ₹ 181.63 lakhs) towards approx. 6.75 acres (PY 6.75 acres) of land and ₹ 700 lakhs (PY ₹ 700 lakhs) towards development cost of the land. The management of the company does not expect any significant further cash outflow towards the acquisition except for the cost of registration and related expenses.</p> <p>*₹ 0.63 lakhs included under capital work in progress as at the beginning of the year has been transferred to capital advance during the year since the payment is in the nature of advance.</p>		
10 INVENTORIES		
Raw materials	8,625.67	5,579.92
Work in progress	10,230.06	8,399.55
Stock in trade	288.19	385.43
Goods in transit:		
Raw materials	9.01	209.56
TOTAL (Refer accounting policy No. 1.11 for valuation of inventories)	19,152.93	14,574.46
11 TRADE RECEIVABLES (unsecured)		
Trade receivables, considered good and covered under letter of credit	3,272.08	1,365.80
Trade receivable, Unsecured and considered good	21,236.01	16,212.22
Trade receivable, Unsecured and considered doubtful	511.22	626.39
Less: Expected credit loss allowance (on trade receivables considered doubtful) Refer Note 39(c)	511.22	626.39
TOTAL	24,508.09	17,578.02
Trade Receivables ageing schedule		
Undisputed Trade receivables - considered good		
Not Due	16,645.82	13,773.54
Less than 6 months	6,853.20	2,240.48
6 months - 1 years	488.37	374.33
1 - 2 years	168.67	202.56
2 - 3 years	66.98	43.38
More than 3 years	285.05	943.73
Undisputed Trade Receivables - which have significant increase in credit risk		
More than 3 years	511.22	626.39
Less: Expected credit loss allowance (on receivables considered doubtful)	(511.22)	(626.39)
	24,508.09	17,578.02
12 CASH AND CASH EQUIVALENTS		
Balances with banks:		
In current accounts	1,430.28	2,174.74
In EEFC accounts	701.21	507.72
In Cash Credit Account	-	412.85
In deposit accounts with less than 3 months maturity	1,709.54	680.00
Cash on hand	5.32	2.50
TOTAL	3,846.35	3,777.81

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balance in unclaimed dividend account	2.04	1.79
Balance with bank in respect of TDPS ESOP Trust	12.77	16.98
Bank deposits with less than 12 months maturity	8,013.00	10,025.00
Deposits (Under lien) with bank as Margin money towards bank guarantee	2,567.18	1,641.81
TOTAL	10,594.99	11,685.58
14 OTHER FINANCIAL ASSETS (Unsecured , considered good)		
Security deposit for rented premises	20.16	20.90
Security deposit for others	2.08	2.08
Earnest money deposit	120.26	133.17
Balance with government authorities - GST Refund receivable	861.78	1,034.45
Interest accrued on term deposits	62.94	204.38
Interest accrued on Non Convertible Debentures	94.43	94.19
Accrued Export incentive	88.13	103.88
Unbilled revenue	2.74	29.42
Mark to market gain on forward contracts (Refer Note No. 39B)	980.51	287.13
Employee advance	14.87	38.27
TOTAL	2,247.90	1,947.87
15 OTHER CURRENT ASSETS		
Advance paid to suppliers (other than capital advances)	3,450.82	1,605.24
Balance with government authorities - Input tax credit	1,523.07	867.76
Prepaid expenses	148.51	146.59
Expenditure tax - (Relating to foreign operations)	31.78	-
TOTAL	5,154.18	2,619.59
16 EQUITY SHARE CAPITAL		
Authorized		
Equity shares of ₹ 10/- each		
Number of equity shares	3,50,00,000	3,50,00,000
Amount of equity share capital (in INR)	3,500.00	3,500.00
Issued, subscribed and fully paid up		
Equity shares of ₹ 10/- each		
Number of equity shares	3,11,03,498	3,09,33,414
Amount of equity share capital (in INR)	3,110.35	3,093.34
Reconciliation of the number of equity shares outstanding and the amount of equity share capital at the beginning and at the end of the year		
Number of equity shares		
Shares outstanding at the beginning of the year	3,09,33,414	3,09,33,414
Shares issued during the year	1,70,084	-
Shares outstanding at the end of the year	3,11,03,498	3,09,33,414
Amount of equity share capital:		
Share capital outstanding at the beginning of the year	3,093.34	3,093.34
Shares issued during the year	17.01	-
Share capital outstanding at the end of the year	3,110.35	3,093.34

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
Other Information

- I** The Company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- II** In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.
- III** For the period of five years immediately preceding the date as at which the Balance Sheet is prepared, there were:
- No shares allotted pursuant to a contract without consideration being received in cash.
 - No shares allotted as fully paid up by way of bonus shares.
 - 23,04,174 Equity Shares were brought back by the Company during the year 2019-2020.
- IV** The particulars of employee stock option is given in note no. 49. There were no other shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestmet.
- V** There were no calls unpaid or forfeited shares.
- VI Shares held by promoters & promoter group**

Promoter Name	As at 31.03.2022		As at 31.03.2021		% Change during the year
	No of shares	%	No of shares	%	
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	50,26,433	16.16%	50,26,433	16.25%	0.09%
Nikhil Kumar	46,38,664	14.91%	46,62,770	15.07%	0.16%
Mohib N Khericha	38,30,960	12.32%	38,30,960	12.38%	0.06%
Hitoshi Matsuo	32,35,254	10.40%	32,35,254	10.46%	0.06%
Promoter Group					
Aarya Sankaran Kumar	49,106	0.16%	25,000	0.08%	-0.08%
Chartered Capital & Investment Ltd.	11,34,252	3.65%	11,34,252	3.67%	0.02%
Lavanya Sankaran	1,27,650	0.41%	1,27,650	0.41%	0.00%
Sofia Mohib Khericha	2,00,000	0.64%	2,00,000	0.65%	-0.01%

Note: Change in % of holding compared to 31st March 2021 is majorly due to issue of shares under ESAR plan

VII Particulars of equity share holders holding more than
5% of the total paid up equity share capital:

	As at 31.03.2022		As at 31.03.2021	
	%	No of shares	%	No of shares
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	16.16%	50,26,433	16.25%	50,26,433
Nikhil Kumar	14.91%	46,38,664	15.07%	46,62,770
Mohib N Khericha	12.32%	38,30,960	12.38%	38,30,960
Hitoshi Matsuo	10.40%	32,35,254	10.46%	32,35,254
Nippon Life India Trustee Limited	8.57%	26,64,265	9.74%	30,12,343

Note: The above disclosed information is as per the records/registers including Members register maintained by the Registrar of the Company as at the year end.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

		Amount in ₹ Lakhs	
		As at 31.03.2022	As at 31.03.2021
17 OTHER EQUITY			
Reserves & Surplus			
17.1 Securities Premium			
As at the beginning of the year		19,027.49	19,027.49
Add: Transfer from Share option outstanding account		173.55	-
As at the end of the year - A		19,201.04	19,027.49
17.2 Capital Redemption Reserve			
As at the beginning of the year		230.42	230.42
Add: Transfer from Securities Premium		-	-
As at the end of the year - B		230.42	230.42
17.3 General Reserve			
As at the beginning of the year		2,939.63	2,939.63
Add: Transferred from retained earnings		-	-
As at the end of the year - C		2,939.63	2,939.63
17.4 Retained earnings			
As at the beginning of the year		22,169.68	20,558.34
Less: Dividend (₹ 2.50 per share (Previous year: ₹ 0.75 per share))		(776.49)	(232.02)
Add: Profit for the year as per statement of profit and loss		5,441.49	1,747.75
Add/(less): Remeasurement of defined benefit plan for the year (net of tax)		(63.11)	101.87
Less : Balance carrying value of shares in respect of ESOP exercised during the period transferred to Retained Earnings		(3.68)	(6.26)
As at the end of the year - D		26,767.89	22,169.68
17.5 Stock Options Outstanding Account			
As at the beginning of the year		443.68	281.34
Add: Addition during the year		133.60	303.74
Less : Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year		(146.80)	(141.40)
Less: Amount transferred to securities premium on exercise of ESAR by the employees of the Company		(173.55)	-
As at the end of the year - E		256.93	443.68
17.6 Shares Purchased by ESOP Trust			
As at the beginning of the year		(545.38)	(822.13)
Adjustment for			
Proceeds from ESOP exercised received		126.40	126.41
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year		146.80	141.40
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings		3.68	6.26
Dividend received during the year on the shares held by the ESOP Trust		4.95	2.68
As at the end of the year - F		(263.55)	(545.38)
Other Comprehensive Income			
17.7 Exchange difference on translation of foreign operations (Refer Note No.1.16)			
As at the beginning of the year		83.77	139.54
Transferred from statement of profit and loss		(60.76)	(55.77)
As at the end of the year - G		23.01	83.77
Total (A+B+C+D+E+F+G)		49,155.37	44,349.29

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
Nature of Reserves		
a) Securities premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.		
b) General Reserve: General reserve is appropriation of the net profit in respect of reserves created pursuant to the provisions of the Companies Act, 1956 with respect to declaration of dividend. Such mandatory transfer to general reserve is not prescribed under the Companies Act, 2013.		
c) The Remeasurements gains in respect of employee benefits included under retained earnings are as under		
As at the beginning of the year	(14.45)	(116.32)
Remeasurements gain/(loss) on defined benefit plans	(84.34)	136.13
Income tax effect on above	21.23	(34.26)
Balance at the end of the year	(77.56)	(14.45)
d) Capital Redemption Reserve: The capital redemption reserve represents the face value (₹ 10) of the shares bought back. This is created by transfer from securities premium as per requirement of Sec.69 of the Companies Act, 2013.		
e) Retained Earning: Retained earnings are the profits that the Company has earned till date, less transfer to general reserve, dividend or other distribution paid to shareholders.		
f) Stock Option Outstanding Account: The balance in this account represents the Employee Share based remuneration debited to the Statement of Profit and Loss after adjustments for ESOPs exercised.		
g) Shares Purchased by ESOP Trust: The shares held by the ESOP Trust are treated as treasury shares and included under other equity.		
18 PROVISIONS		
Provision for employee benefits (Refer Note No. 42)	499.39	452.59
TOTAL	499.39	452.59
19 DEFERRED TAX LIABILITY		
Deferred tax liability		
On account of depreciation on Property, plant and equipment	886.12	957.90
Deferred tax asset		
On account of timing differences in recognition of expenditure	93.90	330.69
Net deferred tax liability/(asset)	792.22	627.21

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
	Opening balance	Closing balance
	Recognition in statement of profit and loss	
Movement of deferred tax liability/(asset)		
As on 31st March 2022		
Deferred tax liability		
On account of depreciation on property, plant and equipment and amortisation of intangible assets	957.90	886.12
Deferred tax asset		
On account of timing differences in recognition of expenditure	330.69	93.90
Total deferred tax liability	627.21	792.22
As on 31st March 2021		
Deferred tax liability		
On account of depreciation on property, plant and equipment and amortisation of intangible assets	1,012.32	957.90
Deferred tax asset		
On account of timing differences in recognition of expenditure	362.50	330.69
Total deferred tax liability	649.82	627.21
20 BORROWINGS		
Secured loans		
Working Capital Borrowings		
Loans repayable on demand		
- rupee loan from banks - Cash Credit	331.41	-
Export Finance - FCNRB		
-foreign currency loan from banks	6,765.10	5,199.60
TOTAL	7,096.51	5,199.60
<i>Additional Information</i>		
Details of security for secured loans		
Loans from Bank of Baroda is secured by first pari-passu charge along with Kotak Mahindra Bank on all the current assets of the Company (present and future) excluding the current assets relating to orders from a particular customer which are exclusive first charge in favour of Bank of Baroda.	6,109.76	3,754.15
The loans are further collaterally secured as under:-		
1. 1 st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-1 of Company comprises of land and buildings situated at plot nos.27,28,29 & 30A area, 25304 sq. mts Phase-I KIADB Dabaspur Industrial Area, Yedehalli Village, Bengaluru Rural District, Bengaluru.		

	Amount in ₹ Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
2. 1 st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-II of Company comprises of land and buildings situated at Sy.No.59/2, area 4 acres 33 gunta (19526 Sq. mts including 7 gunta kharaba land) yedahalli village Dabaspet, Bangalore.		
3. 1 st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-II of Company comprises of land and buildings situated Sy.No. 55 (Part1), 56/1, 56/2, 57 & 58 Yedehalli Village, Dabaspet Bangalore Rural District, Bangalore measuring 12.55 acres.		
4. 1 st Pari passu hypothecation charge with Kotak Mahindra Bank on entire plant and machinery of the company.		
All the above are common securities for all fund based and non-fund based facilities obtained by the Company.		
Loan from Kotak Mahindra Bank is secured by first pari-passu charge with Bank of Baroda on all existing and future receivable/current assets of the Company excluding the current assets relating to orders from a particular customer.	986.75	1,445.45
Also refer to details of equitable mortgage mentioned under borrowings from Bank of Baroda in relation to land and buildings.		
Interest at 8% p.a.(PY: 12.05%) is applicable on Rupee loans from Bank of Baroda which will be reviewed annually.		
Interest at 1.50% p.a. (PY: 2.75%) is applicable on FCNR Euro Loan from Bank of Baroda which will be rolled over after 6 months.		
Interest at 2.24% p.a. (PY: NIL) is applicable on FCNR Euro Loan from Bank of Baroda which will be rolled over after 6 months.		
Interest at 2.00% p.a. (PY: NIL) is applicable on FCNR USD Loan from Kotak Mahindra Bank which will be rolled over after 90 Days		
21 TRADE PAYABLES		
-total outstanding dues of micro enterprises and Small enterprises*	64.34	60.26
-total outstanding dues of creditors other than micro enterprises and Small enterprises	14,613.91	10,139.40
TOTAL	14,678.25	10,199.66
All trade payables are non interest bearing and payable are settled within normal operating cycle of the company		
<u>Additional Information</u>		
* The details of amounts outstanding to micro, small and medium enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:		
1. Principal amount due and remaining unpaid	64.34	60.26
2. Interest due on (1) above and the unpaid interest	-	-
3. The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	61.07	51.17

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
4. 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 Micro, Small and Medium Enterprises Development Act, 2006	0.12	0.29
5. The amount of interest accrued and remaining unpaid at the end of each accounting year	0.12	0.29
6. 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 Micro, Small and Medium Enterprises Development Act, 2006. The amount due to micro, small and medium enterprises is based on the information received and available with the Company.	222.57	222.44
Trade payables ageing schedule		
Outstanding dues to MSME		
Less than 1 year	64.34	60.26
Outstanding dues to Others		
Less than 1 year	14,504.77	9,532.12
1 - 2 years	6.00	85.67
2 - 3 years	0.05	38.03
More than 3 years	74.68	455.17
Disputed outstanding dues to Others		
1 - 2 years	-	8.41
2 - 3 years	8.41	-
More than 3 years	20.00	20.00
	14,678.25	10,199.66
22 OTHER FINANCIAL LIABILITIES		
Unclaimed dividends *	2.04	1.79
Outstanding liabilities in respect of accrued expenses	7,662.16	6,668.94
Duties and taxes payable	157.50	141.37
Earnest money deposit	2.15	2.15
Employee benefits payable	10.88	437.29
Due to Director	-	6.84
TOTAL	7,834.73	7,258.38
* Does not include any amount which are required to be credited to investor education and protection fund as at the year end.		
23 OTHER CURRENT LIABILITIES		
Advance received from customers	3,983.92	3,777.67
TOTAL	3,983.92	3,777.67
24 PROVISIONS		
Provision for warranties (Refer Note No 45)	346.47	244.11
Provisions for employee benefits (Refer Note No 42)	86.03	78.47
TOTAL	432.50	322.58
25 CURRENT TAX LIABILITY		
Provision for taxation (net of advance tax)*	726.13	615.15
TOTAL	726.13	615.15
*Represents provisions (net of tax paid) held for earlier years pending completion of assessments / appellate proceedings.		

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
26 REVENUE FROM OPERATIONS		
Sale of Goods		
- AC generators	50,245.92	34,709.71
- AC generator spares/components	17,239.49	12,116.89
- Project business- Domestic	257.78	291.29
- Project business- Overseas Branch	1,453.22	1,701.78
Total	69,196.41	48,819.67
Sale of services	1,644.90	799.92
Sale of scrap	1,310.76	946.24
Total	72,152.07	50,565.83
Less: Inter segmental sales	271.52	624.40
TOTAL	71,880.55	49,941.43
Disaggregation of revenue information		
At Point in time (product/service)	70,507.17	49,765.91
Overtime	1,644.90	799.92
27 OTHER INCOME		
Interest income on bank deposits	642.22	634.70
Interest income on financial assets - non convertible debentures carried at amortised cost	175.53	175.06
Interest on the loan given to subsidiaries	41.18	47.76
Profit on sale of property, plant and equipments (Net)	0.06	10.50
Foreign exchange fluctuation / MTM gain (Net of loss)	886.00	373.00
Income from Renting of equipments	3.80	17.10
Miscellaneous income	7.69	10.38
TOTAL	1,756.48	1,268.50
28 CONSUMPTION OF RAW MATERIALS, STORES, SPARE PARTS & COMPONENTS		
Stock at the beginning of the year	5,579.92	5,235.91
Add: Purchases	55,626.23	35,421.30
Less: Stock at the end of the year	8,625.67	5,579.92
Total	52,580.48	35,077.29
Consumption of major raw materials consists of:		
Copper (wires, strips, rods, sheet etc.)	8,843.47	4,878.00
Steel / Laminations	14,390.20	7,000.00
Shaft Forgings	3,262.95	1,942.00
Stores & Spares	328.02	283.63
Others	25,755.84	20,973.66
TOTAL	52,580.48	35,077.29

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
29 PURCHASES AND CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventory at the beginning of the year	385.43	199.24
Add: Purchases for Projects Business	843.72	964.51
Less: Inventory at the end of the year	288.19	385.43
TOTAL	940.96	778.32
30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS		
Inventory at the end of the year		
Work in progress - A C Generators	10,230.06	8,399.55
Finished goods - A C Generators	-	-
	10,230.06	8,399.55
Less: Inventory at the beginning of the year		
Work in progress - A C Generators	8,399.55	6,905.17
Finished goods -A C Generators	-	66.34
	8,399.55	6,971.51
Net (Increase) / Decrease	(1,830.51)	(1,428.04)
31 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	5,260.70	5,251.82
Contribution to provident and other funds	441.36	377.98
Remuneration to whole time directors including contribution to provident and other Funds (Refer Note No.43)	271.43	345.24
Share based remuneration to employees (Refer Note No. 49)	133.61	303.74
Staff welfare expenses	1,166.21	1,029.94
TOTAL	7,273.31	7,308.72
32 FINANCE COST		
Interest	149.60	306.89
Foreign exchange difference recorded as an adjustment to borrowing cost	56.10	138.96
TOTAL	205.70	445.85
33 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipment	1,934.62	1,962.77
Amortization of intangible assets	189.08	134.06
TOTAL	2,123.70	2,096.83
34 OTHER EXPENSES		
Power and fuel	828.98	711.99
Rent (Refer Note No.44)	33.55	35.07
Repairs and maintenance		
-Buildings	29.21	13.72
-Machinery	302.75	271.33
-Others	44.27	45.95
Insurance	91.36	68.02
Manufacturing expenses	222.99	133.10
Rates and taxes	12.84	78.01
Payment to the auditors (excluding GST):		
-auditor fees (including audit of consolidated financial statements)	13.00	14.50
- for Limited review of quarterly financial results including consolidated financial results	7.75	6.75

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
-for others services - Certification fees	3.36	4.31
-out of pocket expenses	-	0.08
Legal and professional charges	296.65	259.97
Royalty	18.09	6.66
Travelling and conveyance	796.14	680.18
Bank charges (net of reimbursement received from subsidiary ₹ 25.24 (PY: ₹ 29.07))	453.09	437.50
Software expenses	239.99	208.44
Corporate Social Responsibility (Refer Note No. 48)	26.28	28.10
Directors sitting fees	17.80	16.60
Vehicle maintenance	37.97	41.52
Postage, telegrams and telephones	41.37	41.19
Printing and stationary	38.10	26.60
Provision for doubtful debts	-	115.17
Carriage, freight and Selling expenses	1,377.97	1,296.91
Donations	6.00	6.00
Advertisement	14.76	24.32
Subscription to technical associations, journals and magazines	9.79	7.38
TOTAL	4,964.06	4,579.37
35 CONTINGENT LIABILITIES AND COMMITMENTS		
(to the extent not provided for)		
Contingent Liabilities		
Performance Guarantees	11,847.93	12,582.03
Performance Guarantees given to customers on behalf of subsidiary companies	1,328.18	1,013.65
Advance Guarantees given to customers on behalf of subsidiary companies	252.68	144.00
Income Tax demand disputed by the company*	1,986.03	43.36
Other sums for which the Company is contingently liable	2.32	-
<p>The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the above is considered necessary.</p> <p>* During May 2021, the company has received demand from Income tax department of ₹ 1,942 lakhs for AY 2017-18 with respect to Transfer Pricing and other disallowance u/s 143(3) r.w.s 144C (3) read with section 144B of the Income-tax Act. The Transfer Pricing Officer (TPO) has passed an order with demand considering transfer pricing adjustment on the overall turnover of the Company instead of restricting to transactions with Associate Enterprises. The Sales to Associate Enterprises for the said year is ₹ 1,964.90 lakhs as compared to the Sales of the entire Company of ₹ 36,944.03 lakhs. Disputing the said order, the Company filed an objection before the Dispute Resolution panel of the Income Tax Department at Bengaluru on May 26, 2021. Further, consequent to a writ petition filed by the Company, the operation of the assessment order & recovery proceedings has been stayed by the Hon'ble High Court of Karnataka vide it's order dated June 30, 2021.</p> <p>The Company has received assessment order u/s 143(3) r.w.s 260 read with section 144B of the Income Tax Act based on directions of Dispute Resolution panel. Further, consequent to a writ petition filed by the Company, the operation of the assessment order & recovery proceedings has been stayed by the Hon'ble High Court of Karnataka vide it's order dated March 21, 2022.</p>		
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,885.03	428.73

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	Year ended	Year ended
	31.03.2022	31.03.2021
36 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)		
Items that will not to be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	(84.34)	136.13
Income tax on Defined benefit plans		
- Current Tax	21.23	(34.26)
Items that will be reclassified to profit or loss		
Exchange difference on translation of foreign operations	(60.76)	(55.77)
	(123.87)	46.10
37 EARNINGS PER SHARE - BASIC		
Profit for the year after tax expense	5,441.49	1,747.75
Weighted average number of equity shares (net of treasury shares) outstanding during the year	3,07,76,542	3,04,84,138
Earnings per share (in ₹)	17.68	5.73
Face Value of Equity share (in ₹)	10.00	10.00
EARNINGS PER SHARE - DILUTED		
Profit for the year after tax expense	5,441.49	1,747.75
Weighted average number of equity shares (net of treasury shares) outstanding during the year	3,09,88,508	3,09,44,936
Earnings per share (in ₹)	17.56	5.65
Face Value of Equity share (in ₹)	10.00	10.00

38 (a) The reconciliation between current tax and amounts computed by applying the income tax rate

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Total profit/(loss) before tax (A)	7,379.33	2,351.59
Income tax rate (B)	25.17%	25.17%
Tax expense - (C) = (A) X (B)	1,857.23	591.85
Add - tax effect of the amounts as under:		
a) Expenses - not deductible for tax purpose	(166.62)	64.99
b) Other adjustment and rounding off	82.22	(30.38)
Total (D)	(84.40)	34.61
Net current tax expense (E) = (C)+(D)	1,772.83	626.46
Net Current Tax Expense (Rounding off to nearest thousand)	1,772.83	626.46
Tax expenses related to item classified under other comprehensive income	(21.23)	34.26
Net Current Tax Expense (Rounding off to nearest thousand)	1,751.60	660.72

38 (b) The reconciliation between deferred tax and amounts computed by applying the income tax rate

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Deferred tax liabilities at the beginning of the year	627.21	649.83
Income tax rate (B)	25.17%	25.17%
Tax effect of the amounts as under:		
- Change in difference between book value and WDV of property, plant and equipment & technical knowhow	(71.78)	(54.42)
- Change in recognition in other comprehensive income	-	30.07
- Change in provision for employee benefit disallowed	236.79	1.73
Deferred tax liabilities at the end of the year	792.22	627.21
Deferred tax expenses in the statement of profit and loss	165.01	(22.64)

39 Financial Instruments - Accounting Classifications and Fair value measurements

A. The Fair value of cash and cash equivalents, bank balances, loans, trade receivables, trade payables and others approximates their carrying amount. Trade receivables are evaluated after taking into consideration for Expected Credit Losses. Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

B. Financial Assets / Liabilities Classification

**Amount in ₹ Lakhs
Carrying Amount**

	As at 31.03.2022	As at 31.03.2021
Financial Assets at cost less provision for loss		
Investments in equity instruments of:		
- Indian Subsidiary	600.00	600.00
Financial Assets at cost:		
- Foreign Subsidiaries	1,177.69	1,177.69
Financial assets at fair value through Profit and Loss (FVTPL)		
Investment in equity other than subsidiary - *	0.50	0.50
Mark to market gain on foreign exchange forward contracts (level 2) as per valuation statement provided by bank (Refer Note No. 14)	980.51	287.13
Financial Assets at amortised cost		
Cash and cash equivalents	3,846.35	3,777.81
Bank balances other than cash and cash equivalents	10,594.99	11,685.58
Trade receivables net of ECL	24,508.09	17,578.02
Loans to subsidiaries	1,017.36	1,017.38
Investment in Non Convertible Debentures	1,993.44	1,993.44
Other financial assets	1,390.19	1,783.54
Financial liabilities at amortised cost		
Short term borrowings	7,096.51	5,199.60
Trade payables	14,678.25	10,199.66
Other financial liabilities	7,834.73	7,258.38

* In view of the fact this investment amount is not significant and the cost is considered to be at fair value (level 3)

C. Financial Risk Management

Objectives and Policies

The company's Financial Risk Management is an integral part of business strategies. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. In addition, Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The Company's principal financial liabilities comprise short term borrowings, trade and other payables. The main purpose of these financial liabilities is to support entity's operations. The entity's principal financial assets include cash and cash equivalents, investment in Non-convertible Debentures and trade and other receivables that derive directly from its operations.

All activities for risk management purposes are carried out by experienced teams that have the appropriate skills, experience and supervision. It is the entity's policy that no activities in derivatives will be undertaken except foreign exchange forward contract. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The customer credit risk is managed as per Company's established policy, procedure and controls relating to customer credit risk management. It requires different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In order to contain the business risk, the creditworthiness of the customer is through scrutiny of its financials, status of financial closure of the project, to the extent available in public domain and if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of nature of business profile and considering the size of the Company, credit risks from receivables are well contained on an overall basis.

The Company's maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables.

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
Total Receivable	24,508.09	17,578.02
Receivable individually in excess of 10% of the receivable	17,779.45	12,530.12
Percentage of the above receivables to the total receivables of the Company	72.55%	71.28%

Receivables in excess of 10% of individual business receivables represents receivables from five customers/group as at 31st March 2022 and four customers/group as on 31st March 2021.

	As at 31.03.2022
Customer A	18.21%
Customer B	17.61%
Customer C	16.43%
Customer D	10.19%
Customer E	10.11%

	As at 31.03.2021
Customer A	11.62%
Customer B	21.61%
Customer C	24.20%
Customer D	13.85%

Credit risk on cash and cash equivalents and balances with banks is limited as the Company generally invests in deposits with scheduled banks. Total Cash and Cash equivalents and balances with bank as at 31st March 2022 is ₹ 14,441.34 Lakhs (PY: ₹ 15,463.39 Lakhs). Out of these balances held with banks as deposits was ₹ 12,289.72 lakhs (PY: ₹ 12,345.12 lakhs) the details of deposits which is more than 10% of the total is as under.

	As at 31.03.2022	As at 31.03.2021
Bank A	10,232.54	6,750.00
Bank B	1,900.00	3,455.00
Bank C	157.18	2,140.12

Provision for expected credit losses

The life time expected credit loss (“ECL”) is estimated on trade receivables, other amounts due from entities where there is no track record of short receipts. Delays in receiving payments from the customers pursuant to sale of goods or under contracts are not considered if such delays are commonly prevalent in the industry. Other short receipts other than arising from claims are duly considered in determining ECL.

Considering the above as well as business model of the Company, engineered-to-order products and the profile of trade receivables, the determination of a provision based only on age analysis may not be a realistic considering the economic and industry circumstances. Hence, the provision for expected credit loss is determined by the management for the specific trade receivables after considering the above facts and circumstances, particularly in view of the fact that there has no significant bad debts in the recent past.

Provision matrix (% , amount in lakhs) of ECL for trade receivables and the reconciliation of the movement in the provision is given below.

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
Total Receivable	25,019.31	17,578.02
Provision for credit loss	511.22	626.39
Percentage	2.04%	3.56%

Reconciliation of loss allowance provision

	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	626.39	511.22
Provision for credit loss allowance made during the year	-	115.17
Provision utilised during the year - (Bad debts written off)	115.17	-
Balance at the end of the year	511.22	626.39

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company’s approach in managing the same is to ensure, as far as possible, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The company’s principal sources of liquidity are cash and cash equivalents, investment in non-convertible debentures, balances with banks and the cash flow that is generated from operations. The cash and cash equivalent, other bank balances and investment in non-convertible debentures aggregates to ₹ 16,434.78 lakhs at the end of year (PY - ₹ 17,456.83 lakhs). In addition the net trade receivables ₹ 24,508.09 lakhs (PY ₹ 17,578.02 lakhs) at the end of the year. The Company believes that the working capital is sufficient to meet its current requirements after considering the position of trade receivables along with Cash & Bank Balances. Accordingly, no liquidity risk is perceived.

The following are the contractual maturities of non-derivative financial liabilities due within one year based on contractual cash flows:

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
Trade Payables	14,678.25	10,199.66
Short Term borrowings	7,096.51	5,199.60
Other Payables:		
Statutory dues	157.50	141.37
Employee dues	10.88	437.29
Other dues	7,666.35	6,679.72
Total	29,609.49	22,657.64

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

SEGMENT REPORTING (CONTD.)

Amount in ₹ Lakhs

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company also operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies.

I) Foreign currency risk exposure - : The company's exposure to foreign currency risk at the end of reporting year, are as follows:

- a) The foreign exchange forward contracts outstanding as on 31.03.2022 in respect of Euro is 1,41,00,000 and USD 26,00,000 is (2021: Euro 1,50,93,000)
- b) The total foreign currency exposures as at the end of the year is as under:

Particulars	In Foreign Currency			
	As on 31.03.2022 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets / Receivables	39.41	95.12	194.15	0.11
Liabilities (including advances)	64.87	65.99	502.59	-

Particulars	Rupee Equivalent			
	As on 31.03.2022 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets /Receivables	2,972.15	7,973.13	119.69	9.03
Liabilities (including advances)	4,889.72	5,634.95	313.76	-

Particulars	In Foreign Currency			
	As on 31.03.2021 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets /Receivables	19.78	78.21	580.87	0.17
Liabilities (including advances)	21.83	56.26	2,481.02	0.06

Particulars	Rupee Equivalent			
	As on 31.03.2021 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets /Receivables	1,437.87	6,654.55	381.81	15.16
Liabilities (including advances)	1,577.87	4,868.28	1,641.75	4.29

c) Sensitivity analysis

A strengthening or weakening of the Indian Rupee, as indicated below, against the USD, Euro, JPY and others as at 31st March 2022 would have increased (decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis is performed on the same basis for previous year, even though the actual foreign exchange rate variances were different.

Particulars	Amount in ₹ Lakhs			
	Impact on profit or loss (before tax)			
	As on 31 st March 2022		As on 31 st March 2021	
	Strengthening	Weakening	Strengthening	Weakening
5% Movement in:				
USD	95.88	(95.88)	7.00	(7.00)
EURO	(116.91)	116.91	(89.31)	89.31
JPY	9.70	(9.70)	63.00	(63.00)
Others	(0.45)	0.45	(0.76)	0.76

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii) Interest Rate Risk

The Company's investments are primarily in Fixed rate interest bearing deposits and non-convertible debentures. Also the borrowings bear fixed rate of interest which are reviewed periodically by the banks. Hence, the Company is not significantly exposed to interest rate risks.

D Capital Management

While managing capital, the Company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefit for other stakeholders.

The Board of Directors monitor the earnings before interest, depreciation and tax (EBITDA), which the Company defines as result from operating activities before considering finance cost, depreciation & amortisation, exceptional items and tax expenses. The Board of Directors also monitors the level of dividends to equity shareholders.

The Company's EBITDA is 11.06% for the year ended 31st March 2022 in comparison to 7.26% for the year ended 31st March 2021.

The Company monitors capital, taking a medium and long term view, on the basis of a number of financial ratios generally used by industry and by the rating agencies.

- 40 a. The company does not have any pending litigations which would impact its financial position as on the reporting date except to the extent disclosed in Note 35.
- b. The company does not have any long term contracts for which there were any material foreseeable losses.
- c. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company as on the reporting date.
- d. To the best of the knowledge and belief of the management, 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- e. To the best of our knowledge and belief of the management, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41 SEGMENT REPORTING

The company's operation comprises of Manufacturing business and project business. Primary segment reporting comprises of manufacturing business & project business segments. Secondary segment reporting is based on geographical location of activities. Under primary segment revenue and direct expenses, which relate to a particular segment and which are identifiable, are reported under that segment.

Certain expenses, which are not allocable to any specific segment, are separately disclosed at the enterprise level. Cash and bank balances in India are reported at the enterprise level as the company operates common bank accounts. Property, plant and equipments, liabilities, current assets and current liabilities relating to specific business segments are identified and reported. Those that are not identifiable are reported as common items.

Secondary segment is reported based on the geographical location of the company, viz., India and Japan. Revenues in the secondary segment are based on the sales made by the Branch Office. Inter-segmental purchases and sales are separately identified and reported. Property, plant and equipments, current assets including cash and bank accounts, and current Liabilities are identified based on the Branch office to which they relate and are reported accordingly.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(i) Business segment

(Amount in ₹ Lakhs)

Sl. No.	Particulars	Primary Segment			Total
		Manufacturing	Project business	Common	
Current Year					
1	Segment Revenues				
	External Revenues	70,426.56	1,725.51	-	72,152.07
	Inter segment revenues	(271.52)	-	-	(271.52)
	Total Revenues	70,155.04	1,725.51	-	71,880.55
2	Segment Results				
	Profit Before Taxation, Interest and Depreciation	8,413.58	(93.26)	(368.07)	7,952.25
	Less: Finance cost	205.70	-	-	205.70
	Less: Depreciation and Amortization	2,118.20	2.58	2.92	2,123.70
	Total	6,089.68	(95.84)	(370.99)	5,622.85
3	Unallocable & Other Income				1,756.48
	Less: Tax				1,937.84
	Profit after tax				5,441.49

Previous Year

Sl. No.	Particulars	Primary Segment			Total
		Manufacturing	Project business	Common	
1	Segment Revenues				
	External Revenues	48,538.69	2,027.14	-	50,565.83
	Intersegment revenues	(624.40)	-	-	(624.40)
	Total Revenues	47,914.29	2,027.14	-	49,941.43
2	Segment Results				
	Profit Before Taxation, Interest and Depreciation	3,959.06	39.71	(373.00)	3,625.77
	Less: Finance cost	445.85	-	-	445.85
	Less: Depreciation and Amortizations	2,091.33	2.58	2.92	2,096.83
	Total	1,421.88	37.13	(375.92)	1,083.09
3	Unallocable & Other Income				1,268.50
	Less: Tax				603.84
	Profit after tax				1,747.75
4	Segment Assets - Current Year	69,236.75	2,276.96	16,795.66	88,309.37
	Segment Assets - Previous Year	54,816.99	3,689.47	17,389.01	75,895.47
5	Segment Liabilities - Current Year	26,478.49	1,676.43	7,888.73	36,043.65
	Segment Liabilities - Previous Year	20,430.61	2,195.42	5,826.81	28,452.84
6	Capital Expenditure (Gross Block)	1,109.03	-	-	1,109.03
	Disposal (Gross Block)	(39.05)	-	-	(39.05)
	Capital Expenditure (Net of disposal) - Current Year	1,069.98	-	-	1,069.98
	Capital Expenditure (Gross Block)	1,432.72	-	-	1,432.72
	Disposal (Gross Block)	(98.13)	-	-	(98.13)
	Capital Expenditure (Net of disposal) - Previous Year	1,334.59	-	-	1,334.59

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(ii) Geographical Segment

(Amount in ₹ Lakhs)

Particulars	Segment revenue by geographical Market	
	Year ended 31.03.2022	Year ended 31.03.2021
Sales from India		
Domestic Sales (including Deemed Export)	47,558.94	29,396.50
Export Sales	23,139.91	19,467.08
Sales from Overseas Branch	1,453.22	1,702.25
Less: Inter-segmental sales	(271.52)	(624.40)
Total	71,880.55	49,941.43

Carrying amounts of geographical assets & additions to property, plant and equipment & intangible assets

Particulars	Carrying amounts of segment assets		Additions to property, plant and equipment and intangible assets (Net of deletion)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Located in India	86,361.85	73,302.14	1,069.98	1,334.59
Located outside India	1,947.52	2,593.33	-	-
Total	88,309.37	75,895.47	1,069.98	1,334.59

(iii) Information about Major customers

The revenue from operations from customers who exceed 10% of revenue from operations are given below.

Particulars	As at 31.03.2022	As at 31.03.2021
Customer A	17.79%	12.06%
Customer B	14.40%	22.49%
Customer C	13.65%	13.49%
Customer D	13.58%	12.58%

42 Disclosure as per Ind AS 19 on 'Employee benefits

A **Gratuity - Funded**

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 20 Lakhs. The gratuity liability arises on account of future payments, which are required to be made in the event of retirement, death in service or withdrawal. The liability has been assessed using projected unit credit actuarial method. The company made annual contributions to the Employee's Group Gratuity scheme of the Life Insurance Corporation of India.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

I. Movement in net defined benefit asset on Gratuity plan

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	31-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021
Opening balance	1,097.49	1,032.40	1,329.50	1,143.75	232.01	111.34
Included in profit or loss						
Current service cost	92.87	93.37	-	-	(92.87)	(93.37)
Interest Income on planned asset	-	-	96.49	79.09	96.49	79.09
Interest cost	73.41	69.21	-	-	(73.41)	(69.21)
Total amount recognised in profit or loss	166.28	162.58	96.49	79.09	(69.78)	(83.49)
Included in OCI						
Actuarial loss (gain)	85.23	(68.21)	-	-	(85.23)	68.21
Return on plan assets greater/(lesser) than discount rate	-	-	0.90	67.92	0.90	67.92
Total amount recognised in other comprehensive income	85.23	(68.21)	0.90	67.92	(84.34)	136.13
Contributions paid by the employer	-	-	215.00	68.03	215.00	68.03
Benefits paid	35.96	29.29	35.96	29.29	-	-
Closing balance	1,313.04	1,097.49	1,605.93	1,329.50	292.89	232.01

II. Details of Plan assets

	31 st March 2022	31 st March 2021
Government of India securities (central and state)	-	-
Schemes of insurance - conventional products	100.00%	100.00%
Others	-	-
	100.00%	100.00%

III. Acturial Assumptions

The following were the principal actuarial assumptions at the reporting date.

	31 st March 2022	31 st March 2021
Financial assumptions		
Discount rate	7.10%	6.80%
Salary escalation rate	7.00%	7.00%
Demographic assumption		
Retirement age	58 Years	58 Years
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.	
Withdrawal rate % (All ages)	3.00%	3.00%

IV. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

	31 st March 2022		31 st March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(131.42)	155.46	(113.96)	135.74
Salary escalation rate (1% Movement)	146.02	(128.96)	129.59	(111.52)
Withdrawal rate (1% Movement)	1.08	(1.27)	(2.05)	2.29

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

V. Expected benefit payment of the gratuity plan in future years

	Gratuity (Funded)	
	31st March 2022	31st March 2021
For the year ending:		
Less than 1 year	129.07	120.16
Between 1-2 years	46.40	39.94
Between 2-3 years	83.69	42.95
Between 3-4 years	74.28	72.23
Between 4-5 years	69.46	70.04
Between 5-10 years	616.68	554.75

VI. Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks such as increase in salary, investment risk, discount rate, mortality, disability and withdrawals.

B Long term Leave Liability - Unfunded

The company provides for earned leave benefit to the employees which accrue at 15 days (maximum) for the year. The earned leave is encashable while in service and upto a maximum of 105 days on retirement. The leave liability has been treated as other long term benefits and has been assessed using projected unit credit actuarial method.

I. Movement in net defined benefit (asset)/liability

	Defined benefit obligation	
	31-Mar-2022	31-Mar-2021
Opening balance	531.06	528.26
Included in profit or loss:		
Current service cost	124.09	127.60
Interest cost	36.11	35.36
Actuarial loss (gain)	(105.84)	(143.56)
Total amount recognised in profit or loss	54.36	19.40
Benefits paid	-	16.60
Closing balance	585.42	531.06

II. Acturial Assumptions

The following were the principal actuarial assumptions at the reporting date.

	31st March 2022	31st March 2021
Financial assumptions:		
Discount rate	7.10%	6.80%
Salary escalation rate	7.00%	7.00%
Demographic assumptions:		
Mortality table	100% of Indian Assured Lives Mortality (2006-08)	
Withdrawal rate % (All ages)	3.00%	3.00%
Retirement age	58 years	58 years

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

43 RELATED PARTY DISCLOSURE

Related Party	Relationship
D F Power Systems Private Limited TD Power Systems USA Inc TD Power Systems Japan Limited TD Power Systems Europe GMBH TD Power Systems Jenerator Sanayi Anonim Sirketi	Subsidiary Company
Ravindu Motors Private Limited Trident Automobiles Private Limited	Companies in which director/ relative of director is interested
Nikhil Kumar, Managing Director Mohib N Khericha, Director K G Prabhakar, Director N Srivatsa, Company Secretary M N Varalakshmi, CFO	Key management personnel

DETAILS OF TRANSACTIONS

Nature of transactions	Key management personnel	
	Year ended 31.03.2022	Year ended 31.03.2021
<u>Directors Remuneration:</u>		
Nikhil Kumar:		
Short-term employee benefits including commission of ₹ 118.74 lakhs (PY: ₹ 144.35 lakhs)	255.07	326.45
Other long term employee benefit	16.36	18.79
Dividend	116.57	34.92
Amount Outstanding at the year end	-	6.84
<u>Remuneration to Key Managerial Personnel:</u>		
N Srivatsa		
Short-term employee benefits	53.56	53.87
Other long term employee benefit	3.46	3.46
Employees Share Option Cost (Refer Note 49)	13.59	30.90
Dividend	1.56	0.25
Amount Outstanding at the year end	-	2.44
M N Varalakshmi		
Short-term employee benefits	40.07	39.67
Other long term employee benefit	2.52	2.49
Employees Share Option Cost (Refer Note 49)	7.79	17.71
Dividend	1.11	0.14
Amount Outstanding at the year end	-	3.16
<u>Directors Sitting fees</u>		
Mohib N Khericha	4.40	3.80
K G Prabhakar	2.00	2.00

Nature of transactions	Subsidiary Company		Companies in which director/relative of director is interested	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
<u>DF Power Systems Private Limited</u>				
Trade Advance received by Holding Company	-	114.59	-	-
<u>TD Power Systems USA Inc</u>				
Sale of Generators and Spares to subsidiary	2,601.13	986.24	-	-
Inter-Corporate Loan repaid by subsidiary during the year	30.16	-	-	-
Interest on Inter-Corporate Loan charged	32.14	37.81	-	-
Reimbursement of Bank Guarantee charges	0.03	-	-	-
Amount receivable by Holding Company	852.49	40.49	-	-
Trade Advance received by Holding Company	1,117.78	652.11	-	-
Inter-Corporate Loan balance as at the end of year	942.00	944.71	-	-
Bank Guarantee as at the end of year	64.22	-	-	-
Maximum amount of loan outstanding during the year	973.57	973.57	-	-
<u>TD Power Systems Europe GMBH</u>				
Sale of Generators and Spares to subsidiary	6,766.20	7,055.38	-	-
Purchase from subsidiary	319.02	258.90	-	-
Inter-Corporate Loan repaid by subsidiary during the year	-	85.36	-	-
Interest on Inter-Corporate Loan charged	-	1.23	-	-
Reimbursement of Bank Guarantee charges	1.35	1.75	-	-
Recovery of ESOP cost	4.16	9.46	-	-
Amount payable by Holding company	9.71	11.96	-	-
Amount receivable by Holding Company	2,781.14	2,704.64	-	-
Trade Advance received by Holding Company	534.92	400.86	-	-
Bank Guarantee outstanding as at the end of year	785.71	791.26	-	-
Maximum amount of loan outstanding during the year	-	82.25	-	-
<u>TD Power Systems Generator Sanayi Anonim Sirketi</u>				
Sale of Spares to subsidiary	807.56	3,188.47	-	-
Purchase from subsidiary	12.16	-	-	-
Trade Advance received by Holding Company	-	9.46	-	-
Amount receivable by Holding Company	389.95	1,460.47	-	-
Interest on Inter-Corporate Loan charged	9.04	8.72	-	-
Reimbursement of Bank Guarantee charges	15.13	23.50	-	-
Recovery of ESOP cost	1.39	3.15	-	-
Bank Guarantee outstanding as at the end of year	1,331.62	1,392.05	-	-
Inter-Corporate Loan balance as at the end of year	75.36	72.67	-	-
Maximum amount of loan outstanding during the year	75.36	74.89	-	-
<u>Ravindu Motors Private Limited</u>				
Servicing of Vehicles	-	-	1.40	2.02
Purchase of Motor Vehicle	-	-	-	40.00
<u>Trident Automobiles Private Limited</u>				
Servicing of Vehicles	-	-	0.72	0.43
Purchase of Moto Vehicle	-	-	10.78	36.46

44 Operating Lease

The Company has taken office facilities, guesthouse and residential premises of employees under short term lease and are renewable on a periodic basis, and cancellable at its option. Rental expenses recorded for short term leases for the year is ₹ 33.55 lakhs (Previous year ₹ 35.07 lakhs).

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- 45 Provision for warranties towards sale of goods are made on an estimated basis. During the year, the Company has made provisions towards Warranty claims, the details of the same are as under:

(Amount in ₹ Lakhs)

	As at 31.03.2022	As at 31.03.2021
Balance outstanding at the beginning of the year	244.11	235.63
Provision for the year	102.36	8.48
Balance outstanding at the end of the year	346.47	244.11

46 Final Dividend

On 10th May 2022 (2021: 19th May 2021), the Board of Directors of the Company have proposed a dividend of ₹ 3.50 (2021 ₹ 2.50) per share in respect of the year ended 31st March 2022 subject to approval of shareholders at the Annual General Meeting.

47 Research & Development

Following expenses have been incurred by the company towards Research & Development activities

(Amount in ₹ Lakhs)

Nature of expenditure	2021-2022	2020-2021
Capital Expenditure	-	-
Revenue Expenditure (excluding depreciation)		
- Employee benefit expenses	500.42	516.83
- Other expenses	53.61	1.27

48 Corporate Social Responsibility

(Amount in ₹ Lakhs)

Towards	As at 31.03.2022	As at 31.03.2021
i) Amount required to be spent by the company	28.25	26.03
ii) Amount of expenditure incurred (set off ₹ 2.06 of excess spent in earlier year)	12.25	12.00
iii) Shortfall at the end of the year	16.00	14.03
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	Ongoing projects	
vi) Nature of CSR activities	Educational Empowerment & School Infrastructure development.	
vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	Not Applicable	

The shortfall of ₹ 16.00 lakhs (PY ₹ 16.10 lakhs) has been transferred to a separate bank account within 30 days from the end of the year for utilisation in the ongoing projects in the subsequent years.

49 Employee Stock Benefit Plans

During August 2019, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 10,00,000 shares in aggregate, out of which not more than 5,65,000 shares to be acquired by the Trust through Secondary Acquisition and not more than 4,35,000 shares shall be issued by way of Primary / Fresh shares. The maximum number of options that may be granted to any employee in any year and in aggregate shall not exceed 2,00,000 options under the plan.

In accordance with the shareholders' approval in Annual General Meeting held on 12th August 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, has approved grant of 5,63,884 employee stock options ("ESOPs") and 3,99,216 employee stock appreciation rights ("ESARs") to the eligible employees of the Company and/or its Subsidiary Company(ies) under its TDPSL Equity Based Compensation Plan 2019 ("Plan").

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Out of which 97,962 ESOPs and 56,160 ESOPs have been granted to Company Secretary and Chief Financial Officer of the company respectively.

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	ESOP No. of Options	ESAR No. of Options
Market Price (₹)	134.45	134.45
Expected Life (in Years)	3 - 5	3 - 5
Volatility (%)	38.84 - 40	38.84 - 40
Risk free Rate (%)	5.93 - 6.26	5.93 - 6.26
Exercise Price (₹)	67.25	67.25
Dividend Yield (%)	1.49	1.49
Weighted Average Fair Value of the Vest (₹)	78.92	78.92

During the year 31st March 2022, 1,70,084 Equity Shares of ₹ 10/- each were issued & allotted to the TDPSL Employee Welfare Trust (Trust) in respect of the exercise of 2,26,760 ESARs by grantees. Consequently, the paid up capital of the Company as at March 31, 2022 stands at ₹ 3,110.35 Lakhs comprising 3,11,03,498 Equity Shares of ₹ 10/- each. As per the TDPSL Equity Based Compensation Plan 2019, the said shares were transferred by the Trust to the ESAR Grantees in settlement of the ESAR'S Exercised.

During the year 31st March 2022, 1,87,961 ESOPs were vested and exercised at an exercise price of ₹ 67.25 against which 1,87,961 Equity shares of the Company were transferred to the ESOP grantees by TDPSL Employee Welfare Trust ₹ 126.41 lakhs was received from the ESOP grantees upon the Exercise of ESOPs.

The details of ESOP/ESAR as at 31.03.2022 is as under

	31.03.2022		31.03.2021	
	ESOP	ESAR	ESOP	ESAR
Outstanding at the beginning of the period /year	3,75,923	3,99,216	5,63,884	3,99,216
Vested & Exercised during the period/year	1,87,961	2,26,760	1,87,961	-
Balance at the end of the period /year - Not vested	1,87,962	1,33,072	3,75,923	2,66,144
Balance at the end of the period /year - Vested & Not Exercised	-	39,384	-	1,33,072

50 The net worth of the Indian Subsidiary Company continues to be positive owing to substantial reduction of accumulated losses. There is a write back of creditors and provisions amounting to ₹ 757.72 lakhs (PY ₹ 717.51 Lakhs) in respect of reduction in liability related to project cancellation & supply related issues. Discussion are ongoing with remaining creditors for adjustments/settlement. Further, while such of the receivables which are doubtful of realisation have been fully provided for from time to time, efforts are ongoing to realise receivables which will help in reviving business. The Company continues to evaluate business proposals related to engineering services which is gradually recovering due to the ongoing pandemic and will review possibilities in this regard from time to time with required support from the parent Company. Accordingly, the financial statements of that subsidiary are continued to be prepared on a going concern basis which is considered appropriate by the management of that company.

The overseas subsidiary in USA has accumulated losses exceeding its share capital and has eroded its network as at the end of the reporting period. The Subsidiary's liabilities exceeds its total assets by ₹ 882.84 lakhs (PY: ₹ 1,018.06 Lakhs). A substantial portion of the liabilities is loan from the Parent company which is being renewed on timely basis reflecting the parent company's resolve to support and grow the market. Over the last 3-4 years this subsidiary has improved foothold in the American market and has delivered certain initial orders from very reputed customers. This will help in receiving improved orders in the forthcoming years enabling better operating performance. The subsidiary is managing it's cash flow requirements. However, the parent company is authorised by its Board to infuse further funds as and when required. Based on this, the management of that company is of the opinion that the going concern assumption in preparation of the financial statements of that company is appropriate. Hence, considering the future prospects of the said subsidiary no provision for impairment in the carrying value of the investment in this subsidiary is considered necessary by the management of the company in the standalone financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

51 Ratios:

Sl No	Ratios	Numerator	Denominator	March 31, 2022			March 31, 2021			% Variance	Reason for Variance
				Numerator	Denominator	Value	Numerator	Denominator	Value		
1	Current Ratio	Current Assets	Current Liabilities	65,504.44	34,752.04	1.88	52,183.33	27,373.04	1.91	-1.13%	
2	Debt-equity Ratio	Total Debt (Refer Note c)	Shareholder's Equity	7,096.51	52,265.72	0.14	5,199.60	47,442.63	0.11	23.89%	Due to higher revenue/profitability during the current year
3	Debt service coverage ratio	Earnings available for debt service - (Refer Note d)	Debt Service - (Refer Note e)	7,770.89	149.60	51.94	4,290.43	306.89	13.98	271.55%	Due to lower debt service & higher revenue/profitability during the current year
4	Return on equity ratio	Profit After Tax	Average Shareholder's Equity	5,441.49	49,854.18	0.11	1,747.75	46,445.30	0.04	190.05%	Due to higher revenue/profitability during the current year
5	Inventory turnover ratio	Revenue from Operations	Average Inventory	71,880.55	16,863.70	4.26	49,941.43	13,580.48	3.68	15.91%	Due to higher revenue during the current year
6	Trade receivables turnover ratio	Revenue from Operations	Average Trade Receivable	71,880.55	21,043.06	3.42	49,941.43	18,127.22	2.76	23.99%	Due to higher revenue during the current year
7	Trade payables turnover ratio	Purchases	Average Trade Payables	56,469.95	12,438.96	4.54	36,385.81	11,725.01	3.10	46.29%	Due to higher revenue during the current year
8	Net capital turnover ratio	Revenue from Operations	Working Capital	71,880.55	30,752.40	2.34	49,941.43	24,810.29	2.01	16.12%	Due to higher revenue during the current year
9	Net profit ratio	Profit After Tax	Revenue from Operations	5,441.49	71,880.55	0.08	1,747.75	49,941.43	0.03	116.32%	Due to higher revenue/profitability during the current year
10	Return on capital employed	Refer - (Note-a)	Refer - (Note-b)	7,770.89	60,154.45	0.13	4,290.43	53,269.44	0.08	60.39%	Due to higher revenue/profitability during the current year
11	Return on investment (Refer Note f)	Interest Income	Investment	175.53	1,993.44	0.09	175.06	1,993.44	0.09	0.27%	

Note on Ratios:

- Includes Profit After Tax + Depreciation and Amortisation + Finance Cost
- Shareholder's Equity + Deferred Tax liabilities + Total debt (Refer Note No.20)
- Total debt includes working capital borrowing as company does not have long term debts
- Earnings available for debt service = Profit after tax + Depreciation and Amortisation + Finance Cost
- Debt Service = Finance Cost excluding foreign exchange difference recorded as an adjustment to borrowing cost
- Return on investment is computed for investment in Non-convertible Debentures - Refer Note 6(B) & 27

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- 52** The Company has borrowings from banks on the basis of security of current assets. The quarterly statement of current assets filed by the Company with banks during the year are in agreement with the books of accounts.
- 53** The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these Standalone financial statements has used internal and external sources of information to assess the expected future performance of the Company. The Company has internally assessed sensitivity of the assumptions used and based on the current estimates, the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2022, are fully recoverable. The management has also estimated the future cash flows for the Company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the Covid-19 pandemic may be different from that estimated as at the date of approval of these financial statements.

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

10th May 2022

As per our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

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CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To
THE MEMBERS OF
TD POWER SYSTEMS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of **TD Power Systems Limited** ("hereinafter referred as the Holding Company") and its five subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity, 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").

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the group as at March 31, 2022, its profit, Consolidated total Comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No. 52 in the consolidated financial statements, which describes the evaluation of the impact of COVID-19 carried out by the group on the group business operations, financial position, carrying value of various assets and the

uncertainties associated with such an evaluation in the present circumstances and that the impact may be different from that assessed as at the date of approval of these financial statements.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

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. We have determined the matters described below to be the key audit matters to be communicated in our report

Revenue Recognition for contracts with customers

Reasons why the matter was determined to be a key audit matter

The Group generates a significant portion of the business by manufacturing AC Generators and Electric Motors for various applications which are specifically designed and tailor-made to suit the needs of the customers based on their requirements and specifications. The Group recognizes revenue in accordance with IND AS 115 Revenue from contracts with customers, generally when or as the entity satisfies a performance obligation by transferring a promised goods or services to a customer; i. e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account the creditworthiness of the customers. These assessments include, in particular, the scope of deliveries and services required to fulfill contractually defined obligations.

Auditor's response

As part of our audit, we obtained an understanding of the Group's internally established methods, processes and control mechanisms from order to delivery. We have also assessed the design and operating effectiveness of the internal controls by obtaining an understanding of such business transactions, and testing controls over these processes.

As part of our substantive audit procedures, we evaluated the management's assumptions based on a risk-based selection of a sample of contracts. We have carried out verification of documents relating to these sales that include the documents for final testing, dispatch of goods or acknowledgment of acceptance of the goods. We performed cut-off procedures to ensure that all year-end sales are in line with the revenue recognition policy of the Group. The performance of obligations is considered to be complete, generally when the testing of goods is completed / customer has accepted the goods.

We have also discussed with the management the likelihood of any changes in the terms or non-fulfilment of obligations by the customers, arising from the impact of COVID-19.

INDEPENDENT AUDITORS' REPORT ON (CONTD.)

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

The Group's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board of Directors' report, Corporate Governance Report and other information published along with but does not include the consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board of Directors' report, Corporate Governance Report etc., is expected to be made available to us after the date of this auditor's report.

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 identified above 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. When we read the Management Discussion and Analysis, Board of Directors' Report, Corporate Governance Report etc., if we conclude that there is a material misstatement there in, we are required to communicate the matter to those charged with governance. In case of uncorrected material misstatement, we are required to communicate to other stakeholders as appropriate as well as to take action, applicable under applicable laws and regulations, if any.

Management Responsibilities and for the Consolidated Financial Statements

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 Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with relevant rules issued thereafter.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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.

In preparing the consolidated financial statements, the Board of Directors of the holding company is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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.

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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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.

INDEPENDENT AUDITORS' REPORT ON (CONTD.)

However, future events or conditions may cause the Group 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 to express an opinion on the consolidated financial statements. For the entities included in the consolidated financial statements, which have been audited by other auditors/Chartered Accountants Firm, such other auditors/Chartered Accountants Firm remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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

- i. We did not audit the financial statements of one Indian Subsidiary considered in the preparation of the consolidated financial statements, which constitute total assets of INR 851.40 lakhs, total revenue of INR 15.53 Lakhs and net profit after tax of INR 762.26 Lakhs and net cash flows of INR 103.40 Lakhs for the year ended March 31, 2022 which has been audited by the auditor of that company whose audit report has been furnished to us, and our opinion on the statement, to the extent they have been furnished to us, and our opinion on the statement, to the extent have been derived from such financial statements is solely on the basis of such report of the other auditor.
- ii. We did not audit the special purpose financial statements of four foreign subsidiaries considered in the preparation of the consolidated financial statements, which constitute total assets of INR 10,056.06 Lakhs, total revenue of INR 18,454.38 Lakhs,

net profit after tax of INR 725.34 Lakhs and net cash flows of INR 1,420.22 Lakhs for the year ended March 31, 2022. The special purpose financial statements of these four foreign subsidiaries prepared for the purpose of consolidation have been audited by an independent firm of Chartered Accountants in India, and our opinion on the statement, to the extent they have been derived from such financial statements is solely on the basis of the audit report on the special purpose financial statements issued by that independent firm of Chartered Accountants in India.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to the 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/Chartered Accountant's Firm.
 - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account/statements 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 read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors of the holding company as on 31st March, 2022 taken on record by the Board of Directors of the holding company and report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the group companies incorporated in India are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is within the limit laid down under the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the group has disclosed pending litigations in its consolidated financial statements, the impact if any on the final settlement of these litigations on its financial position is not ascertainable at this stage – Refer Note No. 37 and Note No. 50 of consolidated financial statements;
 - ii. the Company did not have any long term contracts for which there were any material foreseeable losses. Refer Note No. 44(b) of the consolidated financial statements; and
 - iii. there has been no delay in transferring amounts to be transferred to the Investor Education and Protection Fund by the Holding Company during the year. There was no amount which was required to be transferred during the year to the Investor Education and Protection Fund by the subsidiary company incorporated in India. Refer Note No. 44(c) of consolidated financial statements.
- iv. a) The respective Management of the company and its subsidiaries 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, to the best of their knowledge and belief, as disclosed in Note No.44(d) to the consolidated 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 or any such subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective Management of the company and its subsidiaries 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, to the best of their knowledge and belief, as disclosed in Note No. 44(e) to the consolidated financial statements, no funds have been received by the Company or any of such subsidiaries, from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, 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; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and performed by the auditors of the subsidiary which is incorporated in India whose financials statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
- v. As stated in Note 47 to the consolidated financial statements
- (a) During the year, the final dividend proposed, declared and paid by the Company relating to FY2020-21 is in accordance with Section 123 of the Act, as applicable.
 - (b) The Board of directors of the Company has not declared interim dividend during the year.
 - (c) The Board of Directors of the Company have proposed final dividend for the financial year 2021-22 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- As stated in the auditors report on the financials statements of the subsidiary company incorporated in India, no dividends were declared or paid by the said subsidiary during the year.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company and CARO report issued by the auditors of the subsidiaries incorporated in India, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in this CARO report except for:

Name of the subsidiary	CIN	Paragraph number of the CARO report
D F Power Systems Private Limited	U51505KA2007PTC041717	Paragraph number 19 with reference to reporting under clause xix of paragraph 3 of CARO 2020.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

K.P.SINIVAS
Partner

Place: Delhi
Date : 10th May 2022

M. No. 208520
UDIN : 22208520AISLAN7688

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE REFERRED TO IN PARA 1 (f) "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF THE INDEPENDENT AUDITOR'S REPORT REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of **TD Power Systems Limited** ("the Holding Company") and its one subsidiary company incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the holding company and Board of Directors of the subsidiary company incorporated in India are 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 issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by the auditor of the subsidiary company incorporated in India in terms of their report referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary company incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and based on the report of the auditors of its subsidiary company incorporated in India, the Holding Company

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT CONTINUED...

and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls over financial reporting in so far as it relates to the subsidiary company incorporated in India is based solely on the corresponding report of the auditor of the said subsidiary incorporated in India.

Place: Delhi

Date : 10th May 2022

For **VARMA & VARMA**
Chartered Accountants

FRN 004532S

K.P.SINIVAS

Partner

M. No. 208520

UDIN : 22208520AISLAN7688

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

		Amount in ₹ Lakhs			
	Note No.	As at 31.03.2022		As at 31.03.2021	
I. ASSETS					
Non - current assets					
Property, plant and equipment	2	16,048.34		16,995.10	
Capital work in progress	3	63.47		25.15	
Intangible assets other than Goodwill	4	586.91		399.29	
Intangible assets under development	5	-		32.10	
Financial assets					
Investments	6	1,993.94		1,993.94	
Other financial assets	7	122.80		122.80	
Other non-current assets	8	1,853.97	20,669.43	1,749.85	21,318.23
Current assets					
Inventories	9	20,914.66		18,878.10	
Financial assets					
Trade receivables	10	24,108.76		16,188.86	
Cash and cash equivalents	11	5,539.34		4,744.90	
Bank balances other than cash and cash equivalents	12	10,594.99		11,685.58	
Other financial assets	13	2,995.69		2,695.09	
Other current assets	14	5,846.59	70,000.03	2,977.02	57,169.55
TOTAL		90,669.46		78,487.78	
II. EQUITY AND LIABILITIES					
Equity:					
Equity Share Capital	15	3,110.35		3,093.34	
Other Equity	16	49,606.08	52,716.43	43,974.30	47,067.64
Non - current liabilities					
Provisions	17	499.39		452.59	
Deferred tax liabilities (Net)	18	792.22	1,291.61	627.21	1,079.80
Current Liabilities					
Financial Liabilities:					
Borrowings	19	7,096.51		5,199.60	
Trade payables					
- total outstanding dues of micro enterprises and Small enterprises	20	64.34		60.26	
- total outstanding dues of creditors other than micro enterprises and Small enterprises					
Other financial liabilities	21	15,068.12		10,777.33	
Other current liabilities	22	8,356.15		8,320.51	
Provisions	23	4,746.83		4,989.85	
Current tax liabilities - Net	24	463.35		377.64	
		866.12	36,661.42	615.15	30,340.34
TOTAL		90,669.46		78,487.78	

The accompanying notes form an integral part of the Consolidated Financial Statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

This is the consolidated balance sheet referred to in our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

		Amount in ₹ Lakhs		
	Note No.	Year ended 31.03.2022	Year ended 31.03.2021	
I	Revenue from operations	25	79,742.46	59,358.43
II	Other income	26	1,671.42	932.25
III	TOTAL INCOME (I + II)		81,413.88	60,290.68
IV	Expenses			
	Cost of materials consumed	27	55,200.11	42,581.32
	Purchases for Project Business	28	940.96	1,002.01
	Changes in inventories of finished goods, work in progress and stock in trade	29	847.22	(3,994.17)
	Employee benefits expense	30	8,056.97	7,940.28
	Finance costs	31	205.70	446.54
	Depreciation and amortization expense	32	2,203.96	2,149.76
	Other expenses	33	5,509.17	5,234.12
	TOTAL EXPENSES		72,964.09	55,359.86
V	Profit/(loss) before exceptional items and tax (III-IV)		8,449.79	4,930.82
VI	Exceptional items	34	757.72	717.51
VII	Profit/(loss) before tax (V+VI)		9,207.51	5,648.33
VIII	Tax expense (Refer Note No. 38(a) & (b))			
	Current tax		1,977.59	1,150.51
	Deferred tax		165.01	2,142.60
				(22.62)
IX	Profit/(loss) for the year (VII-VIII)		7,064.91	4,520.44
X	Other comprehensive income	35		
	Items that will not be reclassified to profit or loss			
	Remeasurement of Defined Benefit Plans		(84.34)	136.13
	Income tax on Defined Benefit Plans			
	-Current Tax (Refer Note No. 38(a))		21.23	(63.11)
				(34.26)
	Items that will be reclassified to profit or loss			
	Exchange difference on translation of foreign operations		(858.48)	(858.48)
				(255.78)
	Total		(921.59)	(153.91)
XI	Total comprehensive income (IX+X)		6,143.32	4,366.53
	Earnings per equity share of Rs. 10/- each:			
	Basic (in ₹)		22.96	14.83
	Diluted (in ₹)	36	22.80	14.61

The accompanying notes form an integral part of the Consolidated Financial Statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

This is the consolidated statement of profit and loss referred to in our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

K P Srinivas
Partner
Membership No.208520

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt
Date: 10th May 2022

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Place: Delhi
Date: 10th May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

Particulars	Equity Share Capital (Equity Shares of ₹ 10 each issued, subscribed and fully paidup)	Other Equity								Total other equity attributable to equity share holders of the company
		Reserves and surplus				Capital Reserve	Stock option Outstanding Account	Shares Purchased by ESOP Trust	Exchange difference on translation of foreign operations	
		Securities Premium	Retained earnings	General reserve	Capital Redemption Reserve					
As at 1st April 2020	3,093.34	17,459.24	18,161.93	3,369.92	230.42	718.29	281.34	(822.13)	7.95	39,406.96
Profit for the year 1 st April 2020 to 31 st March 2021	-	-	4,520.44	-	-	-	-	-	-	4,520.44
Remeasurement of defined benefit plans for the year (net of tax)	-	-	101.87	-	-	-	-	-	-	101.87
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(255.78)	(255.78)
Transfer to Stock Options Outstanding account during the year (Refer Note No. 49)	-	-	-	-	-	-	303.74	-	-	303.74
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	-	(141.40)	141.40	-	-
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	-	126.41	-	126.41
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	-	2.68	-	2.68
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	(6.26)	-	-	-	-	6.26	-	-
Dividend for the year (Refer Note No. 47)	-	-	(232.02)	-	-	-	-	-	-	(232.02)
As at 31st March 2021	3,093.34	17,459.24	22,545.96	3,369.92	230.42	718.29	443.68	(545.38)	(247.83)	43,974.30
As at 1st April 2021	3,093.34	17,459.24	22,545.96	3,369.92	230.42	718.29	443.68	(545.38)	(247.83)	43,974.30
Shares issued during the year to ESOP trust	17.01	-	-	-	-	-	-	-	-	-
Profit for the year 1 st April 2021 to 31 st March 2022	-	-	7,064.91	-	-	-	-	-	-	7,064.91
Remeasurement of defined benefit plans for the year (net of tax)	-	-	(63.11)	-	-	-	-	-	-	(63.11)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(858.48)	(858.48)
Transfer from Share options outstanding to Securities premium on exercise of ESAR	-	173.55	-	-	-	-	(173.55)	-	-	-
Transfer to Stock Options Outstanding account during the year (Refer Note No. 49)	-	-	-	-	-	-	133.60	-	-	133.60
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	-	-	-	-	-	-	(146.80)	146.80	-	-
Amount received from employee on exercise of ESOP	-	-	-	-	-	-	-	126.40	-	126.40
Dividend received by TDPS ESOP Trust	-	-	-	-	-	-	-	4.95	-	4.95
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	-	-	(3.68)	-	-	-	-	3.68	-	-
Dividend for the year (Refer Note No. 47)	-	-	(776.49)	-	-	-	-	-	-	(776.49)
As at 31st March 2022	3,110.35	17,632.79	28,767.59	3,369.92	230.42	718.29	256.93	(263.55)	(1,106.31)	49,606.08

The accompanying notes forms an integral part of the Consolidated Financial Statements

For and on behalf of Board of Directors of TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt
Date: 10th May 2022

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

This is the consolidated statement of changes in equity referred to in our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs			
	Year ended 31.03.2022		Year ended 31.03.2021	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		9,207.51		5,648.33
Adjustments for				
Depreciation	2,014.88		2,015.70	
Amortisation	189.08		134.06	
(Profit) / Loss on disposal of Property, Plant and Equipments	(0.06)		(10.50)	
Unbilled Revenue	26.68		53.10	
Interest income on bank deposits	(642.28)		(634.84)	
Interest income on financial assets (Non-convertible debentures carried at amortised cost)	(81.10)		(80.87)	
Interest income accrued on financial assets (Non-convertible debentures carried at amortised cost)	(94.43)		(94.19)	
Interest expenses (including foreign exchange difference recorded as adjustment to borrowing cost)	205.70		446.54	
Compensation expenses under Employee Stock Option Scheme	133.61		303.74	
Unrealised Foreign Exchange Loss /(gain) (net)	(1,012.85)		(183.88)	
Provision no longer required (including exceptional item)	(757.72)		(717.51)	
Provision for Warranty Claims	78.25		8.48	
Provision for Leave Encashment	54.71	114.47	22.48	1,262.31
Operating profit before Working Capital Changes		9,321.98		6,910.64
Adjustments for				
Decrease/(Increase) in trade receivables	(7,887.76)		1,010.24	
Decrease/(Increase) in Other Receivables	(1,203.19)		(3,119.05)	
Decrease/(Increase) in inventories	(2,036.56)		(4,437.32)	
(Decrease)/Increase in Trade Payables	4,327.99		(3,493.48)	
(Decrease)/Increase in other payable & Provisions	278.92	(6,520.60)	3,822.50	(6,217.11)
Cash generated from operations		2,801.38		693.53
Direct Taxes Paid including TDS		(1,710.65)		(979.05)
Net Cash from/(used in) Operating Activities		1,090.73		(285.52)
B Cash flow from investing activities				
Payment for property, plant and equipments (net of transfer of CWIP to fixed assets)	(1,121.25)		(1,165.29)	
Payment for intangible assets	(376.70)		(343.02)	
Proceeds from disposal of property, plant and equipments	14.87		19.52	
Interest received on bank deposits	959.01		667.37	
Net Cash from/(used in) investing activities		(524.07)		(821.42)

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

	Amount in ₹ Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
C. Cash flow from financing activities		
Proceeds from (Repayment of) Working Capital borrowings (net)	1,865.84	(1,561.15)
Proceeds from ESOP exercised received	126.40	126.41
Proceeds from issue of shares to ESOP Trust	17.01	-
Interest paid	(149.60)	(307.58)
Dividend Received by ESOP Trust	4.95	2.68
Dividend Paid	(776.49)	(232.02)
Net Cash from/(used in) financing activities	1,088.11	(1,971.66)
Net Foreign exchange difference on translation of foreign operations	(858.48)	(255.78)
Net increase/(decrease) in cash and cash equivalents	796.29	(3,334.38)
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(1.85)	(52.39)
Cash and cash equivalents at the beginning of the year	4,744.90	8,131.67
Cash and cash equivalents at the end of the year	5,539.34	4,744.90
Cash and cash equivalents at the end of the year- constitute		
Balances with banks		
In current accounts	3,123.27	3,141.79
In EEFC account	701.21	507.72
In Cash Credit Account	-	412.85
In deposit accounts with less than 3 months maturity	1,709.54	680.00
Cash on hand	5.32	2.54
	5,539.34	4,744.90

Notes: Cashflows are reported using the indirect method. Cash and cash equivalents is after adjusting translation gain/loss.

The accompanying notes forms an integral part of the Consolidated Financial Statements

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

This is the consolidated cash flow statement referred to in our report of even date attached

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2022

Corporate Information

The Company is incorporated and domiciled in India. Consequent to a Special Resolution of the Members, passed at the Company's Extra Ordinary General Meeting held on 17th January 2011, the Company was converted to a Public Limited Company by altering its Articles of Association in terms of Section 31 read with Section 44 of the Companies Act 1956, and a fresh Certificate of Incorporation dated 4th February 2011 was issued by the Registrar of Companies, Karnataka. The registered office of the Company is located at Dabaspet, Nelamangala Taluk Bangalore - 562 111. The Company is engaged in manufacturing AC Generators and Electric Motors for various applications which are specifically designed and tailor-made to suit the needs of the customers based on their requirements and specifications.

The consolidated financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 10, 2022.

The company's subscription to the Share Capital of its Wholly Owned Subsidiaries included in investment under non-current assets as at 31st March 2021 are as follows:-

- 80,100 Equity Shares of USD 10- each in TD Power Systems USA Inc, USA
- 2000 Equity Share of JPY 10,000 each in TD Power Systems Japan Limited, JAPAN
- 550,000 * Equity Share of Euro 1 each in TD Power Systems Europe GmbH, EUROPE
(*erstwhile Platin 1255 GmbH acquired by the company during January 2016)
- 59,99,998 Equity Shares of Rs.10 each in D F Power Systems Private Limited (excluding beneficial interest relating to two shares held by the Directors of the Company)
- 12,782 shares of Turkish Lira of 100 each in TD Power System Jenerator Sanayi Anonim Sirketi which was incorporated on 21st June 2017

SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance

a. Principles of Consolidation

Subsidiaries:

The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company.

The financial statements of the Companies and its subsidiary company has been combined on a line

by line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealized profits or losses have been fully eliminated.

The share of equity in the subsidiary company as on the date of investment in excess of cost of investment of the Group, is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

1.2 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared on going concern basis and on accrual method of accounting in accordance with Indian Accounting Standards. Historical cost is used except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The consolidated financial statements are presented in Indian Rupees ("₹ / INR / ₹") and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

1.3 Use of estimates and judgments

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires management of the Company to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses for the period presented. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below.

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

Accounting estimates could change from period to period and actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

- a An asset is treated as current when it is:
 - Expected to be realized or intended to be sold or consumed in normal operating cycle.
 - Held primarily for the purpose of trading
 - Expected to be realized within twelve months after the reporting period, or
 - Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting periodAll other assets are classified as non-current.
- b A liability is treated as current when it is:
 - Expected to be settled in normal operating cycle
 - Held primarily for the purpose of trading
 - Due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting periodAll other liabilities are classified as non-current.
- c Deferred tax assets / liabilities are classified as non-current assets/liabilities.
- d Based on the nature of products/activities of the Company and the normal time between acquisition of the assets and the realization in cash and cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.5 Critical Accounting Estimates

a. Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its service contracts. Use

of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c Intangible Assets

The capitalization of cost in intangible asset under development is based on judgement of the management that technological and economical feasibility is confirmed and that the assets will generate economic benefits in future. Based on the evaluations carried out the Company's management has determined that there is no factor which indicate that these assets have suffered any impairment loss.

d Provision and Contingent liability

The Company reviews pending cases, claims by third party and other contingencies, if any on an on-going basis. For contingent losses that are considered probable, estimated loss is recorded as an accrual in consolidated financial statements. Loss contingencies that are considered possible are not provided for but disclosed in the consolidated financial statements as contingent liabilities. Contingencies the likelihood of which are remote, are not disclosed in the consolidated financial statements. Gain contingencies are not recognized until the contingencies are resolved and the amounts are received or recoverable.

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

e Provision for Credit loss

The Company reviews the position of trade receivable and ascertains a provision for life time credit loss after considering the industry and economic conditions in which customer operate, the profile of the customer and the past experience.

1.6 Revenue Recognition

The Company recognises revenue, when or as the entity satisfies a performance obligation by transferring a promised goods or services to a customer; i. e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account our customer's creditworthiness. With regards to the sale of products (a) where delivery is not considered to have occurred, and therefore no revenues are recognized, until the customer has taken title to the products and assumed the risks and rewards of ownership of the products specified in the purchase order or sales agreement. (b) Where dispatch has not been done but tests have been completed as per the terms agreed with the customer, revenue is the transaction price the company expects to be entitled to. Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment is substantial and there is a significant financing benefit either to the customer or Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those. Revenue is recognized for each performance obligation either at a point in time or over the time.

Sales from construction-type contracts

Revenues are recognized over time under the percentage-of-completion method, based on the percentage of costs incurred to date compared to total estimated costs. An expected loss on the contract is recognized as an expense immediately.

The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may

involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total estimated costs, total estimated revenues, contract risks, including technical, political and regulatory risks, and other judgments. Under the percentage-of-completion method, changes in estimates may lead to an increase or decrease of revenue. In addition, the company needs to assess whether the contract is expected to continue or to be terminated. In determining whether the continuation or termination of a contract is expected to be the most likely scenario, all relevant facts and circumstances relating to the contract are considered on an individual basis.

Revenues from services

Revenues are recognized over time on a straight-line basis or, if the performance pattern is other than straight-line, as services are provided, i. e. the progress towards complete satisfaction using input method or output method.

Dividend Income

Revenue is recognised when the Company's right to receive the payment is established.

Interest Income

Interest income is recognised using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of financial asset.

1.7 Export Incentives

Export incentives are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

1.8 Property, plant and equipment (PPE)**Initial Measurement**

Free hold land is carried at historical cost. All other items of Property, Plant and Equipment's are carried at cost of acquisition/construction net of recoverable taxes, less accumulated depreciation / amortization and impairment losses, if any. The cost includes incidental expenses relating to the acquisition and finance cost till assets are put to use, are capitalized. Stores, spares and parts which can be used only in connection with an item of plant or equipment and

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

whose useful life is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets.

Property, Plant and Equipment manufactured internally are capitalized at Factory Cost.

Capital Work in Progress

Property, Plant and Equipment which are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses. Advances paid towards acquisition of PPE outstanding at each balance sheet date are classified as Capital advances under other non-current assets.

Depreciation and amortization

- i. Depreciation on Property, Plant and Equipments is provided using straight line method (SLM) with reference to the estimated useful life of the Property, Plant and Equipment less its residual value as prescribed under Schedule II of The Companies Act 2013, or useful life of the asset as estimated by the management, whichever is lower. Property, Plant and Equipment costing below ₹5,000/- are depreciated fully. Depreciation is charged for complete quarter on addition / deletion.
- ii. Freehold land is not depreciated.
- iii. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

The estimated useful lives are as mentioned below:

Type of Assets	Useful Life
Factory Building	30 Years
Non-factory Buildings	60 Years
Plant & Machinery - Double shift basis	10 Years
Office Equipments	5 Years
Furniture and Fixtures	10 Years
Computers	3 Years
Computer Server	6 Years
Communication Equipment	5 Years
Motor Vehicles	8 Years

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the

continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

1.9 Intangible Assets

Intangible assets with finite lives that are acquired are carried at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment losses, if any. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets consist of technical knowhow / license fees / softwares which are amortized over a period of 5 years on a straight-line basis being the estimated useful life.

1.10 Research & Development

Expenditure on research activity undertaken is charged to the Statement of Profit & Loss as and when incurred during the year to their natural head of accounts. The expenditure incurred includes cost of materials, salaries & wage and other revenue expenditure.

Development costs are capitalized only after the technical and commercial feasibility of the asset for sale or use has been established.

Capital Expenditure is categorized and disclosed separately as Research & Development Property Plant and Equipment and depreciation is charged as disclosed in Sl. No. 1.8 above.

1.11 Impairment of Assets

a. Financial assets (other than at fair value)

The Company assesses at the end of each reporting period, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

losses if the credit risk on the financial asset has increased significantly since initial recognition.

b. Non-Financial Assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

1.12 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Raw materials and bought out items are valued on first in first out basis and includes material cost, carriage inward, insurance and purchase related expenses. Cost in respect of work in progress and finished goods include appropriate portion of overheads. Net realizable value represents the estimated selling price for inventory less all estimated cost of completion and cost necessary to make the sale.

1.13 Employee Benefits

Employee benefits include provident fund, pension fund, employee state insurance scheme, compensated absences and gratuity.

a. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

b. Long-term employee benefits

Long term employee benefits include compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation as at balance sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

c. Defined Benefit Plans

For defined benefit plans in the form of Gratuity (funded), the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at the end of each reporting period, taking effect of actuarial gains and losses which is recognised in Other Comprehensive Income. The amount is funded to gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains / losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Past service cost is recognized immediately in the statement of profit and loss. The benefits obligation in respect of gratuity recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for present value plan assets including refunds and reductions if any available as against future contributions to the scheme.

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)**d. Defined Contribution Plans**

The Company has contributed to provident fund and employee state insurance scheme which is defined contribution plan. The contribution paid/payable under the scheme is charged to Statement of Profit and loss during the year in which an employee renders the related service. Company has no further obligation beyond making the payment.

- e. Termination benefits are recognized as an expense as and when incurred.

1.14 Share based payments

The Company recognises compensation expense relating to share-based payments in net profit using fair-value in accordance with IND AS 102, Share Based Payment. The estimated fair value of awards is charged to income on straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding credit to Employee Stock Option / Rights outstanding Reserve.

The Company has created an Employee Stock Options Trust (ESOP) for providing share-based payment to its employees. The Company uses ESOP as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP Trust buys shares of the company from the market, for giving shares to employees in addition to allotment of shares by the Company as per the requirements of the scheme. The Company treats ESOP as its extension and shares held by ESOP are treated as treasury shares. Treasury shares are recognized at cost of acquisition and included under other equity. No gain or loss is recognized in profit or loss on the purchase or issue of the Company's own equity shares. Share options exercised during the reporting period are deducted from treasury shares.

1.15 Leases**Company as a Lessee**

Contracts with third party, which give the company the right of use in respect of an Asset, are accounted in line with the provisions of Ind AS 116 – Leases, if the recognition criteria as specified in the Accounting standard are met.

Lease payments associated with Short terms leases and Leases in respect of Low value assets are charged

off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of “right of use” is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset and presented as part of Plant, property and equipment.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments and presented as Borrowing. Subsequent measurement, if any, is made using Cost model.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the 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.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate.

Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

Company as a lessor

Leases are classified as operating lease or a finance lease based on the recognition criteria specified in Ind AS 116 – Leases

a) Finance Lease

At commencement date, amount equivalent to the “net investment in the lease” is presented as a Receivable. The implicit interest rate is used to measure the value of the “net investment in Lease”.

Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the Statement of Profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in Lease.

The asset is tested for de-recognition and impairment requirements as per Ind AS 109 – Financial Instruments.

Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

b) Operating Lease

The company recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis, if required. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

1.16 Income Taxes

The Company's major tax jurisdictions are in India. Significant judgement are involved in determining the provision for income tax credits, including the amount to be paid or refunded.

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a. Current Income Taxes

The current income tax expense includes income taxes payable by the Company and its overseas branches. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis or where it has legally enforceable right to set off the recognized amount.

b. Deferred Income Taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses, if any can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that

sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

1.17 Foreign Currency**a. Functional and presentation currency**

The consolidated financial statement is presented in Indian Rupee (₹/₹), which is also the Company's functional currency. Transaction in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

b. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying foreign currency exchange rates between the reporting currency and the foreign currency prevailing at the dates of the transactions.

c. Measurement of foreign currency monetary items and Non-monetary items at the balance sheet date

Monetary items outstanding at the balance sheet date are restated at the rate as on reporting date. Non – monetary items which are carried in terms of historical cost denominated in a foreign currency are not restated and hence is reported using the exchange rate prevailing at the date of transactions.

d. Treatment of exchange differences on monetary items

Exchange differences arising on settlement / restatement of foreign currency assets and liabilities of the Company are recognized as

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

income or expense in the statement of profit and loss in the period in which they arise.

- e. In respect of overseas branch, financial statements are translated as if the transactions are those of the Company itself i.e. Indian Rupees as the functional currency since the overseas branch is primarily involved in selling/marketing goods manufactured by the Company in India. The net impact of the foreign exchange difference of foreign operations is recognised in Other Comprehensive income.

1.18 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of any entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Cash and Cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii. Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows 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.

iii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized

cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Financial liabilities at Fair value through profit and Loss are stated at fair value, with any gains or losses arising on re-measurement in Profit and loss statement.

v. Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

vi. De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

vii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

viii. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.19 Accounting for Derivatives

Derivatives are initially recognized at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains/losses is recognized in the statement of profit and loss of that period.

1.20 Borrowing Cost

General and specific borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are charged to statement of Profit and Loss in the period in which they are incurred.

1.21 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

1.22 Cash Flow statement

Cash flows are reported using Indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activity of the company are segregated.

1.23 Provision and Contingencies

The Company reviews pending cases, claims by third party and other contingencies, if any on an on-going basis. For contingent losses that are considered probable, estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed in the financial statements as contingent liabilities. Contingencies the likelihood of which are remote, are not disclosed in the financial statements. Gain contingencies are not recognized until the contingencies are resolved and the amounts are received or recoverable.

Provision for Warranty

Provision for warranty related cost are recognized when the product is sold. Initial recognition is based on historical experience and future estimates of claims by the management. The estimate of such warranty related cost is revised annually.

Provision for Credit Loss

The Company reviews the position of trade receivable and ascertains a provision for life time credit loss after considering the industry and economic conditions in which customer operate, the profile of the customer and the past experience.

1.24 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

SUMMARY OF ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTD.)

1.25 Earnings per share

Basic earnings/ (loss) per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares after adjustments for treasury shares, outstanding during the period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other changes or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of

shares which could have been issued on the conversion of all dilutive potential equity shares.

The number of equity shares is adjusted retrospectively for all periods presented for any share splits and bonus shares issued.

1.26 Dividend Distribution

Dividend paid (including income tax thereon) is recognized in the period in which the interim dividend is approved by the Board of Directors, or in the respect of the final dividend when approved by shareholders.

1.27 The consolidation of financial statement (CFS) present the consolidated accounts of TD Power Systems Limited with its following subsidiaries

Name of Subsidiary	Country of Incorporation	Proportion of Ownership
DF Power Systems Limited	India	100%
TD Power Systems Japan Limited	Japan	100%
TD Power Systems USA Inc	United States of America	100%
TD Power Systems Europe GmbH	Germany	100%
TD Power Systems Jenerator Sanayi A.S	Turkey	100%

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2: PROPERTY, PLANT AND EQUIPMENTS

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2021	Additions	Disposal	As at 31.03.2022	As at 01.04.2021	For the year	Disposal	As at 31.03.2022	As at 31.03.2022
Free Hold Land	1,950.92	-	-	1,950.92	-	-	-	-	1,950.92
Buildings	11,178.98	-	-	11,178.98	3,369.82	322.09	-	3,691.91	7,487.07
Plant and Machinery	22,775.19	849.27	20.23	23,604.23	16,485.40	1,342.52	7.26	17,820.66	5,783.57
Office Equipments	370.04	67.29	4.44	432.89	269.61	29.34	4.22	294.73	138.16
Furniture and Fixtures	386.30	1.97	-	388.27	299.93	24.46	-	324.39	63.88
Computers	763.83	127.05	28.55	862.33	577.24	91.17	27.15	641.26	221.07
Communication Equipments	22.09	0.07	-	22.16	21.16	0.33	-	21.49	0.67
Motor Vehicles	525.26	37.28	4.37	558.17	230.82	45.73	4.15	272.40	285.77
TOTAL - A	37,972.61	1,082.93	57.59	38,997.95	21,253.98	1,855.64	42.78	23,066.84	15,931.11

PROPERTY, PLANT AND EQUIPMENTS - RESEARCH & DEVELOPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2021	Additions	Disposal	As at 31.03.2022	As at 01.04.2021	For the year	Disposal	As at 31.03.2022	As at 31.03.2022
Plant and Machinery	1,600.92	-	-	1,600.92	1,324.45	159.24	-	1,483.69	117.23
TOTAL - B	1,600.92	-	-	1,600.92	1,324.45	159.24	-	1,483.69	117.23
TOTAL - C=A+B	39,573.53	1,082.93	57.59	40,598.87	22,578.43	2,014.88	42.78	24,550.53	16,048.34

PROPERTY, PLANT AND EQUIPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	For the year	Disposal	As at 31.03.2021	As at 31.03.2021
Free Hold Land	1,817.60	133.32	-	1,950.92	-	-	-	-	1,950.92
Buildings	11,169.53	9.45	-	11,178.98	3,047.73	322.09	-	3,369.82	7,809.16
Plant and Machinery	22,031.62	791.36	47.79	22,775.19	15,139.85	1,386.81	41.26	16,485.40	6,289.79
Office Equipments	325.92	48.37	4.25	370.04	254.10	19.45	3.94	269.61	100.43
Furniture and Fixtures	374.31	11.99	-	386.30	276.06	23.87	-	299.93	86.37
Computers	675.07	93.13	4.37	763.83	514.67	66.83	4.26	577.24	186.59
Communication Equipments	22.09	-	-	22.09	20.16	1.00	-	21.16	0.93
Motor Vehicles	449.92	117.06	41.72	525.26	234.06	36.41	39.65	230.82	294.44
TOTAL - A	36,866.06	1,204.68	98.13	37,972.61	19,486.63	1,856.46	89.11	21,253.98	16,718.63

PROPERTY, PLANT AND EQUIPMENTS - RESEARCH & DEVELOPMENT

Amount in ₹ Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				Written Down Value
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	For the year	Disposal	As at 31.03.2021	As at 31.03.2021
Plant and machinery	1,600.92	-	-	1,600.92	1,165.21	159.24	-	1,324.45	276.47
TOTAL - B	1,600.92	-	-	1,600.92	1,165.21	159.24	-	1,324.45	276.47
TOTAL - C=A+B	38,466.98	1,204.68	98.13	39,573.53	20,651.84	2,015.70	89.11	22,578.43	16,995.10

Note:

The borrowings and non fund based facilities from Bank of Baroda & Kotak Mahindra Bank are secured by way of:

- 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-1 of Company comprises of land and buildings situated at plot nos.27,28,29 & 30A area, 25304 sq. mts Phase-I KIADB Dabaspeta Industrial Area, Yedahalli Village, Bengaluru Rural District, Bengaluru.
- 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-II of Company comprises of land and buildings situated at Sy.No.59/2, area 4 acres 33 gunta (19526 Sq. mts including 7 gunta kharaba land) yedahalli village Dabaspeta, Bangalore.
- 1st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-II of Company comprises of land and buildings situated Sy.No. 55 (Part1), 56/1, 56/2, 57 & 58 Yedahalli Village, Dabaspeta Bangalore Rural District, Bangalore measuring 12.55 acres.
- 1st Pari passu hypothecation charge with Kotak Mahindra Bank on entire plant and machinery of the company.

3 CAPITAL WORK-IN-PROGRESS

Plant and Machinery

Land

TOTAL

Capital work-in-progress ageing schedule

Projects in progress - Less than 1 year

Plant and Machinery

Projects in progress - More than 3 year

Land

4 INTANGIBLE ASSETS - (OTHER THAN GOODWILL)

Softwares

Gross Block (At Deemed Cost)

Additions during the year

Gross Block at the end of the year

Accumulated amortisation at the beginning of the year

Amortisation for the year

Accumulated amortisation at the end of the year

NET CARRYING VALUE - A

Other Intangible assets

Gross Block (At Deemed Cost)

Additions during the year

Gross Block at the end of the year

Accumulated amortisation at the beginning of the year

Amortisation for the year

Accumulated amortisation at the end of the year

Net Carrying Value - B

Net Carrying Value - A+B

Amount in ₹ Lakhs	
As at 31.03.2022	As at 31.03.2021
63.47	24.52
-	0.63
63.47	25.15
63.47	24.52
-	0.63
63.47	25.15
73.00	73.00
32.10	-
105.10	73.00
18.25	3.65
3.33	14.60
21.58	18.25
83.52	54.75
1,213.06	870.05
344.60	343.02
1,557.66	1,213.07
868.52	749.07
185.75	119.46
1,054.27	868.53
503.39	344.54
586.91	399.29

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

5 INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at 31.03.2022	As at 31.03.2021
Software customisation	-	32.10
TOTAL	-	32.10

Intangible assets under development ageing schedule

Projects inprogress - Less than 1 year

Software customisation	-	32.10
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FINANCIAL ASSETS

6 INVESTMENT

	Details of Investments	Number of Securities		Amount in ₹ Lakhs	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
A	Non current investments				
	Investments in Non-convertible Debentures carried at amortised cost - (quoted)				
	Tata Capital Financial Services Limited @ 8.90% (Maturity on 27.09.2023)	1,00,000	1,00,000	995.48	995.48
	Tata Capital Financial Services Limited @ 8.50% (Maturity on 26.08.2024)	1,00,000	1,00,000	997.96	997.96
B	Investment carried at fair value through Profit and Loss				
	Investments in Equity Shares - (fully paid up) (unquoted)				
	The Shamrao Vithal Co-operative Bank limited-A Scheduled Bank (Cost per share is ₹ 25)	2,000	2,000	0.50	0.50
	Total (A+B)			1,993.94	1,993.94

Additional Information

Aggregate Carrying value of quoted Non-convertible debentures	1,993.44	1,993.44
Market value of quoted Non Convertible Debentures	2,174.00	2,197.99
Aggregate carrying value of unquoted shares	0.50	0.50

7 OTHER FINANCIAL ASSETS

(Unsecured, considered good)

Security deposits - electricity deposit	116.79	116.79
Others - VAT input credit refund receivable	6.01	6.01
TOTAL	122.80	122.80

8 OTHER NON CURRENT ASSETS

(Unsecured, Considered good)

Capital advances	895.45	900.63
Advance payment of tax (net)	665.63	617.21
Gratuity- Excess of fair value of plan assets over defined benefit obligation	292.89	232.01
TOTAL	1,853.97	1,749.85

* The company had entered into an agreement/MOU for purchase of land during 2009 & 2010 and accordingly, amount aggregating to ₹ 3,372.75 lakhs was paid from time to time in pursuance of this agreement. Pending execution of sale deed and completion of certain works related to the land the balance amount is carried under capital advance. The management of the company is of the view that considering the nature of the transaction, the registration of the sale of the land would be completed in due course and on completion, the said amount would be capitalised. The total advances of ₹ 856.63 lakhs (PY ₹ 881.63 lakhs) represents ₹ 156.63 lakhs (PY ₹ 181.63 lakhs) towards approx. 6.75 acres (PY 6.75 acres) of land and ₹ 700 lakhs (PY ₹ 700 lakhs) towards development cost of the land. The management of the company does not expect any significant further cash outflow towards the acquisition except for the cost of registration and related expenses.

* ₹ 0.63 lakhs included under capital work in progress as at the beginning of the year has been transferred to capital advance during the year since the payment is in the nature of advance.

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
9 INVENTORIES		
Raw materials	8,625.67	5,579.92
Work in progress	11,219.70	11,309.64
Finished goods with subsidiary Companies	772.09	1,393.55
Stock in trade	288.19	385.43
Goods in transit:		
Raw materials	9.01	209.56
(Refer accounting policy No. 1.12 for valuation of inventories)		
TOTAL	20,914.66	18,878.10
10 TRADE RECEIVABLES		
Trade receivables, considered good and covered under letter of credit	3,272.08	1,365.80
Trade receivables, Unsecured and considered good	20,836.68	14,823.06
Trade receivables, Unsecured and considered doubtful	511.22	626.39
Less: Expected credit loss allowance (on trade receivables considered doubtful) Refer Note 39(c)	511.22	626.39
Trade receivables considered good	24,108.76	16,188.86
Trade Receivables ageing schedule:		
Undisputed Trade receivables - considered good		
Not due	17,290.86	13,823.33
Less than 6 months	5,808.83	801.53
6 months - 1 years	488.37	374.33
1 - 2 years	168.67	202.56
2-3 years	66.98	43.38
More than 3 years	285.05	943.73
Undisputed Trade Receivables - which have significant increase in credit risk		
More than 3 years	511.22	626.39
Less: Expected credit loss allowance (on trade receivables considered doubtful) (Refer Note 39(c))	511.22	626.39
Trade receivables considered good	24,108.76	16,188.86
11 CASH AND CASH EQUIVALENTS		
Balances with banks:		
In current accounts	3,123.27	3,141.79
In deposit accounts with less than 3 months maturity	1,709.54	680.00
In EEFC account	701.21	507.72
In Cash Credit Account	-	412.85
Cash on hand	5.32	2.54
TOTAL	5,539.34	4,744.90
12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balance in unclaimed dividend account	2.04	1.79
Balance with bank in respect of TDPS ESOP Trust	12.77	16.98
Bank deposits with less than 12 months maturity	8,013.00	10,025.00
Deposits (Under lien) with bank as Margin money towards bank guarantee	2,567.18	1,641.81
TOTAL	10,594.99	11,685.58
13 OTHER FINANCIAL ASSETS		
(Unsecured , Considered good)		
Security Deposit for rented premises	26.05	26.86
Security deposit for others	2.08	2.08
Earnest money deposit	120.26	133.17
Balance with government authorities - GST Refund receivable*	1,602.98	1,775.01
Interest accrued on term deposits	62.94	204.38
Interest accrued on Non Convertible Debentures	94.43	94.19
Accrued Export incentives	88.13	103.88
Unbilled revenue	2.74	29.42
Mark to market gain on forward contracts	980.51	287.13
Employee advance	15.57	38.97
TOTAL	2,995.69	2,695.09

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
14 OTHER CURRENT ASSETS		
Prepaid Expenses	152.19	208.46
Advance paid to suppliers (other than capital advances)	3,461.18	1,639.97
Balance with Government authorities - Input tax credit	2,193.20	1,116.51
Expenditure tax - (Relating to foreign operations)	31.78	-
Others	8.24	12.08
TOTAL	5,846.59	2,977.02

*The Indian Subsidiary has accumulated Service tax and GST credit of ₹ 741.20 lakhs (PY: ₹ 740.56 lakhs). During the current financial year there was no operation in the said subsidiary company, as a result there was no movement in the GST balance. However the accumulated credit in this account will be utilised by the said subsidiary company on appropriate business opportunity.

15 EQUITY SHARE CAPITAL**Authorized Capital****Equity shares of ₹ 10/- each**

Number of Equity Shares	3,50,00,000	3,50,00,000
Amount of Equity Share Capital (in ₹)	3,500.00	3,500.00

Issued, subscribed and fully paid up capital**Equity shares of ₹ 10/- each**

Number of Equity Shares	3,11,03,498	3,09,33,414
Amount of Equity Share Capital (in ₹)	3,110.35	3,093.34

Reconciliation of the number of equity shares outstanding and the amount of equity share capital at the beginning and at the end of the year**Number of Equity Shares**

Shares outstanding at the beginning of the year	3,09,33,414	3,09,33,414
Shares issued during the year	1,70,084	-

Shares outstanding at the end of the year

3,11,03,498	3,09,33,414
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Amount of Equity Share Capital

Share capital outstanding at the beginning of the year	3,093.34	3,093.34
Shares issued during the year	17.01	-

Share capital outstanding at the end of the year

3,110.35	3,093.34
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Other Information:

- I The Company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- II In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.
- III For the period of five years immediately preceding the date as at which the Consolidated Balance Sheet is prepared:
 - a. No shares allotted pursuant to a contract without consideration being received in cash.
 - b. No shares allotted as fully paid up by way of bonus shares.
 - c. 23,04,174 equity shares were brought back by the Company during the year 2019-2020

Amount in ₹ Lakhs

IV The particulars of employee stock option is given in note no.49. There were no other shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

V There were no calls unpaid or forfeited shares.

VI Shares held by promoters

Promoter Name	As at 31.03.2022		As at 31.03.2021		% Change during the year
	No of shares	%	No of shares	%	
Saphire Finman Services LLP (Saphire Finman Services Private Limited)	50,26,433	16.16%	50,26,433	16.25%	0.09%
Nikhil Kumar	46,38,664	14.91%	46,62,770	15.07%	0.16%
Mohib N Khericha	38,30,960	12.32%	38,30,960	12.38%	0.06%
Hitoshi Matsuo	32,35,254	10.40%	32,35,254	10.46%	0.06%
Promoter Group:					
Aarya Sankaran Kumar	49,106	0.16%	25,000	0.08%	-0.08%
Chartered Capital & Investment Ltd.	11,34,252	3.65%	11,34,252	3.67%	0.02%
Lavanya Sankaran	1,27,650	0.41%	1,27,650	0.41%	0.00%
Sofia Mohib Khericha	2,00,000	0.64%	2,00,000	0.65%	-0.01%

Note: Change in % of holding compared to 31st March 2021 is majority due to issue of shares under ESAR plan

VII Particulars of equity share holders holding more than 5% of the total paid up equity share capital:

	As at 31.03.2022		As at 31.03.2021	
	%	No of shares	%	No of shares
a. Saphire Finman Services LLP (Saphire Finman Services Private Limited)	16.16%	50,26,433	16.25%	50,26,433
b. Nikhil Kumar	14.91%	46,38,664	15.07%	46,62,770
c. Mohib N Khericha	12.32%	38,30,960	12.38%	38,30,960
d. Hitoshi Matsuo	10.40%	32,35,254	10.46%	32,35,254
e. Nippon Life India Trustee Limited	8.57%	26,64,265	9.74%	30,12,343

Note: The above disclosed information is as per the records/registers including Members register maintained by the Registrar of the Company as at the year end.

16 OTHER EQUITY

Reserves & Surplus

Capital Reserve

As at the beginning of the year (Refer Note No. 1.1)

718.29 718.29

As at the end of the year - A

718.29 718.29

Securities Premium

As at the beginning of the year

17,459.24 17,459.24

Add: Transfer from share option outstanding account

173.55 -

As at the end of the year - B

17,632.79 17,459.24

Capital Redemption Reserve

As at the beginning of the year

230.42 230.42

Add: Transfer from Securities Premium for shares bought back during the year

- -

As at the end of the year - C

230.42 230.42

General Reserve

As at the beginning of the year

3,369.92 3,369.92

As at the end of the year - D

3,369.92 3,369.92

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
Retained earnings		
As at the beginning of the year	22,545.96	18,161.93
Less: Dividend (₹ 2.50 per share (Previous year: ₹ 0.75 per share))	(776.49)	(232.02)
Add: profit for the year as per statement of profit and loss	7,064.91	4,520.44
Add/(less): Remeasurement of defined benefit plan for the year (net of tax)	(63.11)	101.87
Less: Balance carrying value of shares in respect of ESOP exercised during the period transferred to Retained Earnings	(3.68)	(6.26)
As at the end of the year - E	28,767.59	22,545.96
Stock Options Outstanding Account		
As at the beginning of the year	443.68	281.34
Add: Addition during the year	133.60	303.74
Less: Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the period	(146.80)	(141.40)
Less: Amount transferred to securities premium on exercise of ESAR by the employees of the Company	(173.55)	-
As at the end of the year - F	256.93	443.68
Shares Purchased by ESOP Trust		
Adjustment for:		
As at the beginning of the year	(545.38)	(822.13)
Equity Shares of ₹ 10 each purchased during the year	-	126.41
Proceeds from ESOP exercised received	126.40	-
Amount transferred to shares purchased by ESOP Trust in respect of ESOP exercised during the year	146.80	141.40
Balance carrying value of shares in respect of ESOP exercised during the year transferred to Retained Earnings	3.68	6.26
Dividend received during the year on the shares held by the ESOP Trust	4.95	2.68
As at the end of the year - G	(263.55)	(545.38)
Other Comprehensive Income		
Exchange difference on translation of foreign operations		
Exchange difference on translations of foreign operations	(247.83)	7.95
Add: Transferred from statement of profit and loss	(858.48)	(255.78)
As at the end of the year - H	(1,106.31)	(247.83)
Total (A+B+C+D+E+F+G+H)	49,606.08	43,974.30
Nature of Reserve		
a) Securities premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.		
b) General Reserve: General reserve is appropriation of the net profit in respect of reserves created pursuant to the provisions of the Companies Act, 1956 with respect to declaration of dividend. Such mandatory transfer to general reserve is not prescribed under the Companies Act, 2013.		
c) The Remeasurements gains in respect of employee benefits included under retained earnings are as under:		
As at the beginning of the year	(3.48)	(105.35)
Remeasurements gain/(loss) on defined benefit plans	(84.34)	136.13
Income tax effect on above	21.23	(36.26)
Balance at the end of the year	(66.59)	(3.48)

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
d) Capital Redemption Reserve: The capital redemption reserve represents the face value (₹ 10) of the shares bought back. This is created by transfer from securities premium as per requirement of Sec. 69 of the Companies Act 2013.	-	-
e) Retained Earning: Retained earnings are the profits that the Company has earned till date, less transfer to general reserve, dividend or other distribution paid to shareholders.	-	-
f) Stock Option Outstanding Account: The balance in this account represents the Employee Share based remuneration debited to the Statement of Profit and Loss after adjustment for ESOPs exercised.	-	-
g) Shares Purchased by ESOP Trust: The shares held by the ESOP Trust are treated as treasury shares and included under other equity.	-	-

17 PROVISIONS

Provision for employee benefits (Refer Note No. 41)

499.39	452.59
499.39	452.59

TOTAL

*Represents provisions (net of tax paid) held for earlier years pending completion of assessments / appellate proceedings.

18 DEFERRED TAX LIABILITY

Deferred tax liability

On account of depreciation on Property, plant and equipment

886.12	957.90
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Deferred tax asset

On account of timing differences in recognition of expenditure

93.90	330.69
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Net Deferred tax liability/(asset)

792.22	627.21
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Movement of Deferred tax liability/(asset)

Particulars

	Opening Balance	Recognition in statement of profit and loss	Closing Balance
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As on 31st March 2022:

Deferred tax liability

On account of depreciation on property, plant and equipment and amortisation of intangible assets

957.90	(71.78)	886.12
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Deferred tax asset

On account of timing differences in recognition of expenditure

330.69	(236.79)	93.90
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Total deferred tax liability

627.21	165.01	792.22
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As on 31st March 2021:

Deferred tax liability

On account of depreciation on property, plant and equipment and amortisation of intangible assets

1,012.32	(54.42)	957.90
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Deferred tax asset

On account of timing differences in recognition of expenditure

362.50	(31.81)	330.69
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Total Deferred tax liability

649.82	(22.61)	627.21
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	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
19 BORROWINGS		
Secured loans		
Working Capital Borrowings		
Loans repayable on demand		
- rupee loan from banks - Cash Credit	331.41	-
Export Finance - FCNRB		
- foreign currency loan from banks	6,765.10	5,199.60
TOTAL	7,096.51	5,199.60
<i>Additional Information:</i>		
Details of security for secured loans:		
Loans from Bank of Baroda is secured by first pari-passu charge along with Kotak Mahindra Bank on all the current assets of the Company (present and future) excluding the current assets relating to orders from a particular customer which are exclusive first charge in favour of Bank of Baroda.	6,109.76	3,754.15
The loans are further collaterally secured as under:-		
1. 1 st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-1 of Company comprises of land and buildings situated at plot nos.27,28,29 & 30A area, 25304 sq. mts Phase-I KIADB Dabaspeta Industrial Area, Yedehalli Village, Bengaluru Rural District, Bengaluru.		
2. 1 st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-II of Company comprises of land and buildings situated at Sy.No.59/2, area 4 acres 33 gunta (19526 Sq. mts including 7 gunta kharaba land) yedahalli village Dabaspeta, Bangalore.		
3. 1 st Pari passu charge with Kotak Mahindra Bank by way of equitable mortgage of unit-II of Company comprises of land and buildings situated Sy.No. 55 (Part1), 56/1, 56/2, 57 & 58 Yedehalli Village, Dabaspeta Bangalore Rural District, Bangalore measuring 12.55 acres.		
4. 1 st Pari passu hypothecation charge with Kotak Mahindra Bank on entire plant and machinery of the company.		
All the above are common securities for all fund based and non-fund based facilities obtained by the Company.		
Loan from Kotak Mahindra Bank is secured by first pari-passu charge with Bank of Baroda on all existing and future receivable/current assets of the Company excluding the current assets relating to orders from a particular customer.	986.75	1,445.45
Also refer to details of equitable mortgage mentioned under borrowings from Bank of Baroda in relation to land and buildings		
Interest at 8% p.a. (PY: 12.05%) is applicable on Rupee loans from Bank of Baroda which will be reviewed annually.		
Interest at 1.50% p.a. (PY: 2.75%) is applicable on FCNR Euro Loan from Bank of Baroda which will be rolled over after 6 months.		
Interest at 2.24% p.a. (PY: NIL) is applicable on FCNR Euro Loan from Bank of Baroda which will be rolled over after 6 months.		
Interest at 2.00% p.a. (PY: NIL) is applicable on FCNR USD Loan from Kotak Mahindra Bank which will be rolled over after 90 Days.		

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
20 TRADE PAYABLES		
total outstanding dues of micro enterprises and Small enterprises*	64.34	60.26
total outstanding dues of creditors other than micro enterprises and Small enterprises	15,068.12	10,777.33
TOTAL	15,132.46	10,837.59
All trade payables are non interest bearing and payable or settled within normal operating cycle of the company		
<i>Additional Information:</i>		
The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the group are as under:		
1. Principal amount due and remaining unpaid	64.34	60.26
2. Interest due on (1) above and the unpaid interest	-	-
3. The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	61.07	51.17
4. 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 Micro, Small and Medium Enterprises Development Act, 2006.	0.12	0.29
5. The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.12	0.29
6. 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 Micro, Small and Medium Enterprises Development Act, 2006.	262.76	264.88
*The amount due to Micro, Small and Medium Enterprises is based on the information received and available with the group.		
Trade payables ageing schedule:		
Outstanding dues to MSME		
Less than 1 year	64.34	60.26
Outstanding dues to Others		
Less than 1 year	14,782.45	9,916.94
1 - 2 years	142.34	85.67
2 - 3 years	0.05	38.03
More than 3 years	114.87	708.28
Disputed outstanding dues to Others		
1 - 2 years	-	8.41
2 - 3 years	8.41	-
More than 3 years	20.00	20.00
	15,132.46	10,837.59
21 OTHER FINANCIAL LIABILITIES		
Unclaimed dividends *	2.04	1.79
Outstanding liabilities in respect of accrued expenses	8,173.86	7,713.35
Duties and taxes payable	167.22	159.09
Earnest Money Deposit	2.15	2.15
Employee benefits payable	10.88	437.29
Due to Director	-	6.84
TOTAL	8,356.15	8,320.51

* Does not include any amount which are required to be credited to investor education and protection fund as at the year end.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
22 OTHER CURRENT LIABILITIES		
Advance received from customers	4,746.83	4,989.85
TOTAL	4,746.83	4,989.85
23 PROVISIONS		
Provision for warranties (Refer Note No 45)	376.31	298.06
Provision for employee benefits (Refer Note No 41)	87.04	79.58
TOTAL	463.35	377.64
24 CURRENT TAX LIABILITIES (NET)		
Provision for taxation (net of advance tax)*	866.12	615.15
TOTAL	866.12	615.15
* Represents provisions (net of tax paid) held for earlier years pending completion of assessments/ appellate proceedings.		
25 REVENUE FROM OPERATIONS		
Sale of Goods		
- AC generators	50,245.92	34,709.71
- AC generator spares	17,239.49	12,116.89
- Power Project business Inland	257.78	291.29
- Power Project business Overseas Branch	1,453.22	1,701.78
- Power Business Overseas	18,368.01	20,905.99
Total	87,564.42	69,725.66
Sale of services	1,644.90	799.92
Sale of scrap	1,310.76	946.24
Total	90,520.08	71,471.82
Less: Intersegmental sales	271.52	624.40
Inter company sales	10,506.10	11,488.99
TOTAL	79,742.46	59,358.43
Disaggregation of revenue information		
At Point in time (product/service)	88,875.18	70,671.90
Overtime	1,644.90	799.92
26 OTHER INCOME		
Interest income on bank deposits	642.28	634.84
Interest income on financial assets - non convertible debentures carried at amortised cost	175.53	175.06
Profit on sale of property, plant and equipments (Net)	0.06	10.50
Foreign exchange fluctuation / MTM gain (Net of loss)	755.69	5.15
Income from Renting of equipments	3.80	17.10
Other non operating income (net of expenses directly attributable to such income)	94.06	89.60
TOTAL	1,671.42	932.25
27 CONSUMPTION OF RAW MATERIALS, STORES, SPARE PARTS & COMPONENTS		
Stock at the beginning of the year	5,377.77	5,150.54
Add: Purchase	58,381.68	42,808.55
Less: Stock at the end of the year	8,559.34	5,377.77
Total	55,200.11	42,581.32

	Amount in ₹ Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
Consumption of major raw materials consists of:		
Copper (wires, strips, rods, sheet etc.)	8,843.47	4,878.00
Steel / Laminations	14,390.20	7,000.00
Shaft Forgings	3,262.95	1,942.00
Stores & spare parts	328.02	283.63
Others	25,553.69	20,888.29
TOTAL	52,378.33	34,991.92
28 PURCHASES AND CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventory at the beginning of the year	385.43	199.24
Add: Purchases for Projects Business	843.72	1,188.20
Less: Inventory at the end of the year	288.19	385.43
TOTAL	940.96	1,002.01
29 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
Inventory at the end of the year		
Work in progress - A C Generators	11,219.70	11,309.64
Finished goods - A C Generators at subsidiary	838.42	1,595.70
TOTAL	12,058.12	12,905.34
Less: Inventory at the beginning of the year		
Work in progress - A C Generators	11,309.64	8,330.27
Finished goods -A C Generators	-	66.34
Finished goods - A C Generators at subsidiary	1,595.70	514.56
	12,905.34	8,911.17
Net (Increase) / Decrease	847.22	(3,994.17)
30 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	5,740.96	5,717.71
Contribution to provident and other funds	441.81	378.41
Remuneration to whole time directors including contribution to provident and other Funds (Refer Note No.42)	504.72	408.13
Share based remuneration to employees (Refer Note No. 47)	133.61	303.74
Staff welfare expenses	1,235.87	1,132.29
TOTAL	8,056.97	7,940.28
31 FINANCE COST		
Interest	149.60	307.58
Foreign exchange difference recorded as an adjustment to borrowing cost	56.10	138.96
TOTAL	205.70	446.54
32 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipments	2,014.88	2,015.70
Amortization of intangible assets	189.08	134.06
TOTAL	2,203.96	2,149.76

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Amount in ₹ Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
33 OTHER EXPENSES		
Power and fuel	828.98	711.99
Rent (Refer Note No. 43)	91.86	97.69
Repairs and maintenance		
-Buildings	29.21	13.72
-Machinery	302.75	271.33
-Others	48.55	47.43
Insurance	120.65	97.80
Manufacturing expenses	224.32	133.10
Rates and taxes	53.93	172.54
Payment to the auditors (excluding GST)		
-auditor fees (including audit of consolidated financial statements)	13.70	15.20
- for Limited review of quarterly financial results including consolidated financial results	7.75	6.75
-for other services - Certification fees	3.36	4.31
-out of pocket expenses	-	0.08
Legal and professional charges	437.20	355.44
Royalty	18.09	6.66
Travelling expenses	827.40	716.60
Bank charges	502.17	487.52
Exchange Fluctuation	-	170.42
Software Expenses on ERP	239.99	208.44
Corporate Social Responsibility	26.28	28.10
Director Sitting fees	20.20	19.00
Maintenance of Vehicles	54.10	54.46
Postage, Telegrams and Telephones	53.48	53.64
Printing and stationary	41.25	31.45
Provision for doubtful debts	-	115.17
Carriage, freight and Selling expenses	1,379.88	1,300.50
Donations	6.00	6.00
Advertisement	129.90	25.80
Subscription to Technical Associations, Journals and Magazines	10.41	7.79
Miscellaneous Expenses	37.76	75.19
TOTAL	5,509.17	5,234.12
34 EXCEPTIONAL ITEMS		
Creditors written back (Refer Note No. 51)	757.72	717.51
TOTAL	757.72	717.51

	Amount in ₹ Lakhs	
	Year ended 31.03.2022	Year ended 31.03.2021
35 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)		
Items that will not to be reclassified to profit or loss:		
Re-measurement gains/(losses) on defined benefit plans	(84.34)	136.13
Income tax on Defined benefit plans		
-Current Tax	21.23	(34.26)
Items that will be reclassified to profit or loss:		
Exchange difference on translation of foreign operations	(858.48)	(255.78)
TOTAL	(921.59)	(153.91)
36 EARNINGS PER SHARE: - BASIC		
Profit for the year after tax expense	7,064.91	4,520.44
Weighted average number of equity shares (net of treasury shares) outstanding during the year	3,07,76,542	3,04,84,138
Earnings per share (in ₹)	22.96	14.83
Face Value of Equity share (in ₹)	10.00	10.00
EARNINGS PER SHARE: - DILUTED		
Profit for the year after tax expense	7,064.91	4,520.44
Weighted average number of equity shares (net of treasury shares) outstanding during the year	3,09,88,508	3,09,44,936
Earnings per share (in ₹)	22.80	14.61
Face Value of Equity share (in ₹)	10.00	10.00
37 CONTINGENT LIABILITIES AND COMMITMENTS		
(to the extent not provided for)		
Contingent Liabilities:		
Performance Guarantees	11,847.93	12,582.03
Performance Guarantees given to customers on behalf of subsidiary companies	1,328.18	1,013.65
Advance Guarantees given to customers on behalf of subsidiary companies	252.68	144.00
Income Tax demand disputed by the company*	1,986.03	43.36
Other sums for which the Company is contingently liable	2.32	-
VAT and Entry tax demand disputed by the subsidiary Company (Refer Note No. 50)	-	129.54
<p>The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the same is considered necessary.</p> <p>* During May 2021, the company has received demand from Income tax department of ₹ 1,942 lakhs for AY 2017-18 with respect to Transfer Pricing and other disallowance u/s 143(3) r.w.s 144C (3) read with section 144B of the Income-tax Act. The Transfer Pricing Officer (TPO) has passed an order with demand considering transfer pricing adjustment on the overall turnover of the Company instead of restricting to transactions with Associate Enterprises. The Sales to Associate Enterprises for the said year is ₹ 1,964.90 lakhs as compared to the Sales of the entire Company of ₹ 36,944.03 lakhs. Disputing the said order, the Company filed an objection before the Dispute Resolution panel of the Income Tax Department at Bengaluru on May 26, 2021. Further, consequent to a writ petition filed by the Company, the operation of the assessment order & recovery proceedings has been stayed by the Hon'ble High Court of Karnataka vide it's order dated June 30 2021.</p> <p>The Company has received assessment order u/s 143(3) r.w.s 260 read with section 144B of the Income Tax Act based on directions of Dispute Resolution panel. Further, consequent to a writ petition filed by the Company, the operation of the assessment order & recovery proceedings has been stayed by the Hon'ble High Court of Karnataka vide it's order dated March 21, 2022.</p>		
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,885.03	428.73

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

38 (a) The reconciliation between current tax and amounts computed by applying the income tax rate

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Total profit/(loss) before tax (A)	7,379.33	2,351.59
Income tax rate (B)	25.17%	25.17%
Tax expense - (C) = (A) X (B)	1,857.23	591.85
Add - Tax effect of the amounts as under:		
a) Expenses - Not Deductable for tax purpose	(166.62)	64.99
b) Other adjustment and rounding off	82.22	(30.38)
Total (D)	(84.40)	34.61
Net current tax expense (E) = (C)+(D)	1,772.83	626.46
Net current tax expense (Rounding off to nearest thousand)	1,772.83	626.46
Tax Provision in Foreign Subsidiary	204.76	524.05
Net current tax expense (E) = (C)+(D)	1,977.59	1,150.51
Tax expenses related to item classified under other comprehensive income	(21.23)	34.26
Net current tax expense (Rounding off to nearest thousand)	1,956.36	1,184.77

38 (b) The reconciliation between deferred tax and amounts computed by applying the income tax rate

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Deferred tax liabilities at the beginning of the year	627.21	649.83
Income tax rate (B)	25.17%	25.17%
Tax effect of the amounts as under:		
- Change in Difference between book value and WDV of property, plant and equipment and technical knowhow	(71.78)	(54.42)
- Change in recognition in other comprehensive income	-	30.07
- Change in Provision for employee benefit disallowed	236.79	1.73
Deferred tax liabilities at the end of the year	792.22	627.21
Deferred tax expenses in the statement of profit and loss	165.01	(22.62)

39 Financial Instruments - Accounting Classifications and Fair value measurements

A. The Fair value of cash and cash equivalents, bank balances, loans, trade receivables, trade payables and others approximates their carrying amount. Trade receivables are evaluated after taking into consideration for Expected Credit Losses. Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

B. Financial Assets / Liabilities Classification

Particulars	Amount in ₹ Lakhs	
	Carrying Amount	
	As at 31.03.2022	As at 31.03.2021
Financial assets at fair value through Profit and Loss (FVTPL):		
Investment in equity other than subsidiary - *	0.50	0.50
Mark to market gain on foreign exchange forward contracts (level 2) as per valuation statement provided by bank (Refer Note No. 13)	980.51	287.13
Financial Assets at amortised cost:		
Cash and cash equivalents	5,539.34	4,744.90
Bank balances other than cash and cash equivalents	10,594.99	11,685.58
Trade receivables	24,108.76	16,188.86
Other financial assets	2,137.98	2,530.76
Investment in Non Convertible Debentures	1,993.44	1,993.44
Financial liabilities at amortised cost:		
Short term borrowings	7,096.51	5,199.60
Trade payables	15,132.46	10,837.59
Other financial liabilities	8,356.15	8,320.51

* In view of the fact this investment amount is not significant and the cost is considered to be at fair value (level 3)

C. Financial Risk Management

Objectives and Policies

The company's Financial Risk Management is an integral part of business strategies. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. In addition, Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's principal financial liabilities comprise short term borrowings, trade and other payables. The main purpose of these financial liabilities is to support entity's operations. The entity's principal financial assets include cash and cash equivalents investment in Non-convertible Debentures and trade and other receivables that derive directly from its operations.

All activities for risk management purposes are carried out by experienced teams that have the appropriate skills, experience and supervision. It is the entity's policy that no activities in derivatives will be undertaken except foreign exchange forward contact. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The customer credit risk is managed as per Company's established policy, procedure and controls relating to customer credit risk management. It require different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In order to contain the business risk, the creditworthiness of the customer is through scrutiny of its financials, status of financial closure of the project, to the extent available in public domain and if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of its diversified business profile and considering the size of the Company, credit risks from receivables are well contained on an overall basis.

The Company's maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables.

	Amount in ₹Lakhs	
	As at 31.03.2022	As at 31.03.2021
Total Receivable	24,108.76	16,188.86
Receivable individually in excess of 10% of the receivable	13,753.07	10,012.45
Percentage of the above receivables to the total receivables of the Company	57.05%	61.85%

Receivables in excess of 10% of individual business receivables represents receivables from four customers/group as at 31st March 2022 and four customers/group as on 31st March 2021.

	As at 31.03.2022	As at 31.03.2021
Customer A	18.51%	12.62%
Customer B	17.91%	23.46%
Customer C	10.35%	10.73%
Customer D	10.28%	15.04%

Credit risk on cash and cash equivalents and balances with banks is limited as the Group generally invests in deposits with scheduled banks. Total Cash and Cash equivalents and balances with bank as at 31st March 2022 is ₹ 16,134.33 Lakhs (PY: ₹ 16,430.48 Lakhs). Out of these balances held with banks as deposits was ₹ 12,289.72 Lakhs PY: ₹ 12,345.12 lakhs) the Details of deposits which is more than 10% of the total is as under.

	As at 31.03.2022	As at 31.03.2021
Bank A	10,232.54	6,750.00
Bank B	1,900.00	3,455.00
Bank C	157.18	2,140.12

Provision for expected credit losses

The life time expected credit loss ("ECL") is estimated on trade receivables, other amounts due from entities where there is no track record of short receipts. Delays in receiving payments from the customers pursuant to sale of goods or under contracts are not considered if such delays are commonly prevalent in the industry. Other short receipts other than arising from claims are duly considered in determining ECL.

Considering the above as well as business model of the Company, engineered-to-order products and the profile of trade receivables, the determination of a provision based only on age analysis may not be a realistic considering the economic and industry circumstances. Hence, the provision for expected credit loss is determined by the management for the specific trade receivables after considering the above facts and circumstances, particularly in view of the fact that there has no bad debts in the recent past.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Provision matrix (% , amounts) of ECL for trade receivables and the reconciliation of the movement in the provision is given below.

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
Total Receivable	24,619.98	16,815.25
Provision for credit loss	511.22	626.39
Percentage	2.08%	3.73%

Reconciliation of loss allowance provision

	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	626.39	511.22
Provision for credit loss allowance made during the year	-	115.17
Provision utilised during the year - (Bad debts written off)	115.17	-
Balance at the end of the year	511.22	626.39

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach in managing the same is to ensure, as far as possible, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The company's principal sources of liquidity are cash and cash equivalents, balances with banks, investment in non-convertible debentures and the cash flow that is generated from operations. The cash and cash equivalent, other bank balances and non-convertible debentures aggregates to ₹ 18,127.77 lakhs at 31st March 2022 (PY - ₹ 18,423.92 lakhs). In addition the net trade receivables as at the year end was ₹ 24,108.76 lakhs (PY ₹ 16,188.86 lakhs). The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The following are the contractual maturities of non-derivative financial liabilities due within one year based on contractual cash flows:

	Amount in ₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
Trade Payables	15,132.46	10,837.59
Short Term Borrowings	7,096.51	5,199.60
Other Payables:		
Statutory dues	167.22	159.09
Employee dues	10.88	437.29
Other dues	8,178.05	7,724.13
Total	30,585.12	24,357.70

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The Company also operates internationally and a major portion of the business is transacted in several currencies and consequently the parent Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies.

I) Foreign currency risk exposure --: The parent company's and its Indian Subsidiaries exposure to foreign currency risk at the end of reporting year, are as follows

- a) The foreign exchange forward contracts outstanding as on 31.03.2022 in respect of Euro is 1,41,00,000 and USD 26,00,000 is (2021: Euro 1,50,93,000)
- b) The total foreign currency exposures as at the end of the year is as under:

In Foreign Currency

Particulars	As at 31.03.2022 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets/ Receivables	39.41	95.12	194.15	0.11
Liabilities (including advances)	64.87	65.99	502.59	-

Rupee Equivalent

Particulars	As at 31.03.2022 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets/Receivables	2,972.15	7,973.13	119.69	9.03
Liabilities (including advances)	4,889.72	5,634.95	313.76	-

In Foreign Currency

Particulars	As at 31.03.2021 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets/Receivables	19.78	78.21	580.87	0.17
Liabilities (including advances)	21.83	56.26	2,481.02	0.06

Rupee Equivalent

Particulars	As at 31.03.2021 (Amount in Lakhs)			
	USD	Euro	JPY	Others
Assets/Receivables	1,437.87	6,654.55	381.81	15.16
Liabilities (including advances)	1,577.87	4,868.28	1,641.75	4.29

c) Sensitivity analysis

A strengthening or weakening of the Indian Rupee, as indicated below, against the USD, Euro, JPY and others as at 31st March 2022 would have increased (decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis is performed on the same basis for previous year, even though the actual foreign exchange rate variances were different.

Particulars	Impact on profit or loss (before tax)			
	As at 31.03.2022		As at 31.03.2021	
	Strengthening	Weakening	Strengthening	Weakening
5% Movement in:				
USD	95.88	(95.88)	7.00	(7.00)
EURO	(116.91)	116.91	(89.31)	89.31
JPY	9.70	(9.70)	63.00	(63.00)
Others	(0.45)	0.45	(0.76)	0.76

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
SEGMENT REPORTING (CONTD.)**

ii) Interest Rate Risk

The Company's investments are primarily in Fixed rate interest bearing deposits and non-convertible debentures. Also the borrowings bear fixed rate of interest which are reviewed periodically by the banks. Hence, the Company is not significantly exposed to interest rate risks.

D Capital Management

While managing capital, the Company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefit for other stakeholders.

The Board of Directors monitors the earnings before interest, depreciation and tax (EBITDA), which the Company defines as result from operating activities before considering finance cost, depreciation & amortisation, exceptional items and tax expenses. The Board of Directors also monitors the level of dividends to equity shareholders.

The Company's EBITDA excluding other income is 11.52% for the year ended 31st March 2022 in comparison to 11.11% for the year ended t 31.03.2021.

The Company monitors capital, using a medium and long term view, on the basis of a number of financial ratios generally used by industry and by the rating agencies.

40 SEGMENT REPORTING

The company's operation comprises of Manufacturing business & Project Business. Primary segmental reporting comprises of Manufacturing Business & Project Business Segments. Secondary Segmental reporting is based on geographical location of activities. Under primary segment revenue and direct expenses, which relate to a particular segment and which are identifiable, are reported under that segment.

Certain expenses, which are not allocable to any specific segment, are separately disclosed at the enterprise level. Cash and bank balances in India are reported at the enterprise level as the company operates common bank accounts. Property, Plant and Equipment, Liabilities, Current assets and Current liabilities relating to specific business segments are identified and reported. Those that are not identifiable are reported as common items.

Secondary segment is reported based on the geographical location of the company, viz., India, Japan, USA, Europe and Hongkong. Revenues in the secondary segment are based on the sales made by the branch office or subsidiaries. Inter-segmental purchases & sales are separately identified and reported. Property, plant and Equipment, Current Assets including Cash and Bank accounts, and Current Liabilities are identified based on the branch office or subsidiary to which they relate and are reported accordingly.

(i) Business segment

Amount in ₹ Lakhs

	Particulars	Primary Segment				Total
		Manufacturing	Project Business	EPC	Common	
						Current Year
1	Segment Revenues					
	External Revenues	88,794.57	1,725.51	-	-	90,520.08
	Inter segment revenues	(271.52)	-	-	-	(271.52)
	Inter company	(10,506.10)	-	-	-	(10,506.10)
	Total Revenues	78,016.95	1,725.51	-	-	79,742.46
2	Segment Results					
	Profit Before Taxation, Interest and Depreciation	9,670.11	(103.02)	(10.99)	(368.07)	9,188.03
	Less: Finance cost	205.70	-	-	-	205.70
	Less: Depreciation and Amortizations	2,198.46	2.58	-	2.92	2,203.96
	Total	7,265.95	(105.60)	(10.99)	(370.99)	6,778.37
3	Unallocable & Other Income including exceptional item	-	-	-	-	2,429.14
	Less: Tax	-	-	-	-	2,142.60
	Profit after tax	-	-	-	-	7,064.91

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

Previous Year

	Particulars	Primary Segment				Total
		Manufacturing	Project Business	EPC	Common	
1	Segment Revenues					
	External Revenues	69,209.21	2,262.61	-	-	71,471.82
	Inter segment revenues	(624.40)	-	-	-	(624.40)
	Inter company	(11,488.99)	-	-	-	(11,488.99)
	Total Revenues	57,095.82	2,262.61	-	-	59,358.43
2	Segment Results					
	Profit Before Taxation, Interest and Depreciation	6,451.24	40.91	(15.30)	118.02	6,594.87
	Less: Finance cost	446.54	-	-	-	446.54
	Less: Depreciation and Amortizations	2,144.26	2.58	-	2.92	2,149.76
	Total	3,860.44	38.33	(15.30)	115.10	3,998.57
3	Unallocable & Other Income including exceptional item					1,649.76
	Less: Tax					1,127.89
	Profit after tax					4,520.44
4	Segment Assets - Current Year	74,522.41	2,294.91	0.70	13,851.44	90,669.46
	Segment Assets - Previous Year	60,311.25	3,719.90	115.29	14,341.34	78,487.78
5	Segment Liabilities - Current Year	28,337.81	1,684.94	17.25	7,913.03	37,953.03
	Segment Liabilities - Previous Year	22,574.34	2,204.04	791.14	5,850.62	31,420.14
6	Capital Expenditure (Gross Block)	1,427.53	-	-	-	1,427.53
	Disposal (Gross Block)	(57.59)	-	-	-	(57.59)
	Capital Expenditure (Net of disposal) - Current Year	1,369.94	-	-	-	1,369.94
	Capital Expenditure (Gross Block)	1,547.70	-	-	-	1,547.70
	Disposal (Gross Block)	(98.13)	-	-	-	(98.13)
	Capital Expenditure (Net of disposal) - Previous Year	1,449.57	-	-	-	1,449.57

(ii) Geographical Segment

Particulars	Segment revenue by geographical Market	
	Year ended 31.03.2022	Year ended 31.03.2021
Sales from India		
Domestic Sales (including Deemed Export)	47,558.94	29,396.50
Export Sales	23,139.91	19,467.08
Sales of Overseas Branch and Subsidiary	19,821.23	22,608.24
Less: Inter-segmental sales	(271.52)	(624.40)
Less: Inter-company sales	(10,506.10)	(11,488.99)
Total	79,742.46	59,358.43

Amount in ₹ Lakhs

Carrying amounts of geographical assets & additions to property, plant and equipment & intangible assets

Particulars	Carrying amounts of segment assets (Rs. in Rupees)		Additions to property, plant and equipment and intangible assets (Net of deletion)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Located in India	78,665.88	65,739.77	1,069.98	1,334.59
Located outside India	12,003.58	12,748.01	299.96	114.98
Total	90,669.46	78,487.78	1,369.94	1,449.57

(iii) Information about Major customers -

The revenue from operations from customers who exceed 10% of revenue from operations are given below.

Particulars	As at 31.03.2022	As at 31.03.2021
Customer A	12.24%	10.58%
Customer B	12.30%	11.35%
Customer C	16.04%	10.15%

41 Disclosure as per Ind AS 19 on 'Employee benefits

A Gratuity - Funded

The Parent Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 20 Lakhs. The gratuity liability arises on account of future payments, which are required to be made in the event of retirement, death in service or withdrawal. The liability has been assessed using projected unit credit actuarial method. The Parent Company made annual contributions to the Employee's Group Gratuity scheme of the Life Insurance Corporation of India.

i. Movement in net defined benefit asset on Gratuity plan

Amount in ₹ Lakhs

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening balance	1,097.49	1,032.40	1,329.50	1,143.75	232.01	111.34
Included in profit or loss:						
Current service cost	92.87	93.37	-	-	(92.87)	(93.37)
Interest Income on planned asset	-	-	96.49	79.09	96.49	79.09
Interest cost	73.41	69.21	-	-	(73.41)	(69.21)
Total amount recognised in profit or loss	166.28	162.58	96.49	79.09	(69.78)	(83.49)
Included in OCI:						
Actuarial loss (gain)	85.23	(68.21)	-	-	(85.23)	68.21
Return on plan assets greater/(lesser) than discount rate	-	-	0.90	67.92	0.90	67.92
Total amount recognised in other comprehensive income	85.23	(68.21)	0.90	67.92	(84.34)	136.13
Contributions paid by the employer	-	-	215.00	68.03	215.00	68.03
Benefits paid	35.96	29.29	35.96	29.29	-	-
Closing balance	1,313.04	1,097.49	1,605.93	1,329.50	292.89	232.01

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii. Details of Plan assets

	31.03.2022	31.03.2021
Government of India securities (central and state)	-	-
Schemes of insurance - conventional products	100.00%	100.00%
Others (including Fixed Deposits and Special Deposits)	-	-
	100.00%	100.00%

iii. Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date.

	31.03.2022	31.03.2021
Financial assumptions:		
Discount rate	6.80%	6.80%
Salary escalation rate	7.00%	7.00%
Demographic assumptions:		
Retirement age	58 Years	58 Years
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.	
Withdrawal rate % (All ages)	3.00%	3.00%

IV. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

Amount in ₹ Lakhs

	31.03.2022		31.03.2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(131.42)	155.46	(113.96)	135.74
Salary escalation rate (1% Movement)	146.02	(128.96)	129.59	(111.52)
Withdrawal rate (1% Movement)	1.08	(1.27)	(2.05)	2.29

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

V. Expected benefit payment of the gratuity plan in future years

Amount in ₹ Lakhs

	Gratuity (Funded)	
	31.03.2022	31.03.2021
For the year ending:		
Less than 1 year	129.07	120.16
Between 1-2 years	46.40	39.94
Between 2-3 years	83.69	42.95
Between 3-4 years	74.28	72.23
Between 4-5 years	69.46	70.04
Between 5-10 years	616.68	554.75

VI. Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks such as increase in salary, investment risk, discount rate, mortality, disability and withdrawals.

B Long term Leave Liability - Unfunded

The parent company provides for earned leave benefit to the employees which accrue at 15 days (maximum) for the year. The earned leave is encashable while in service and upto a maximum of 105 days on retirement. The leave liability has been treated as other long term benefits and has been assessed using projected unit credit actuarial method.

I. Movement in net defined benefit (asset)/liability

Amount in ₹ Lakhs

	Defined benefit obligation	
	31.03.2022	31.03.2021
Opening balance	531.06	528.26
Included in profit or loss:		
Current service cost	124.09	127.60
Interest cost	36.11	35.36
Actuarial loss (gain)	(105.84)	(143.56)
Total amount recognised in profit or loss	54.36	19.40
Benefits paid	-	16.60
Closing balance	585.42	531.06

II. Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date.

	31.03.2022	31.03.2021
Financial assumptions:		
Discount rate	6.80%	6.80%
Salary escalation rate	7.00%	7.00%
Demographic assumptions:		
Mortality table	100% of Indian Assured Lives Mortality (2006-08)	
Withdrawal rate % (All ages)	3.00%	3.00%
Retirement age	58 years	58 years

42 RELATED PARTY DISCLOSURE

Related Party	Relationship
Ravindu Motors Private Limited Trident Automobiles Private Limited	Companies in which director/ relative of director is interested
Nikhil Kumar, Managing Director Mohib N Khericha, Director K G Prabhakar, Director N Srivatsa, Company Secretary M N Varalakshmi, CFO	Key management personnel

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

DETAILS OF TRANSACTIONS

Amount in ₹ Lakhs

Nature of transactions	Companies in which director/relative of director is interested		Key management personnel	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
<u>Directors Remuneration:</u>				
Nikhil Kumar:				
Short-term employee benefits including commission of ₹ 226.26 lakhs (PY: 144.35 Lakhs)	-	-	488.36	389.34
Other long term employee benefit	-	-	16.36	18.79
Dividend	-	-	116.57	34.92
Amount Outstanding at the year end	-	-	-	6.84
<u>Remuneration to Key Managerial Personnel:</u>				
N Srivatsa				
Short-term employee benefits	-	-	53.56	53.87
Other long term employee benefit	-	-	3.46	3.46
Employees Share Option Cost (Refer Note No. 49)	-	-	13.59	30.90
Dividend	-	-	1.56	0.25
Amount Outstanding at the year end	-	-	-	2.44
M N Varalakshmi				
Short-term employee benefits	-	-	40.07	39.67
Other long term employee benefit	-	-	2.52	2.49
Employees Share Option Cost (Refer Note No. 49)	-	-	7.79	17.71
Dividend	-	-	1.11	0.14
Amount Outstanding at the year end	-	-	-	3.16
<u>Directors Sitting fees</u>				
Mohib N Khericha	-	-	5.20	4.60
Nikhil Kumar	-	-	0.80	0.80
K G Prabhakar	-	-	2.80	2.80
<u>Ravindu Motors Private Limited</u>				
Servicing of Vehicles	1.40	2.02	-	-
Purchase of Motor Vehicle	-	40.00	-	-
<u>Trident Automobiles Private Limited</u>				
Servicing of Vehicles	0.72	0.43	-	-
Purchase of Motor Vehicle	10.78	36.46	-	-

43 Operating Lease

The group has taken office facilities, guesthouse and residential premises of employees under short term lease and are renewable on a periodic basis, and cancelable at its option. Rental expenses recorded for short term leases for the year is ₹ 91.86 lakhs (Previous year ₹97.69 lakhs).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- 44 a The Group does not have any pending litigations which would impact its financial position as on the reporting date except to the extent disclosed in Note 37
- b The Company does not have any long term contracts for which there were any material foreseeable losses. The provision made for forward foreign exchange contracts is as at the previous year end disclosed in Note No. 21.
- c No amounts required to be transferred to the Investor Education and Protection Fund by the Group as on the reporting date.
- d To the best of its knowledge and belief of the management, 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 or subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- e To the best of our knowledge and belief, no funds have been received by the Company or such subsidiaries, from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or subsidiaries, 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
- f Additional information, as required under Schedule III to the Companies Act 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Amount in ₹ Lakhs

Name of the entities in consolidated financial statement	Net Assets i.e., total assets minus total liabilities		Share in profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (in Lakhs)	As % of Consolidated profit or loss	Amount (in Lakhs)	As % of Consolidated other comprehensive- income	Amount (in Lakhs)	As % of Consolidated total comprehensive income	Amount (in Lakhs)
1	2	3	4	5	6	7	8	9
Parent								
TD Power Systems Limited	99.15%	52,265.72	77.02%	5,441.49	13.44%	(123.87)	86.56%	5,317.62
TD Power Systems Limited - Previous Year	100.80%	47,442.63	38.66%	1,747.75	-29.95%	46.10	41.08%	1,793.85
Subsidiaries								
Indian								
DF Power Systems Private Limited	1.49%	786.56	10.79%	762.26	0.00%	-	12.41%	762.26
DF Power Systems Private Limited- Previous Year	0.05%	24.30	18.15%	820.35	0.00%	-	18.79%	820.35
Foreign								
TD Power Systems USA Inc	-1.67%	(882.84)	2.57%	181.91	5.07%	(46.69)	2.20%	135.22
TD Power Systems USA Inc - Previous Year	-2.16%	(1,018.06)	-1.94%	(87.49)	-30.75%	47.33	-0.92%	(40.16)
TD Power Systems Japan Limited	0.02%	9.44	-0.15%	(10.88)	0.16%	(1.49)	-0.20%	(12.37)
TD Power Systems Japan Limited - Previous Year	0.05%	21.81	0.00%	0.02	1.03%	(1.59)	-0.04%	(1.57)
TD Power Systems Europe GmbH	1.33%	699.40	2.25%	159.11	-0.30%	2.76	2.63%	161.87
TD Power Systems Europe - GmbH - Previous Year	1.14%	537.53	4.82%	217.79	-4.17%	6.42	5.13%	224.21
TD Power Systems Jenerator Sanayi Anonim Sirketi	3.19%	1,682.17	5.59%	395.20	81.63%	(752.30)	-5.81%	(357.10)
TD Power Systems Jenerator Sanayi Anonim Sirketi- Previous Year	4.33%	2,039.27	42.89%	1,938.80	163.84%	(252.17)	38.63%	1,686.63
Consolidation adjustments	-3.50%	(1,844.02)	1.92%	135.82	0.00%	-	2.21%	135.82
Consolidation adjustments- Previous Year	-4.21%	(1,979.84)	-2.58%	(116.78)	0.00%	-	-2.67%	(116.78)
Total	100.00%	52,716.43	100.00%	7,064.91	100.00%	(921.59)	100.00%	6,143.32
Total - Previous Year	100.00%	47,067.64	100.00%	4,520.44	100.00%	(153.91)	100.00%	4,366.53

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amount in ₹ Lakhs

45 During the year, the group has made provisions towards Warranty claims, the details of the same are as under

Warranty claims

	As at 31.03.2022	As at 31.03.2021
Balance outstanding at the beginning	298.06	246.32
Provision for the reporting period	102.36	51.74
Withdrawn and credited to Statement of Profit and Loss	24.11	-
Balance outstanding at the end of the reporting period	376.31	298.06

46 Corporate Social Responsibility

Sl. No.	Particulars	As at 31.03.2022	As at 31.03.2021
i)	Amount required to be spent by the company	28.25	26.03
ii)	Amount of expenditure incurred (set off ₹ 2.06 of excess spent in earlier year)	12.25	12.00
iii)	Shortfall at the end of the year	16.00	14.03
iv)	Total of previous years shortfall	-	-
v)	Reason for shortfall	Ongoing projects	
vi)	Nature of CSR activities	Educational Empowerment & School Infrastructure Development	
vii)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provisions during the year shall be shown separately	Not Applicable	

The shortfall of ₹ 16.00 lakhs (PY ₹ 16.10 lakhs) has been transferred to a separate bank account within 30 days from the end of the year for utilisation in the ongoing projects in the subsequent years.

47 Final Dividend

On 10th May 2022, (2021: 19th May 2021) the Board of Directors of the Company have proposed a dividend of ₹ 3.50 (2021: ₹ 2.50) per share in respect of the year ended 31st March 2022 subject to approval of shareholders at the Annual General Meeting.

48 Creditors Written Back

During the year ended 31st March 2022, the Indian Subsidiary has written back creditors amounting to ₹ 757.72 lakhs (PY: ₹ 717.51 lakhs) due to liquidated damages against project supplies, counter claims in respect of performance guarantees and amount unclaimed.

49 Employee Stock Benefit Plans

During August 2019, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 10,00,000 shares in aggregate, out of which not more than 5,65,000 shares to be acquired by the Trust through Secondary Acquisition and not more than 4,35,000 shares shall be issued by way of Primary / Fresh shares. The maximum number of options that may be granted to any employee in any year and in aggregate shall not exceed 2,00,000 options under the plan.

In accordance with the shareholders' approval in Annual General Meeting held on 12th August 2019, the Board, based on the recommendations of the Nomination and Remuneration Committee, has approved grant of 5,63,884 employee stock options ("ESOPs") and 3,99,216 employee stock appreciation rights ("ESARs") to the eligible employees of the Company and/or its Subsidiary Company(ies) under its TDPSL Equity Based Compensation Plan 2019 ("Plan"). These were outstanding at the year end.

Out of which 97,962 ESOPs and 56,160 ESOPs have been granted to Company Secretary and Chief Financial Officer of the company respectively.

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	ESOP No. of Options	ESAR No. of Options
Market Price (₹)	134.45	134.45
Expected Life (in Years)	3 - 5	3 - 5
Volatility (%)	38.84 - 40	38.84 - 40
Risk free Rate (%)	5.93 - 6.26	5.93 - 6.26
Exercise Price (₹)	67.25	67.25
Dividend Yield (%)	1.49	1.49
Weighted Average Fair Value of the Vest (₹)	78.92	78.92

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

During the year 31st March 2022, 1,70,084 Equity Shares of ₹ 10/- each were issued & allotted to the TDPSL Employee Welfare Trust (Trust) in respect of the exercise of 2,26,760 ESARs by grantees. Consequently, the paid up capital of the Company as at March 31, 2022 stands at ₹ 3,110.35 Lakhs comprising 3,11,03,498 Equity Shares of ₹ 10/-each. As per the TDPSL Equity Based Compensation Plan 2019, the said shares were transferred by the Trust to the ESAR Grantees in settlement of the ESAR'S Exercised.

During the year 31st March 2022, 1,87,961 ESOPs were vested and exercised at an exercise price of ₹ 67.25 against which 1,87,961 Equity shares of the Company were transferred to the ESOP grantees by TDPSL Employee Welfare Trust. ₹ 126.41 lakhs was received from the ESOP grantees upon the Exercise of ESOPs.

The details of ESOP/ESAR as at 31.03.2022 is as under

	31.03.2022		31.03.2021	
	ESOP	ESAR	ESOP	ESAR
Outstanding at the beginning of the period / year	ESOP	ESAR	ESOP	ESAR
Vested & Exercised during the period/year	3,75,923	3,99,216	5,63,884	3,99,216
Balance at the end of the period / year - Not vested	1,87,961	2,26,760	1,87,961	-
Balance at the end of the period / year - Vested & Not Exercised	1,87,962	1,33,072	3,75,923	2,66,144

50 In case of Indian subsidiary, consequent to an ex-parte order dated April 30, 2019 passed by the Asst. Commissioner of Commercial Taxes, Chhattisgarh in respect of the Financial Year 2014-15, a claim has been received for ₹ 110.01 lakhs towards VAT and for ₹ 19.52 lakhs towards entry tax. That Company filed a remand application with the Commissioner of Commercial Taxes, Chhattisgarh against the said ex-parte order.

Based on the remand application by that Company, the matter was referred to the assessing officer (Assistant Commissioner) for reassessment during the year. Based on the documents and data provided by that Company, the demand of ₹ 110.01 lacs in respect of VAT was dropped & the demand relating to entry tax was revised to ₹ 0.12 Lakhs vide order dated 20th October 2021.

51 The Company has borrowings from banks on the basis of security of current assets. The quarterly statement of current assets filed by the Company with banks during the year are in agreement with the books of accounts.

52 The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these Consolidated financial statements has used internal and external sources of information to assess the expected future performance of the Company. The Company has internally assessed sensitivity of the assumptions used and based on the current estimates, the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2022, are fully recoverable. The management has also estimated the future cash flows for the Company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the Covid-19 pandemic may be different from that estimated as at the date of approval of these Consolidated financial statements.

For and on behalf of Board of Directors of
TD Power Systems Limited
CIN No. L31103KA1999PLC025071

Mohib N Khericha
Chairman
DIN: 00010365
Place: Ahmedabad

Nikhil Kumar
Managing Director
DIN:00062243
Place: Frankfurt

M N Varalakshmi
Chief Financial Officer
Place: Frankfurt

N Srivatsa
Company Secretary
Membership No. F4699
Place: Bangalore

Date: 10th May 2022

As per our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

K P Srinivas
Partner
Membership No.208520

Place:Delhi
Date: 10th May 2022



TD Power Systems Limited
REGISTERED OFFICE & FACTORY:

27, 28 and 29, KIADB Industrial Area
Dabaspet, Nelamangala Taluk
Bengaluru Rural District
Bengaluru – 562 111, India