



INDUSTRIES LTD

PARTNERSHIPS IN PRACTICE

May 24, 2022

To,  
**BSE Limited**  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001

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

**BSE Scrip Code: 543413**

**NSE Symbol: TEGA**

Dear Sir/Madam,

**Sub:** Outcome of the Board Meeting held on Tuesday, May 24, 2022.

**Ref:** Regulation 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In continuation to our letter dated May 16, 2022 and pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we hereby enclose the Audited Financial Results (Standalone as well as Consolidated) for the Quarter and Financial Year ended March 31, 2022, duly reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company. Further, we are also enclosing herewith the Audited Report thereon, issued by the Statutory Auditors, M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants.

We would like to state that pursuant to Regulation 33(3)(d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Statutory Auditors of the Company, M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants have in their report issued an unmodified opinion on the Audited Standalone and Consolidated Financial Results of the Company for the Quarter and Financial Year ended March 31, 2022.

We would further like to inform you that pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors of the Company has also inter-alia considered and approved

**Tega Industries Limited**

**Registered Office:** 147, Block G, New Alipore, Kolkata - 700 053 | Tel: +91 33 3001 9000 | Fax: +91 33 2396 3649 | [www.tegaindustries.com](http://www.tegaindustries.com)

**Corporate Office:** Godrej Waterside, Tower-II, Office No 807, 8<sup>th</sup> Floor, Block DP-5, Salt Lake Sector V, Bidhannagar, Kolkata, West Bengal 700 091  
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1



An ISO 9001:2008 Company  
CIN : L25199WB1976PLC030532

Postal ballot notice along with explanatory statement thereto seeking consent of members of the Company in accordance with the provisions of Section 110 of the Companies Act 2013 read with Rule 20 and Rule 22(1) of the Companies (Management and Administration) Rules, 2014, as amended.

The meeting of the Board commenced at 21:20 Hrs and concluded at 22:55 Hrs.

Kindly take the same on record.

Thanking You,

Yours faithfully,

For **Tega Industries Limited**



**Manoj Kumar Agarwal**  
Chief Financial Officer, Company Secretary & Compliance Officer





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**Statement of Audited Standalone Financial Results for the year ended 31 March 2022**

(All amount in ₹ millions, unless otherwise stated)

Particulars	Quarter Ended			Year Ended	
	31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
	Unaudited	Unaudited	Unaudited	Audited	Audited
	Note 2		Note 2		
<b>Income</b>					
1. Revenue from operations	1,545.17	1,711.20	1,446.76	5,919.86	4,968.15
2. Other Income	144.49	66.31	730.80	450.62	2,204.86
<b>3. Total Income [1+2]</b>	<b>1,689.66</b>	<b>1,777.51</b>	<b>2,177.56</b>	<b>6,370.48</b>	<b>7,173.01</b>
<b>4. Expenses</b>					
a) Cost of materials consumed	606.32	797.54	717.01	2,726.54	2,045.81
b) Changes in inventories of finished goods and work-in-progress	55.17	(9.66)	(171.75)	(72.53)	(74.40)
c) Employee benefits expense	140.75	134.26	128.57	539.84	492.43
d) Finance costs	21.61	16.39	34.85	79.68	127.48
e) Depreciation and amortisation expense	45.66	44.68	57.44	207.36	247.63
f) Other expenses	426.78	456.01	404.86	1,651.87	1,288.51
<b>Total expenses [4(a) to 4(f)]</b>	<b>1,296.29</b>	<b>1,439.22</b>	<b>1,170.98</b>	<b>5,132.76</b>	<b>4,127.46</b>
<b>5. Profit before tax [3-4]</b>	<b>393.37</b>	<b>338.29</b>	<b>1,006.58</b>	<b>1,237.72</b>	<b>3,045.55</b>
<b>6. Tax Expense</b>					
a) Current tax	62.90	84.24	85.86	256.03	301.96
b) Deferred tax charge/ (credit)	15.25	(0.21)	(3.19)	22.30	8.01
<b>Total tax expense [6(a)+6(b)]</b>	<b>78.15</b>	<b>84.03</b>	<b>82.67</b>	<b>278.33</b>	<b>309.97</b>
<b>7. Net Profit for the period/ year [5-6]</b>	<b>315.22</b>	<b>254.26</b>	<b>923.91</b>	<b>959.39</b>	<b>2,735.58</b>
<b>8. Other comprehensive income</b>					
Items that will not be reclassified to profit or loss					
a) Remeasurement gains on post employment defined benefit plans	2.32	0.59	0.78	1.10	3.11
b) Income tax charge relate to the above	(0.58)	(0.15)	(0.19)	(0.28)	(0.78)
<b>Total other comprehensive income for the period/ year</b>	<b>1.74</b>	<b>0.44</b>	<b>0.59</b>	<b>0.82</b>	<b>2.33</b>
<b>9. Total Comprehensive Income for the period/ year [7 + 8]</b>	<b>316.96</b>	<b>254.70</b>	<b>924.50</b>	<b>960.21</b>	<b>2,737.91</b>
10. Paid-up equity share capital [Face Value ₹ 10 per share]	662.93	667.93	576.01	662.93	576.01
11. Paid-up preference share capital [Face Value ₹ 10 per share]	-	-	86.92	-	86.92
12. Other Equity				8,510.45	7,550.24
<b>13. Earnings per equity share</b>					
a) Basic (not annualised for quarters) (in ₹)	4.76	4.34	16.32	16.13	48.33
b) Diluted (not annualised for quarters) (in ₹)	4.73	3.82	13.87	14.40	41.08

See accompanying notes to the Audited Standalone Financial Results





**Tega Industries Limited**

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**Statement of Audited Standalone Assets and Liabilities as at 31 March 2022**

(All amount in ₹ millions, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,090.73	1,080.81
Right-of-Use Assets	306.76	337.76
Capital work in progress	51.66	48.91
Intangible assets	3.12	3.43
Financial assets		
(i) Investment in subsidiaries and joint venture	4,670.37	4,519.06
(ii) Investment in others	-	181.85
(iii) Other financial assets	73.02	93.45
Non-Current tax assets (net)	119.77	101.82
Other non-current assets	19.00	5.81
<b>Total non-current assets</b>	<b>6,334.43</b>	<b>6,372.90</b>
<b>Current assets</b>		
Inventories	1,679.51	1,081.04
Financial assets		
(i) Investments	1,744.06	1,561.92
(ii) Trade receivables and contract assets	2,084.80	1,800.75
(iii) Cash and cash equivalents	29.39	6.38
(iv) Other bank balances	7.06	5.40
(v) Loans	0.32	0.96
(vi) Other financial assets	138.19	42.27
Other current assets	267.05	280.23
<b>Total current assets</b>	<b>5,950.38</b>	<b>4,778.95</b>
<b>Total assets</b>	<b>12,284.81</b>	<b>11,151.85</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	662.93	576.01
Preference share capital	-	86.92
Other equity	8,510.45	7,550.24
<b>Total equity</b>	<b>9,173.38</b>	<b>8,213.17</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	557.07	751.83
(ii) Lease Liabilities	5.26	8.85
(iii) Other financial liabilities	43.86	89.23
Deferred tax liabilities (net)	23.89	1.31
<b>Total non-current liabilities</b>	<b>630.08</b>	<b>851.22</b>
<b>Current liabilities</b>		
Financial liabilities		
(i) Borrowings	1,132.83	789.47
(ii) Lease Liabilities	4.79	33.05
(iii) Trade payables		
(a) Total outstanding dues of micro and small enterprises	79.67	42.20
(b) Total outstanding dues of creditors other than micro and small enterprises	602.46	712.90
(iv) Other financial liabilities	177.31	99.07
Provisions	86.66	97.83
Current tax liabilities (net)	20.23	50.28
Other current liabilities	377.40	262.66
<b>Total current liabilities</b>	<b>2,481.35</b>	<b>2,087.46</b>
<b>Total liabilities</b>	<b>3,111.43</b>	<b>2,938.68</b>
<b>Total equity and liabilities</b>	<b>12,284.81</b>	<b>11,151.85</b>





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**Statement of Audited Standalone Cash Flows for the year ended 31 March 2022**

(All amount in ₹ millions, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax	1,237.72	3,045.55
Adjustments for:		
Depreciation and amortisation expenses	207.36	247.63
Finance costs	61.37	93.49
Interest income	(0.72)	(2.12)
Allowance for expected credit loss (including bad debt and advances written off)	17.04	6.39
Claims/ liquidating damages	3.14	14.47
Net fair value (gain) on investments classified at FVTPL	(226.38)	(1,966.53)
Net (gain) on sale of investments classified at FVTPL	(5.31)	(2.50)
Mark to Market (gain) on derivative instrument (net)	(32.34)	(64.87)
Payment on derivative settlement (net)	36.32	44.56
Liabilities/ provisions no longer required written back	-	(9.60)
Net loss on sale of property, plant and equipment including intangible assets (including loss on assets scrapped/ written off)	2.07	37.64
Provision for diminution in the value of investments	0.57	9.60
Dividend income	(56.25)	(14.06)
Provision for warranty expenses	11.34	23.29
Provision for slow moving/ non- moving and obsolete inventory	18.46	37.76
Other non cash items	(2.66)	(1.39)
Effect of unrealised exchange differences (net)	4.52	4.43
<b>Operating profit before working capital changes</b>	<b>1,276.25</b>	<b>1,503.74</b>
Changes in Working Capital:		
(Increase)/ decrease in Non Current/ Current financial and other assets	(369.59)	20.46
(Increase) in Inventories	(616.92)	(237.23)
Increase in Non Current/ Current financial and other liabilities/ provisions	93.58	306.82
<b>Cash Generated from Operations</b>	<b>383.32</b>	<b>1,593.79</b>
Direct taxes paid (net of refunds)	(304.02)	(278.22)
<b>Net cash generated from operating activities</b>	<b>79.30</b>	<b>1,315.57</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of capital assets	(211.54)	(354.68)
Sale of capital assets	4.11	2.36
Payment for purchase of investments	(392.48)	(1,659.56)
Proceeds from sale of investments	472.00	1,341.46
Deposits with bank placed	(2.00)	(111.02)
Deposits with bank matured	8.14	110.06
Interest received	1.77	3.00
Dividend received	56.25	2.25
<b>Net cash (used in) investing activities</b>	<b>(63.75)</b>	<b>(666.13)</b>
<b>C. Cash flow from Financing Activities</b>		
Repayment of long term borrowings	(155.78)	(106.68)
Proceeds from/ (repayment of) short term borrowings (net)	291.12	(422.39)
Payment on derivative settlement (net)	(36.32)	(44.56)
Finance cost paid	(65.70)	(87.93)
Finance cost paid on account of lease liabilities	(2.39)	(6.08)
Repayment of lease liabilities	(23.53)	(33.90)
Dividends paid	(0.00)^	(0.00)^
<b>Net cash (used in)/ generated from financing activities</b>	<b>7.40</b>	<b>(701.54)</b>
<b>Net increase in cash and cash equivalents</b>	<b>22.95</b>	<b>(52.10)</b>
Cash and cash equivalents at the beginning of the year	6.38	58.51
Exchange differences on translation of foreign currency cash & cash equivalents	0.06	(0.03)
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>29.39</b>	<b>6.38</b>





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**Notes to Audited Standalone Financial Results**

1. The Audited Standalone Financial Results has been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules thereunder and in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This Statement of Audited Standalone Financial Results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meeting held on 24 May 2022. The Audited Standalone Financial Results for the year ended 31 March 2022 have been duly audited by our Statutory Auditors.

2. The Statement includes the results for the quarter ended 31 March 2022, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures for the nine months period ended 31 December 2021 which were subject to limited review. The results for the quarter ended 31 March 2021 are the balancing figure between audited figures in respect of full financial year and year to date figures for the nine months period ended 31 December 2020 which have not been audited or reviewed by our Statutory Auditors.

3. The Company is engaged in the business of designing, manufacturing and installation of process equipments and accessories. The Chief Operating Decision Maker ('CODM') reviews the business as a single segment. Hence no segment disclosure is required.

4. The Company has assessed the possible impact of COVID-19 on its Audited Standalone Financial Results based on the internal and external information available upto the date of approval of the Audited Standalone Financial Results and conclude no adjustments is required in these Audited Standalone Financial Results. The Company continues to monitor the impact of COVID-19 and the future economic conditions.

5. The Company had received foreign direct investment for issue of 668,637 compulsorily convertible participatory preference shares ("CCPP") on 11 May 2011 to Wagner Limited and thereafter issued bonus shares comprising 922,716 equity shares and 8,023,644 CCPP to Wagner Limited on 5 October 2013. As per Para 9(1)(B) of Schedule I to the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 vide Notification no. FEMA 20/2000-RB dated 3 May 2000, amended from time to time, an Indian company is required to file Form FC-GPR to the Regional Office concerned of Reserve Bank of India ("RBI") with respect to issuance of shares to foreign investor within 30 days from the date of issue. It was observed that there has been an inadvertent delay in filing of Form FC-GPR, which is in contravention of the aforesaid regulation. On 6 August 2021, the management has made an application to RBI in accordance with Foreign Exchange Management Act, 1999 for compounding of contravention. Subsequent query raised by RBI was duly replied by the Company. Further queries on compounding application from RBI was received and the management of the Company is yet to reply on the same. Based on the assessment by the management, the impact of the said contravention is not expected to be material on the Financial Statements.

During the year ended 31 March 2022 aforesaid 8,692,281 CCPP of ₹ 86.92 millions have been converted to 8,692,281 equity shares of ₹ 86.92 million.

6. As at March 31, 2022, foreign currency payables with respect to Merchanting Trade Transaction amounting to ₹ 5.35 Mn, outstanding beyond the time period permitted under the RBI Master Direction on Import of Goods and Services vide FED Master Direction No. 17/2016-17 dated 1 January 2016 (as amended), issued by the RBI. The Company has submitted application to RBI seeking approval for making payment, since all the related exports proceeds have been realised. Based on the assessment by the management, the impact of the said contravention is not expected to be material on account of delay under existing regulations.

7. During the quarter ended 31 March 2022, 595,250 numbers of 3% Optionally Convertible Redeemable Preference Shares of USD 100 each invested in one of the wholly owned subsidiary of the company was converted into 87,930 number of ordinary shares.

8. During the year ended 31 March 2022, the Company has completed its initial public offer (IPO) of 13,669,478 equity shares of face value of ₹ 10 each at an issue price of ₹ 453 per share, comprising of offer for sale of 13,669,478 shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 13 December 2021.

The Company has incurred ₹ 324.59 million (plus applicable taxes) as IPO related expenses upto 31 March 2022 and the entire expenses are allocated to the selling share holders in the proportion of their respective share holding considered in the IPO as per the offer agreement between the Company and the selling share holders.

9. Pursuant to the amendment in Schedule III to the Companies Act, 2013 by Ministry of Corporate Affairs vide its Notification dated 24 March 2021, the comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary, to make them comparable to current year figures.

Mehul Mohanka  
Managing Director and Group CEO



Place : Kolkata

Date : 24 May 2022

# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### Independent Auditor's Report

To the Members of Tega Industries Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying Standalone Financial Statements of Tega Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### Emphasis of Matter

4. We draw your attention to Note 49 to the Standalone Financial Statements regarding non-settlement of foreign currency payables as at March 31, 2022 aggregating to ₹ 5.35 million outstanding beyond the stipulated time period permitted under the Master Direction on Import of Goods and Services vide FED Master Direction No. 17/ 2016-17 dated January 1, 2016 (as amended), issued by the Reserve Bank of India (RBI), with respect to Merchanting Trade Transaction (MTT). The Company has submitted application to RBI, seeking approval for making payment. Our opinion is not modified in respect of this matter.

### Key Audit Matters

5. 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.

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Registered office and Head office: 5th Floor, Tower D, The Millenia, 1 & 2 Murphy Road, Ulsoor, Bangalore - 560 008

Price Waterhouse & Co Bangalore LLP (LLP IN: AAC-6284) is registered as a Limited Liability Partnership (LLP). Price Waterhouse & Co Bangalore has converted from partnership firm to an LLP effective August 25, 2014. Its registration number with ICAI after said conversion as LLP is 007567S/S200012 (registration number before conversion was 007567S)



# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on Audit of the Standalone Financial Statements

Page 2 of 7

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of carrying value of equity investments in Tega Holdings Pte. Limited, a wholly owned subsidiary.</b></p> <p>(Refer to Note 2.6 "Investments in Subsidiaries and Joint Venture", Note 2A (ii) "Critical estimates and judgements - Impairment of Investments in Subsidiaries and Joint Venture" and Note 4 (a) "Investments in subsidiaries and joint venture", to the standalone financial statements)</p> <p>The Company carries equity investments in subsidiaries at cost less impairment losses, if any. For these investments carried at cost, where there is an indication of impairment to the carrying value, the Company performs impairment assessment in accordance with Ind AS 36 'Impairment of Assets' and recognises impairment provision, if required, to bring the carrying value to its recoverable amount.</p> <p>The Company's equity investments in subsidiaries as at March 31, 2022 includes investments in the above mentioned wholly-owned subsidiary aggregating to ₹ 4,504.18 million. The management has carried out impairment assessment in view of the subsidiary's net-worth being less than the carrying amount of the investment. For assessing the recoverable amount using the discounted cashflow model, the Company's management has engaged independent valuation experts and based on their assessment, no provision for impairment to the carrying value of this investment was considered necessary.</p> <p>We considered this as a key audit matter because of the significant carrying value of the above-mentioned investment and estimation uncertainty in assumptions used in assessing future cashflows, such as discount rate, rate of growth over the estimation period and terminal growth rate which are affected by future market and economic conditions and, hence, are inherently uncertain.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>Understanding and evaluating the design and testing the operating effectiveness of internal controls over the impairment assessment;</li> <li>Evaluating the Company's accounting policy in respect of impairment assessment of investments in subsidiaries;</li> <li>Perusing the report issued by the external valuation experts engaged by the management and conducting enquiries with them to understand the assumptions considered by them;</li> <li>Evaluating the independence, competence and capability of the valuation experts engaged by the management;</li> <li>Assessing the assumptions underlying the cash flow projections and assumptions used in the discounted cash flow model and evaluating the mathematical accuracy;</li> <li>Together with auditor's valuation experts, testing the appropriateness of the discounted cash flow model and key assumptions therein and performing sensitivity analysis over key assumptions to corroborate the recoverable amount of the investments;</li> <li>Assessing adequacy and appropriateness of the presentation and disclosures in the standalone financial statements.</li> </ol> <p>Based on the above procedures performed, the management's impairment assessment of the investments in the subsidiary was considered to be reasonable.</p>





# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on Audit of the Standalone Financial Statements

Page 3 of 7

### Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on Audit of the Standalone Financial Statements

Page 4 of 7

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.



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## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on Audit of the Standalone Financial Statements

Page 5 of 7

12. 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.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on Audit of the Standalone Financial Statements

Page 6 of 7

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 43A to the Standalone Financial Statements.
  - ii. The Company has long-term contracts including derivative contracts as at March 31, 2022 for which there were no material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 51(k) to the Standalone Financial Statements);
  - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 51(k) to the Standalone Financial Statements); and
  - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The dividend paid during the year by the Company is in compliance with Section 123 of the Act.



# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on Audit of the Standalone Financial Statements

Page 7 of 7

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/S-200012  
Chartered Accountants



Avijit Mukerji  
Partner  
Membership Number: 056155  
UDIN: 22056155AJMZNG1264

Kolkata  
May 24, 2022



**Tega Industries Limited**

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**Statement of Audited Consolidated Financial Results for the year ended 31 March 2022**

(All amount in ₹ millions, unless otherwise stated)

Particulars	Quarter Ended			Year Ended	
	31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
	Unaudited	Unaudited	Unaudited	Audited	Audited
	Note 2		Note 2		
<b>Income</b>					
1. Revenue from operations	2,900.53	2,577.85	2,488.30	9,517.56	8,055.22
2. Other income	124.16	36.17	85.74	241.98	511.62
<b>3. Total income [1+2]</b>	<b>3,024.69</b>	<b>2,614.02</b>	<b>2,574.04</b>	<b>9,759.54</b>	<b>8,566.84</b>
<b>4. Expenses</b>					
a) Cost of materials consumed	1,109.91	1,144.92	1,063.84	4,036.27	3,282.36
b) Changes in inventories of finished goods and work-in-progress	149.48	(38.99)	8.41	(10.06)	(44.46)
c) Employee benefits expense	363.86	350.28	316.32	1,434.21	1,226.70
d) Finance costs	75.89	24.31	45.71	162.04	172.78
e) Depreciation and amortisation expense	91.12	88.82	99.62	386.96	401.80
f) Other expenses	587.77	611.63	549.07	2,228.56	1,715.82
<b>Total expenses [4(a) to 4(f)]</b>	<b>2,378.03</b>	<b>2,180.97</b>	<b>2,082.97</b>	<b>8,237.98</b>	<b>6,755.00</b>
5. Profit before share of profit of joint venture and tax [3-4]	646.66	433.05	491.07	1,521.56	1,811.84
6. Share of profit of joint venture	7.56	7.95	6.61	28.15	26.78
<b>7. Profit before tax [5+6]</b>	<b>654.22</b>	<b>441.00</b>	<b>497.68</b>	<b>1,549.71</b>	<b>1,838.62</b>
8. Tax Expense					
a) Current tax	82.59	92.52	102.80	362.30	372.81
b) Deferred tax charge/(credit)	82.82	12.63	(16.88)	18.42	101.76
<b>Total tax expense [8(a)+8(b)]</b>	<b>165.41</b>	<b>105.15</b>	<b>85.92</b>	<b>380.72</b>	<b>474.57</b>
<b>9. Net Profit for the period/ year [7-8]</b>	<b>488.81</b>	<b>335.85</b>	<b>411.76</b>	<b>1,168.99</b>	<b>1,364.05</b>
<b>10. Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
a) Remeasurement gains on post employment defined benefit plans	2.32	0.59	0.78	1.10	3.11
b) Income tax charge related to above	(0.58)	(0.15)	(0.19)	(0.28)	(0.78)
c) Share of other comprehensive income of joint venture accounted using the equity method	0.11	0.04	(0.01)	0.14	0.03
<b>Items that will be reclassified to profit or loss</b>					
a) Exchange differences on translation of foreign operations	152.74	(43.88)	231.54	53.18	138.27
<b>Total other comprehensive income/(loss) for the period/ year</b>	<b>154.59</b>	<b>(43.40)</b>	<b>232.12</b>	<b>54.14</b>	<b>140.63</b>
<b>11. Total Comprehensive Income for the period/ year [9 + 10]</b>	<b>643.40</b>	<b>292.45</b>	<b>643.88</b>	<b>1,223.13</b>	<b>1,504.68</b>
<b>12. Profit for the period/ year attributable to:</b>					
a) Owners of Tega Industries Limited	488.81	335.85	411.76	1,168.99	1,364.05
b) Non controlling interest	0.00^	0.00^	0.00^	0.00^	0.00^
<b>13. Other comprehensive income/ (loss) for the period/ year attributable to:</b>					
a) Owners of Tega Industries Limited	154.59	(43.40)	232.12	54.14	140.63
b) Non controlling interest	0.00^	0.00^	0.00^	0.00^	0.00^
<b>14. Total Comprehensive Income for the period/ year attributable to:</b>					
a) Owners of Tega Industries Limited	643.40	292.45	643.88	1,223.13	1,504.68
b) Non controlling interest	0.00^	0.00^	0.00^	0.00^	0.00^
15. Paid-up equity share capital [Face Value ₹ 10 per share]	662.93	662.93	576.01	662.93	576.01
16. Paid-up preference share capital [Face Value ₹ 10 per share]	-	-	86.92	-	86.92
17. Other Equity				6,697.42	5,474.29
18. Earnings per equity share					
a) Basic (not annualised for quarters) (in ₹)	7.37	5.73	7.27	19.65	24.10
b) Diluted (not annualised for quarters) (in ₹)	7.34	5.04	6.18	17.55	20.48

See accompanying notes to the Audited Consolidated Financial Results

^ Amount below rounding off norms adopted by the Group





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**Statement of Audited Consolidated Assets and Liabilities as at 31 March 2022**

(All amount in ₹ millions, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,711.30	1,691.96
Right-of-Use Assets	571.91	591.01
Capital work in progress	101.71	68.59
Investment property	40.76	38.49
Goodwill	644.89	632.82
Intangible assets	14.14	7.13
Investments accounted for using the equity method	241.25	269.22
Financial assets		
(i) Investments	-	181.85
(ii) Other financial assets	83.45	103.01
Non-current tax assets (net)	119.77	101.82
Deferred tax assets (net)	232.61	256.28
Other non-current assets	56.39	14.06
<b>Total non-current assets</b>	<b>3,818.18</b>	<b>3,956.24</b>
<b>Current assets</b>		
Inventories	2,521.36	1,586.31
Financial assets		
(i) Investments	1,744.06	1,561.92
(ii) Trade receivables and contract assets	2,765.23	2,208.64
(iii) Cash and cash equivalents	394.97	478.70
(iv) Other bank balances	7.06	5.40
(v) Loans	0.32	0.97
(vi) Other financial assets	139.69	42.87
Current tax assets (net)	12.00	15.49
Other current assets	389.26	326.85
<b>Total current assets</b>	<b>7,973.95</b>	<b>6,227.15</b>
<b>Total assets</b>	<b>11,792.13</b>	<b>10,183.39</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	662.93	576.01
Preference share capital	-	86.92
Other equity	6,697.42	5,474.29
<b>Equity attributable to the owners of the company</b>	<b>7,360.35</b>	<b>6,137.22</b>
<b>Equity attributable to the owners of the non controlling interest</b>	<b>0.00<sup>^</sup></b>	<b>0.00<sup>^</sup></b>
<b>Total equity</b>	<b>7,360.35</b>	<b>6,137.22</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	613.65	862.10
(ii) Lease liabilities	250.97	237.81
(iii) Other financial liabilities	43.86	89.23
Deferred tax liabilities (net)	90.43	87.61
<b>Total non-current liabilities</b>	<b>998.91</b>	<b>1,276.75</b>
<b>Current liabilities</b>		
Financial liabilities		
(i) Borrowings	1,535.78	1,015.92
(ii) Lease liabilities	51.25	80.89
(iii) Trade payables		
(a) Total outstanding dues of micro and small enterprises	53.14	42.20
(b) Total outstanding dues of creditors other than micro and small enterprises	914.21	944.90
(iv) Other financial liabilities	233.71	126.37
Provisions	141.82	146.37
Current tax liabilities (net)	43.26	96.53
Other current liabilities	459.70	316.24
<b>Total current liabilities</b>	<b>3,432.87</b>	<b>2,769.42</b>
<b>Total liabilities</b>	<b>4,431.78</b>	<b>4,046.17</b>
<b>Total equity and liabilities</b>	<b>11,792.13</b>	<b>10,183.39</b>

<sup>^</sup>Amount is below the rounding off norm adopted by the Group





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**Statement of Audited Consolidated Cash Flows for the year ended 31 March 2022**

(All amount in ₹ millions, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flow from Operating Activities</b>		
Net Profit before tax	1,549.71	1,838.62
Adjustments for:		
Depreciation and amortisation expenses	386.96	401.80
Finance costs	100.86	138.79
Interest income	(3.12)	(4.56)
Allowance for expected credit loss (including bad debts and advances written off)	47.06	57.39
Claims/ liquidating damages	3.14	14.47
Net fair value (gain) on investments classified at FVTPL	(74.51)	(78.13)
Net (gain) on sale of investments classified at FVTPL	(5.31)	(2.50)
Mark to market (gain) on derivative instrument (net)	(27.04)	(61.59)
Payment on derivative settlement (net)	36.32	44.56
Liabilities/ provisions no longer required written back	-	(12.80)
Net loss/(gain) on sale of property, plant and equipment including intangible assets (including loss on assets scrapped/ written off)	(0.71)	37.28
Dividend Income from investments measured at FVTPL	-	(11.81)
Share of profit of joint venture accounted for using the equity method	(28.15)	(26.78)
Provision for warranty expenses	11.34	23.29
Provision for slow moving/ non- moving and obsolete inventory	27.38	52.91
Other non cash items	(2.54)	(1.39)
Effect of unrealised exchange differences (net)	9.80	(18.85)
<b>Operating profit before working capital changes</b>	<b>2,031.19</b>	<b>2,390.70</b>
<b>Changes in Working Capital:</b>		
(Increase) in Non Current/ Current financial and other assets	(721.99)	(396.65)
(Increase) in inventories	(943.66)	(312.92)
Increase in Non Current/ Current financial and other liabilities/ provisions	202.15	324.69
<b>Cash Generated from Operations</b>	<b>567.69</b>	<b>2,005.82</b>
Direct Taxes paid (net of refunds)	(430.56)	(303.36)
<b>Net cash generated from operating activities</b>	<b>137.13</b>	<b>1,702.46</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of capital assets	(409.99)	(486.12)
Sale of capital assets	7.24	2.27
Payment for purchase of investments	(392.48)	(1,659.56)
Proceeds from sale of investments	472.00	1,341.46
Deposits with bank placed	(2.00)	(111.02)
Deposits with bank matured	8.52	110.06
Interest received	4.06	3.37
Dividend received	56.25	2.25
<b>Net cash (used in) investing activities</b>	<b>(256.40)</b>	<b>(797.29)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from long term borrowings	-	171.46
Repayment of long term borrowings	(204.92)	(128.36)
Proceeds from/ (repayment of) short term borrowings (net)	453.52	(574.03)
Payment on derivative settlement (net)	(36.32)	(44.56)
Finance cost paid	(84.45)	(110.71)
Finance cost paid on account of lease liabilities	(23.16)	(26.52)
Repayment of lease liabilities	(73.82)	(77.32)
Dividends paid	(0.00 <sup>^</sup> )	(0.00 <sup>^</sup> )
<b>Net cash (used in)/ generated from financing activities</b>	<b>30.85</b>	<b>(790.04)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(88.42)</b>	<b>115.13</b>
Cash and cash equivalents at the beginning of the year	478.70	368.63
Exchange differences on translation of foreign currency cash & cash equivalents	4.69	(5.06)
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>394.97</b>	<b>478.70</b>

<sup>^</sup>Amount is below the rounding off norm adopted by the Group







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Notes to the Audited Consolidated Financial Results

1. The Audited Consolidated Financial Results of the Group have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules thereunder and in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This statement of Audited Consolidated Financial Results of the Company and its subsidiaries (collectively "the Group") and its interest in joint venture have been reviewed by the Audit Committee and approved by the Board of Directors of the Parent Company in their respective meeting held on 24 May 2022. The Audited Consolidated Financial Results for the year ended 31 March 2022 have been duly audited by our Statutory Auditors.

2. The Statement includes the results for the quarter ended 31 March 2022, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures for the nine months period ended 31 December 2021 which were subject to limited review. The results for the quarter ended 31 March 2021 are the balancing figure between audited figures in respect of full financial year and year to date figures for the nine months period ended 31 December 2020 which have not been audited or reviewed by our Statutory Auditors.

3. The Group is engaged in the business of designing, manufacturing and installation of process equipments and accessories. The Chief Operating Decision Maker ('CODM') reviews the business as a single segment. Hence no segment disclosure is required.

4. The Group and its Joint Venture has assessed the possible impact of COVID-19 on its Audited Consolidated Financial Results based on the internal and external information available up to the date of approval of the Audited Consolidated Financial Results and concluded no adjustment is required in these Audited Consolidated Financial Results. The Group continues to monitor the impact of COVID-19 and the future economic conditions.

5. The Parent Company had received foreign direct investment for issue of 668,637 compulsorily convertible participatory preference shares ("CCPP") on 11 May 2011 to Wagner Limited and thereafter issued bonus shares comprising 922,716 equity shares and 8,023,644 CCPP to Wagner Limited on 5 October 2013. As per Para 9(1)(B) of Schedule I to the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 vide Notification no. FEMA 20/2000-RB dated 3 May 2000, amended from time to time, an Indian company is required to file Form FC-GPR to the Regional Office concerned of Reserve Bank of India ("RBI") with respect to issuance of shares to foreign investor within 30 days from the date of issue. It was observed that there has been an inadvertent delay in filing of Form FC-GPR, which is in contravention of the aforesaid regulation. On 6 August, 2021, the management has made an application to RBI in accordance with Foreign Exchange Management Act, 1999 for compounding of contravention. Subsequent query raised by RBI was duly replied by the Parent Company. Further queries on compounding application from RBI was received and the management of the Holding company is yet to reply on the same. Based on the assessment by the management the impact of the said contravention is not expected to be material on the Financial Statements.

During the year ended 31 March 2022 aforesaid 8,692,281 CCPP of ₹ 86.92 millions have been converted to 8,692,281 equity shares of ₹ 86.92 million.

6. As at 31 March 2022, foreign currency payables with respect to Merchanting Trade Transaction amounting to ₹ 5.35 Mn, outstanding beyond the time period permitted under the RBI Master Direction on Import of Goods and Services vide FED Master Direction No. 17/2016-17 dated 1 January 2016 (as amended), issued by the RBI. The Parent Company has submitted application to RBI seeking approval for making payment, since all the related exports proceeds have been realised. Based on the assessment by the management, the impact of the said contravention is not expected to be material on account of delay under existing regulations.

7. During the quarter ended 31 March 2022, 595,250 numbers of 3% Optionally Convertible Redeemable Preference Shares of USD 100 each invested in one of the wholly owned subsidiary of the company was converted into 87,930 number of Ordinary shares.

8. During the year ended 31 March 2022, the Parent Company has completed its initial public offer (IPO) of 13,669,478 equity shares of face value of ₹ 10 each at an issue price of ₹ 453 per share, comprising of offer for sale of 13,669,478 shares by selling shareholders. The equity shares of the Parent Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 13 December 2021.

The Parent Company has incurred ₹ 324.59 million (plus applicable taxes) as IPO related expenses upto year ended 31 March 2022 and the entire expenses are allocated to the selling share holders in the proportion of their respective share holding considered in the IPO as per the offer agreement between the Parent Company and the selling share holders.

9. Pursuant to amendment in Schedule III to the Companies Act, 2013 by Ministry of Corporate Affairs vide its notification dated 24 March 2021, the comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary, to make them comparable to current year figures.

Mehul Mohanka  
Managing Director and Group CEO

Place : Kolkata  
Date : 24 May 2022



# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### Independent Auditor's Report

### To the Members of Tega Industries Limited

### Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of Tega Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture (refer Note 44 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

4. We draw your attention to Note 52 to the Consolidated Financial Statements regarding non-settlement of foreign currency payables as at March 31, 2022 aggregating to ₹ 5.35 million outstanding beyond the stipulated time period permitted under the Master Direction on Import of Goods and Services vide FED Master Direction No. 17/ 2016-17 dated January 1, 2016 (as amended), issued by the Reserve Bank of India (RBI), with respect to Merchanting Trade Transaction (MTT). The Holding Company has submitted application to RBI, seeking approval for making payment. Our opinion is not modified in respect of this matter.



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# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on the Consolidated Financial Statements

Page 2 of 8

### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of carrying value of goodwill relating to acquisitions</b></p> <p>Refer Note 5 to the Consolidated Financial Statements.</p> <p>As at March 31, 2022, the consolidated financial statements includes goodwill of ₹ 644.89 million pertaining to acquisition of two subsidiaries in Australia and South Africa in earlier years.</p> <p>The Group carries the Goodwill at cost less accumulated impairment loss, if any. In accordance with the requirements of Indian Accounting Standard 36 'Impairment of Assets', Goodwill is tested annually for impairment. The management has allocated the said goodwill to a Cash Generating Unit (CGU), and tested the same for impairment by estimating the recoverable value of the CGU using Discounted Cash Flow (DCF) model with the involvement of an independent valuation expert. Based on such testing, the recoverable amount of the CGU is higher than its carrying amount and accordingly no provision for impairment is considered necessary by the management.</p> <p>We considered this as a key audit matter because of the significant carrying value of the goodwill and estimation uncertainty in assumptions used in assessing future cashflows, such as discount rate, rate of growth over the estimation period and terminal growth rate which are affected by future market and economic conditions and, hence, are inherently uncertain.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>Understanding and evaluating the design and testing the operating effectiveness of internal controls over the impairment assessment;</li> <li>Evaluating the Company's accounting policy in respect of impairment assessment of goodwill;</li> <li>Perusing the report issued by the external valuation experts engaged by the management and conducting enquiries with them to understand the assumptions considered by them;</li> <li>Evaluating the independence, competence and capability of the valuation experts engaged by the management;</li> <li>Assessing the cash flow projections and assumptions used in the DCF model and evaluating the mathematical accuracy;</li> <li>Together with auditor's valuation experts, testing the appropriateness of the DCF model and key assumptions therein and performing sensitivity analysis over key assumptions to corroborate the recoverable amount of the CGU;</li> <li>Assessing adequacy and appropriateness of the presentation and disclosures in the consolidated financial statements.</li> </ol> <p>Based on the above procedures performed, the management's impairment assessment of the goodwill was considered to be reasonable.</p>



# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on the Consolidated Financial Statements

Page 3 of 8

### Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and of its joint venture or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.



# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on the Consolidated Financial Statements

Page 4 of 8

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on the Consolidated Financial Statements

Page 5 of 8

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

15. We did not audit the financial information of eleven subsidiaries included in the Consolidated Financial Statements whose financial information reflect total assets of ₹ 8,963.66 million and net assets of ₹ 5,785.59 million as at March 31, 2022, total revenue of ₹ 6,210.07 million, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 479.32 millions and net cash flows amounting to ₹ (106.74) million for the year ended on that date, as considered in the Consolidated Financial Statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on the Consolidated Financial Statements

Page 6 of 8

### Report on Other Legal and Regulatory Requirements

16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that we have given the following comments in respective CARO 2020 report of Standalone Financial Statement of the Holding Company and its joint venture included in these Consolidated Financial Statements, as reproduced below:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditor's report	Paragraph number in the respective CARO reports
1	Tega Industries Limited	L25199WB1976PLC030532	Holding Company	May 24, 2022	(i)(c) & (ii)(b)
2	Hosch Equipment (India) Limited	U25192WB1991PLC052259	Joint Venture	May 19, 2022	(i)(c)

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- 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.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.
- In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.



# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on the Consolidated Financial Statements

Page 7 of 8

- e) On the basis of the written representations received from the directors of the Holding Company and its joint venture taken on record by the Board of Directors of the Holding Company and its joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint venture – Refer Note 45A and 44(c) to the Consolidated Financial Statements.
  - ii. The Group has long-term contracts including derivative contracts as at March 31, 2022 for which there were no material foreseeable losses. The joint venture did not have any long-term contracts including derivative contracts as at March 31, 2022.
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year.  
There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the joint venture incorporated in India.
  - iv. (a) The respective Managements of the Holding Company and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such joint venture to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or such joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 53(k) to the Consolidated Financial Statements);  
(b) The respective Managements of the Holding Company and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or such joint venture from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 53(k) to the Consolidated Financial Statements); and





# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Tega Industries Limited  
Report on the Consolidated Financial Statements

Page 8 of 8

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us for Holding Company and its joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, 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) contain any material misstatement.

- v. The dividend paid during the year by the Holding Company and declared and paid during the year by its joint venture incorporated in India, is in compliance with Section 123 of the Act.
18. The Holding Company and its joint ventures incorporated in India have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/S-200012  
Chartered Accountants



Avijit Mukerji  
Partner  
Membership Number: 056155  
UDIN: 22056155AJMZVS3576

Kolkata  
May 24, 2022